



Memo Code: SP 11-2006, CACFP 06-2006

**United States
Department of
Agriculture**

January 24, 2006

Food and
Nutrition
Service

SUBJECT: Fiscal Year (FY) 2006 Reallocation of State Administrative Expense
(SAE) Funds

TO: Regional Directors
Special Nutrition Programs
All Regions

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Center Drive
Alexandria, VA
22302-1500

This memorandum and attachments provide the information needed to conduct the FY 2006 reallocation of SAE funds. Reallocation is the formal process by which State agencies (SAs) can: (1) request additional SAE funds above their initially authorized funding level; or (2) return SAE funds they do not need. The SAE Funds Reallocation Report (FNS-525) form in Jet Form Filler Pro will be transmitted to each regional office (RO) by way of email and may be returned to the Child Nutrition Division (CND) in hardcopy form or via e-mail.

Attachments A and B provide a detailed description of the reallocation process. Attachment A discusses the major considerations and guidelines for conducting the reallocation of SAE funds. Attachment B describes the specific roles and responsibilities of the SAs, ROs, and headquarters for conducting the reallocation of SAE funds.

The amount of SAE funds available for reallocation has been decreasing. Therefore, in an effort to direct these resources to the most critical areas of need, we will follow the same approval process that was used last year. In addition, special consideration will be given to those requests that are directed toward activities that are necessary to implement the new provisions of Public Law 108-265, the Child Nutrition and WIC Reauthorization Act of 2004. We will not begin the review and approval process for FY 2006 reallocation of SAE funds until after the May 1, 2006, deadline for submitting requests. Beginning in early May 2006, headquarters will review all requests for reallocated funds received on or before

May 1. Requests received after the May 1 deadline may be evaluated if funds are available. To facilitate the reallocation process, we are requesting that ROs thoroughly evaluate the need for each request and recommend for approval only those that are essential to the administration of the Programs. We plan to notify ROs of the requests that have been approved by late July 2006. If complete and accurate reallocation requests/justifications are not received by May 1, 2006, we may be prevented from realizing this date.

Regional Directors

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By May 1, 2006, please submit to the **Child Nutrition Division**:

- All reallocation requests, with supporting justifications, recommended for approval by the RO and a ranking of each SAs' request, high priority to low priority.
- An FNS-525, for each SA in the RO. The FNS-525's may be submitted in hardcopy or may be sent to Joan Tressler via email. If transmitted electronically, the form(s) must be attached to an email message that states that the RO has reviewed the information included on the FNS-525 and concurs that it is accurate.

Please analyze requests thoroughly and submit required information no later than May 1, 2006. Headquarters will notify ROs of the reallocation awards in late July 2006, unless additional information is needed from the SA or RO.

If your staff has any questions, please have them contact Joan Tressler at 703-305-2322.



STANLEY C. GARNETT

Director

Child Nutrition Division

Attachments