



WISCONSIN SCHOOL NUTRITION **IN A NUTSHELL**

Supply Chain Assistance (SCA) Funds: Questions and Answers for School Food Authorities (SFAs)

What can the SCA funds be used to purchase?

SCA funds are to be exclusively used to purchase unprocessed or minimally processed domestic food products served in the National School Lunch (NSLP), School Breakfast (SBP), and Afterschool Snack (ASP) Programs. The USDA [Allocation of Supply Chain Assistance Funds to Alleviate Supply Chain Disruptions in the School Meal Programs: Questions and Answers](#) includes detailed information on allowable ways to utilize these funds.

Should my SFA accept the SCA funds if we are experiencing only minimal increases in food prices or have a healthy nonprofit school food service account?

If your SFA is only experiencing minimal supply chain disruptions and price increases or are concerned about an excess cash balance, we still encourage your SFA to accept these funds to help maintain a financially viable program due to the likelihood of continued price increases.

Do SFAs need to spend the SCA funds by a certain date?

No. USDA's intent is that these funds will be used as quickly as practicable to alleviate supply chain challenges and price increases. Once the funds are deposited into the nonprofit school food service account (Fund 50), the SFA should implement a plan and timeline for spending the funds.

Are SFAs with a Food Service Management Company (FSMC) contract, Vended Meals, or Joint Agreements eligible for SCA funds?

Yes. SFAs may use SCA funds toward the payment of invoices associated with these agreements. However, it is incumbent on the SFA to ensure that such invoices, over the period in which the award is used, include charges for minimally processed domestic foods at least equal to the amount of SCA funds used to pay the invoices. SFAs will need to work with their FSMC/vendor/supplying SFA to ensure that appropriate expenditures are being made and documented for foods meeting the requirements as specified in the terms and conditions of the award.

In practice, SFAs are not required to collect documentation from their FSMC/vendor/supplying SFA in advance of payment; however, there is an expectation that documentation will be available upon demand. Documentation should include invoices for minimally processed domestic foods purchased in support of the contract that are at least equal to SCA funds paid to the

FSMC/vendor. In addition, SFAs retain the ability to purchase allowable food items outside of their food service management contract, as long as the contract permits such.

What is the simplest way to spend these funds?

DPI School Nutrition Team recommends SFAs start by looking at the cost of milk. Please consider the following:

- If you contract with a milk vendor/distributor, use the monthly milk invoice.
- If you contract with a vendor/commercial distributor for milk, determine the invoice cost of milk by highlighting that item on invoices.
- If you contract with a FSMC/Vendor/another SFA and are charged a fixed per-meal price that includes milk, request the price per carton of milk. Apply this to the number of meals invoiced each month. This information may be provided through a communication such as a letter or email from your contractor.
- Only milk served as part of a reimbursable meal under the NSLP, SBP, and ASP can be paid for using SCA funds.
 - Milk purchased for the Special Milk Program, Wisconsin School Day Milk Program, or any other program, may not be purchased using SCA funds.
- Track monthly milk charges. The DPI SNT offers a [Spreadsheet](#) template.
 - Continue to add milk costs to the spreadsheet until your SFA has spent the full amount of SCA funds received.
- Maintain this documentation for three years plus the current school year, as it may be reviewed as part of a future Administrative Review.
- If milk alone is insufficient or you would like to include more items, we suggest looking at the cost of fruits and vegetables.
- Documentation must be for invoices paid after the SCA funds are received. SCA funds cannot be spent before they are received.

Can an SFA use the SCA funds for fruits and vegetables purchased through the Department of Defense (DOD) Fresh Produce Program?

No.

Are SCA funds required to be tracked separately from other program expenditures in the nonprofit school food service account?

No. SCA funds are deposited into the nonprofit school food service account but are not required to be tracked separately from an accounting standpoint.

How do we document that products purchased with SCA funds are domestically produced?

The requirement to purchase domestic products with SCA funds is no different than the regular Buy American requirements, but no exceptions are allowed. Please monitor the origin of foods being delivered to your schools and work with your vendor to ensure domestic products are provided. At a minimum, maintain a copy of the contract which included language for the requirement to purchase foods from domestic origins.

How are SCA funds recorded on the Annual Financial Report (AFR)?

SCA funds are recorded under WUFAR code **717 Revenue Source - federal reimbursement and 547 Program/Project Code – National School Lunch (NSL)** . Record the entire amount into **NSL revenue** on the AFR during the year it is received and **expense it to NSL “food”** as it is used. The NSL food expense may carry over into future AFR reporting year.

What is the difference between the SCA funds and the Local Foods for Schools (LFS) Program?

Table 1 Supply Chain Assistance (SCA) Funds and Local Foods for Schools (LFS) Program Comparison Chart

	Supply Chain Assistance (SCA) Funds	Local Foods for Schools (LFS) Program
Purpose	To help SFAs deal with challenges, such as unanticipated cancellation of food and supply contracts, reduced availability of certain foods, unexpected substitution of certain products, unpredictable increases in food and supply prices, and other obstacles related to pricing and/or availability. SCA funds are targeted to provide a rapid and direct response to these challenges.	To help states deal with the challenges of supply chain disruptions. WI LFS funds should build a more resilient local food chain by expanding and strengthening local and regional markets.
Eligibility	All SFAs participating in NSLP are eligible for SCA Funds, however, to receive the funds the Authorized Representative must sign an attestation agreeing to the terms.	SFAs participating in the National School Lunch or School Breakfast Programs Non-SFAs: any nonprofit or for-profit food organizations that conduct procurement of local and regional unprocessed or minimally processed food from small businesses and/or socially disadvantaged farmers/producers to distribute qualified products to eligible SFAs. Examples of eligible organizations include, but are not limited to food hubs, aggregators, cooperatives, distributors, farmers/producers, processors.
Allowable Uses	SCA funds are to be exclusively used to purchase unprocessed or minimally processed domestic food products.	Funds may be used for purchasing domestic, local, unprocessed, or minimally processed foods from small businesses and/or socially disadvantaged farmers for distribution to eligible SFAs.
Financial Management	The use of SCA funds will be reviewed and monitored in the same manner as other funds within the nonprofit school food service account.	SFAs and Non-SFAs make a qualified purchase and later request reimbursement from DPI SNT by submitting a paid invoice and delivery receipt (as applicable).

Determining Funding Amount	SFAs will be allocated SCA funds based on a predetermined formula prescribed by USDA. The allocation includes two components: a base payment of \$5,000 to all eligible SFAs, and a proportional funding amount based on each SFAs share of statewide student enrollment. The base payment is intended to ensure that the smallest of SFAs receive a meaningful level of funding. Wisconsin DPI is not electing the targeting or centralized local food purchasing options.	To receive funding, the SFA or Non-SFA needs to apply and be approved for a subaward. Planned activities must support program objectives outlined in the WI LFS Announcement Memo. Funding amount is also based on historical local food purchasing/usage over a school year and the total state funds available to distribute.
Timeline	<p>Round 1: Funds sent to SFAs that accepted the payment in April 2022.</p> <p>Round 1 Reallocation: Funds sent to SFAs in October 2022</p> <p>Rounds 2 & 3: Funds sent to SFAs in November 2022</p>	<p>October 18, 2022- Applications due to DPI SNT</p> <p>November 15, 2022- Tentative notification of subaward</p> <p>November 15, 2022- December 31, 2023- purchase and request reimbursement</p>

Where can I find additional information on SCA funds?

- [USDA Supply Chain Assistance Funds to Alleviate Supply Chain Disruptions in the School Meal Programs Webpage](#) (Links to other documents on this page)
- [SCA Policy Memo](#)
- [Allocation of Supply Chain Assistance Funds to Alleviate Supply Chain Disruptions in the School Meals Programs: Questions and Answers](#)
- [SCA Funds Webinar](#)
- [SCA Webinar Follow-Up Q&As](#)