



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

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Alexandria, VA  
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MEMO CODE: SP 33-2008

DATE: July 31, 2008

SUBJECT: Fresh Fruit and Vegetable Program (FFVP) Technical Assistance Information on FFVP Operations

TO: Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
School Nutrition Programs  
All States

This memorandum provides clarification and technical assistance to State agencies and regional offices on the expanded nationwide FFVP. On July 11, 2008 we issued an FFVP memorandum which discussed the nationwide expansion of the FFVP as set forth in the Farm Bill. The issuance of the memorandum generated many inquiries given the complexities of the new requirements and previous FFVP operations under several funding sources.

Although the requirements for FFVP under section 19 of the National School Lunch Act are essentially the same for all State agencies, there are unique transition issues for States that have participated under each of the various funding authorities. There are 4 attachments included with this memorandum. We have attached technical assistance specifically geared toward the three groups; **Attachment 1** addresses the 11 permanent states and 6 appropriation states which operated under prior program requirements, **Attachment 2** is for the new states and **Attachment 3** addresses the 3 territories. **Attachment 4** is the funding chart which lists the July 1, 2008 allocation, the October 2008 allocation and the total for the 2008-09 school year for all states.

We will be holding conference calls with each regional office and their states to allow further opportunity to address concerns and inquiries regarding the program.

**Original Signed**

CYNTHIA LONG  
Director  
Child Nutrition Division

Attachments

## ATTACHMENT 1

### **Fresh Fruit and Vegetable Program (FFVP) Implementation in the 11 “Permanent” States and the 6 States Originally Funded Through 2006 Appropriations**

- **Indiana, Iowa, Michigan, Mississippi, North Carolina, Ohio, Pennsylvania, Washington, and State agencies in Arizona and South Dakota that administered schools on Indian Tribal Organizations (ITOs)(“permanent” States);**
- **Connecticut, Idaho, Texas, Utah, and Wisconsin (“appropriations” States); and**
- **New Mexico, which administered programs under both funding sources.**

#### **General**

Please note that schools operated by ITOs no longer participate in the FFVP independently of the rest of the schools in a State, including ITOs in Arizona, New Mexico, and South Dakota. Under section 19 of the Richard B. Russell National School Lunch Act (NSLA), such schools would be eligible for selection along with other schools in the State using the criteria set forth in the July 11, 2008 memorandum.

The FFVP continues to operate on a reimbursement basis. Schools are reimbursed based on their monthly submission of a claim for reimbursement. In no case should the State agency provide advance FFVP funding. Schools may continue to use their current claim form.

All of these States received funds in Fiscal Year (FY) 2008 for operation of the FFVP. We provided \$9 million in October 2007 to the 11 permanent States; the six appropriations States received \$3.4 million in January 2008. The section below provides instructions on how remaining funds from these allocations should be handled.

#### **Funds from Prior Program Operations**

##### ***Permanent States (including New Mexico Zuni)***

The authorization for all previously participating FFVP States under section 18(f) of the NSLA has been removed and superseded by new section 19 of the Act. The \$9 million in funds provided to the 11 States in October 2007 are only available for program operations that occurred during School Year (SY) 2007/08. Therefore, the 25 schools in each State and the 25 schools among three ITOs that received allocations for SY 2007/08, in October 2007, should only use these funds for FFVP obligations incurred through June 30, 2008. New obligations should not be made against these funds after June 30, 2008, and all obligations must be liquidated by December 30, 2008. Any unused funds will be recovered by FNS. State agencies should continue to submit reports on these funds as previously instructed.

### ***Appropriations States (including 25 schools in New Mexico)***

The \$3.4 million provided in January 2008 to continue program operations in the six Appropriation states are only available for program operations that occurred during SY 2007/08. Therefore, the 25 schools in each of these States should only use these funds for FFVP obligations incurred through June 30, 2008. New obligations should not be made against these funds after June 30, 2008, and all obligations must be liquidated by December 30, 2008. Any unused funds will be recovered by FNS.

### **Current Funding Review**

#### ***Consolidated Appropriations Act***

Approximately \$9.9 million was made available for FFVP expansion through the Consolidated Appropriations Act of 2008. The funds were intended to expand FFVP to all 50 States and the District of Columbia starting July 1, 2008. Each State, including those currently participating in the FFVP, received approximately \$184,101 through this allocation. These funds are available for obligation by schools through September 30, 2008. They will be closed out December 30, 2008.

#### ***Section 19 of the Richard B. Russell National School Lunch Act (NSLA)***

As amended by the recently enacted Food, Conservation, and Energy Act of 2008 (Farm Bill), the NSLA provides \$40 million for the FFVP and is allocated through a formula prescribed in the Act. Funds will be available on or about October 1, 2008. The formula allocation is as follows:

- (1) Minimum Grants: 1% minimum grant to each of the 50 States and D.C. (\$400,000 to each; total of \$20.4 million)
- (2) Federal Administrative Funds: Set aside \$500,000 for Federal administrative costs
- (3) Proportional Allocation based on Population: Proportionally allocate the remaining funds (\$19.1 million) to each of the 50 States, D.C., Guam, Puerto Rico and Virgin Islands based on population of the State compared to the U.S. population.
- (4) Funding Maintenance for Previously Participating States: Compare the resulting allocations for each of the previously participating States to the amounts received by these States in SY 2007/2008 to determine the total amount of funds needed to provide these States the same amount they received in SY 2007/2008 (i.e., the shortfall). The shortfall is funded by proportionally adjusting the allocations of the remaining States.

These funds will be available for obligation by schools through June 30, 2009. State agencies may not make any obligations against these funds after September 30, 2009. State agencies must close out the funds by December 30, 2009.

## Allocation of Funds to Schools

Even though funds are being provided by FNS to State agencies in two separate allocations for SY 2008-09, State agencies should administer one unified program for selected schools under the requirements of section 19 of the NSLA as described in this memorandum. As noted in our July 11, 2008 memorandum, there is no longer a limit of 25 schools per state. Instead, each State agency must ensure that the selected schools have a total enrollment which results in a per-student allocation of \$50 to \$75 per year.

Each State agency should perform the following calculation to determine the *range of total school enrollment needed* to achieve the per-student allocation of \$50 to \$75:

1. Add together the two allocations that will be provided in July and October (see Attachment 4 for State-by-State amounts).
2. Subtract the amount of funds that will be retained for State administrative costs from the total arrived at in #1. (Refer to July 11, 2008 memorandum for determining State administrative costs).
3. Divide the remaining funds (from #2) by 50. The resulting number is the maximum end of the *range of total school enrollment needed*.
4. Next divide the remaining funds (from #2) by 75. The resulting number is the minimum end of the *range of total school enrollment needed*.

### Example:

\$184,101	July allocation
<u>\$500,000</u>	October allocation
\$684,101	Total
<u>-\$25,000</u>	Administrative funds
\$659,101	Available to schools

### Range

$\$659,101 / \$50 = 13,182$  students

$\$659,101 / \$75 = 8,788$  students

The resulting *range of total school enrollment needed* (#3 and #4 above) would be used by State agencies, in conjunction with the other school selection criteria, to make school selections. The total enrollment of all selected schools must fit into this range. Using the example above, the maximum number of students that can participate is 13,182 and the minimum number is no less than 8,788 students.

For the schools selected under the authority of the previous FFVP, the State agency would need to determine the total enrollment of such schools, and then compare this number to the *range of total school enrollment needed* (#3 and #4 above). Based on the results of this comparison,

States would select additional new schools using the criteria set forth under **School Selection Criteria** in the July 11, 2008 memorandum, to reach a total enrollment level within the *range of total school enrollment needed*.

Once all schools are selected, the State agency should calculate the per-student allocation. States should then inform each selected school of its total allocation prior to the schools beginning program operations. This will allow schools to most effectively plan and manage the FFVP. We recognize that States may not have completed school selection in time for all schools to begin program operations at the beginning of the SY. We recommend that schools which are prepared to begin operations at the beginning of the SY be provided an initial budget upon which to draw their reimbursement based on the minimum level, \$50 per student, to start the program until the final amount can be determined.

This approach assumes that a State provides the same per dollar amount to each student in all the selected schools. However, in order to address the varying needs of schools, States may choose to vary the per student amount in several or all of their schools provided the per student amount does not go below \$50 and does not exceed \$75 dollars as required by law.

### **Reporting**

Financial reporting for the FFVP will be conducted via the Food Programs Reporting System (FPRS). SF-269As for the FFVP have been set up in FPRS for all States.

The ITOs in South Dakota, Arizona, and New Mexico that received funds in October 2007, will continue to submit a separate SF-269(A)s for their FFVP ITO schools (**CN-FFVP-ITO**) until the end of the FY September 30, 2008. At that time the **CN-FFVP-ITO** form in FPRS will no longer be available.

### **Record-keeping**

The recordkeeping requirements for the FFVP are the same as with other Child Nutrition Programs.

### **Program Oversight and Monitoring**

It is critical that State agencies make every effort to ensure the FFVP is operating properly in participating schools, especially those that are new to the program. State agencies should review FFVP claims for reimbursement submitted by participating schools to ensure that expenditures are appropriate, prior to providing reimbursement. In addition, State agencies should ensure that FFVP schools are reviewed as part of the Coordinated Review Effort (CRE) process, or any other oversight or monitoring activity related to the National School Lunch or School Breakfast Programs.

## ATTACHMENT 2

### Fresh Fruit and Vegetable Program (FFVP) Implementation in New States

- **34 New States, and**
- **the District of Columbia**

#### General

While some requirements for program operations have changed with the new legislation, we strongly encourage new States to work or partner with States that have operated under prior program operations. These States have valuable FFVP experience and insight that is pertinent under the new requirements of section 19 of the Richard B. Russell National School Lunch Act (NSLA). Additionally, all regional offices have experience in FFVP operations and States should also work closely with the regions for assistance in program implementation.

#### Reimbursement for FFVP Expenditures

The FFVP operates on a reimbursement basis. Schools are reimbursed based on their monthly submission of a claim for reimbursement. In no case should the State agency provide advance FFVP funding. A prototype claim form/*FFVP Performance Report* is available on our website. Schools must provide the State agency, at a minimum, the information in the Report.

#### Current Funding Review

##### *Consolidated Appropriations Act*

Approximately \$9.9 million was made available for FFVP expansion through the Consolidated Appropriations Act of 2008. The funds were intended to expand FFVP to all 50 States and the District of Columbia starting July 1, 2008. Each State, including those currently participating in the FFVP, received approximately \$184,101 through this allocation. These funds are available for obligation by schools through September 30, 2008. They will be closed out December 30, 2008.

##### *Section 19 of the Richard B. Russell National School Lunch Act (NSLA)*

As amended by the recently enacted Food, Conservation, and Energy Act of 2008 (Farm Bill), the NSLA provides \$40 million for the FFVP and is allocated through a formula prescribed in the Act. Funds will be available on or about October 1, 2008. The formula allocation is as follows:

- (1) Minimum Grants: 1% minimum grant to each of the 50 States and D.C. (\$400,000 to each; total of \$20.4 million)
- (2) Federal Administrative Funds: Set aside \$500,000 for Federal administrative costs

- (3) Proportional Allocation based on Population: Proportionally allocate the remaining funds (\$19.1 million) to each of the 50 States, D.C., Guam, Puerto Rico and Virgin Islands based on population of the State compared to the U.S. population.
- (4) Funding Maintenance for Previously Participating States: Compare the resulting allocations for each of the previously participating States to the amounts received by these States in School Year (SY) 2007/2008 to determine the total amount of funds needed to provide these States the same amount they received in SY 2007/2008 (i.e., the shortfall). The shortfall is funded by proportionally adjusting the allocations of the remaining States.

These funds will be available for obligation by schools through June 30, 2009. State agencies may not make any obligations against these funds after September 30, 2009. State agencies must close out the funds by December 30, 2009.

### **Allocation of Funds to Schools**

Even though funds are being provided by FNS to State agencies in two separate allocations for SY 2008-09, State agencies should administer one unified program for selected schools under the requirements of section 19 of the NSLA as described in this memorandum. As noted in our July 11, 2008 memorandum, there is no longer a limit of 25 schools per State. Instead, each State agency must ensure that the selected schools have a total enrollment which results in a per-student allocation of \$50 to \$75 per year.

Each State agency should perform the following calculation to determine the *range of total school enrollment needed* to achieve the per-student allocation of \$50 to \$75:

5. Add together the two allocations that will be provided in July and October (see Attachment 4 for State-by-State amounts).
6. Subtract the amount of funds that will be retained for State administrative costs from the total arrived at in #1. (Refer to July 11, 2008 memorandum for determining State administrative costs).
7. Divide the remaining funds (from #2) by 50. The resulting number is the maximum end of the *range of total school enrollment needed*.
8. Next divide the remaining funds (from #2) by 75. The resulting number is the minimum end of the *range of total school enrollment needed*.

Example:

\$184,101	July allocation
<u>\$500,000</u>	October allocation
\$684,101	Total
<u>-\$25,000</u>	Administrative funds
\$659,101	Available to schools

Range

\$659,101 / \$50 = 13,182 students  
\$659,101 / \$75 = 8,788 students

The resulting *range of total school enrollment needed* (#3 and #4 above) would be used by State agencies, in conjunction with the other school selection criteria, to make school selections. The total enrollment of all selected schools must fit into this range. Using the example above, the maximum number of students that can participate is 13,182 and the minimum number is no less than 8,788 students.

On January 16, States were advised to begin school selection for the FFVP based on the funding provided in the Consolidated Appropriation Act. States need to determine the total enrollment of such schools, and then compare this number to the *range of total school enrollment needed* (#3 and #4 above). Based on the results of this comparison, States would select additional new schools using the criteria set forth under **School Selection Criteria** in the July 11, 2008 memorandum, to reach a total enrollment level within the *range of total school enrollment needed*.

Once all schools are selected, the State agency should calculate the per-student allocation. States should then inform each selected school of its total allocation prior to the schools beginning program operations. This will allow schools to most effectively plan and manage the FFVP. We recognize that States may not have completed school selection in time for all schools to begin program operations at the beginning of the SY. We recommend that schools which are prepared to begin operations at the beginning of the SY be provided an initial budget upon which to draw their reimbursement based on the minimum level, \$50 per student, to start the program until the final amount can be determined.

This approach assumes that a State provides the same per dollar amount to each student in all the selected schools. However, in order to address the varying needs of schools, States may chose to vary the per student amount in several or all of their schools provided the per student amount does not go below \$50 and does not exceed \$75 dollars as required by law.



## **Reporting**

Financial reporting for the FFVP will be conducted via the Food Programs Reporting System (FPRS). SF-269As for the FFVP have been set up in FPRS for all States.

## **Record-keeping**

The recordkeeping requirements for the FFVP are the same as with other Child Nutrition Programs.

## **Program Oversight and Monitoring**

It is critical that State agencies make every effort to ensure the FFVP is operating properly in participating schools, especially those that are new to the program. State agencies should review FFVP claims for reimbursement submitted by participating schools to ensure that expenditures are appropriate, prior to providing reimbursement. In addition, State agencies should ensure that FFVP schools are reviewed as part of the Coordinated Review Effort (CRE) process, or any other oversight or monitoring activity related to the National School Lunch or School Breakfast Programs.

## ATTACHMENT 3

### **Fresh Fruit and Vegetable Program Implementation (FFVP) in Guam, Puerto Rico and Virgin Islands**

#### **General**

While some requirements for program operations have changed with the new legislation, we strongly encourage new States to work or partner with states that have operated under prior program operations. These States have valuable FFVP experience and insight that is pertinent under the new requirements of section 19 of the Richard B. Russell National School Lunch Act (NSLA). Additionally, all regional offices have experience in FFVP operations and States should also work closely with the regions for assistance in program implementation.

#### **Reimbursement for FFVP Expenditures**

The FFVP operates on a reimbursement basis. Schools are reimbursed based on their monthly submission of a claim for reimbursement. In no case should the State agency provide advance FFVP funding. A prototype claim form/*FFVP Performance Report* is available on our website. Schools must provide at a minimum the information in the Report.

#### **Current Funding Review**

##### ***Section 19 of the Richard B. Russell National School Lunch Act (NSLA)***

As amended by the recently enacted Food, Conservation, and Energy Act of 2008 (Farm Bill), the NSLA provides \$40 million for the FFVP and is allocated through a formula prescribed in the Act. Funds will be available on or about October 1, 2008. The formula allocation is as follows:

- **(1) Minimum Grants:** 1% minimum grant to each of the 50 States and D.C. (\$400,000 to each; total of \$20.4 million)
- **(2) Federal Administrative Funds:** Set aside \$500,000 for Federal administrative costs
- **(3) Proportional Allocation based on Population:** Proportionally allocate the remaining funds (\$19.1 million) to each of the 50 States, D.C., Guam, Puerto Rico and Virgin Islands based on population of the State compared to the U.S. population.
- **(4) Funding Maintenance for Previously Participating States:** Compare the resulting allocations for each of the previously participating States to the amounts received by these States in School Year (SY) 2007/2008 to determine the total amount of funds needed to provide these States the same amount they received in SY 2007/2008 (i.e., the shortfall). The shortfall is funded by proportionally adjusting the allocations of the remaining States.

These funds will be available for obligation by schools through June 30, 2009. State agencies may not make any obligations against these funds after September 30, 2009. State agencies must close out the funds by December 30, 2009.

### Allocation of Funds to Schools

As noted in our July 11, 2008 memorandum, there is no longer a limit of 25 schools per state. Instead, each State agency must ensure that the selected schools have a total enrollment which results in a per-student allocation of \$50 to \$75 per year.

Each State agency should perform the following calculation to determine the *range of total school enrollment needed* to achieve the per-student allocation of \$50 to \$75:

9. Determine the allocation to be received (see Attachment 4 for State-by-State amounts).
10. Subtract the amount of funds that will be retained for State administrative costs from the total arrived at in #1. (Refer to July 11, 2008 memorandum for determining State administrative costs).
11. Divide the remaining funds (from #2) by 50. The resulting number is the maximum end of the *range of total school enrollment needed*.
12. Next divide the remaining funds (from #2) by 75. The resulting number is the minimum end of the *range of total school enrollment needed*.

#### EXAMPLE:

<u>\$10,000</u>	October allocation
<u>-\$ 500</u>	Administrative funds
\$ 9,500	Available to schools

#### Range

\$9,500 / \$50 = 190 students

\$9,500 / \$75 = 126 students

The resulting *range of total school enrollment needed* (#3 and #4 above) would be used by State agencies, in conjunction with the other school selection criteria, to make school selections. The total enrollment of all selected schools must fit into this range. Using the example above, the maximum number of students that can participate is 190 and the minimum number is no less than 126 students.

Once all schools are selected, the State agency should calculate the per-student allocation. States should then inform each selected school of its total allocation prior to the schools beginning program operations. This will allow schools to most effectively plan and manage the FFVP. We recognize that States may not have completed school selection in time for all schools to begin program operations at the beginning of the SY. We recommend that schools which are prepared to begin operations at the beginning of the SY be provided an initial budget upon which

to draw their reimbursement based on the minimum level, \$50 per student, to start the program until the final amount can be determined.

This approach assumes that a State provides the same per dollar amount to each student in all the selected schools. However, in order to address the varying needs of schools, States may chose to vary the per student amount in several or all of their schools provided the per student amount does not go below \$50 and does not exceed \$75 dollars as required by law.

### **Reporting**

Financial reporting for the FFVP will be conducted via the Food Programs Reporting System (FPRS). SF-269As for the FFVP have been set up in FPRS for all States.

### **Record-keeping**

Please follow the same recordkeeping requirements for the FFVP as with other Child Nutrition Programs.

### **Program Oversight and Monitoring**

It is critical that State agencies make every effort to ensure the FFVP is operating properly in participating schools, especially those that are new to the program. State agencies should review FFVP claims for reimbursement submitted by participating schools to ensure that expenditures are appropriate, prior to providing reimbursement. In addition, State agencies should ensure that FFVP schools are reviewed as part of the Coordinated Review Effort (CRE) process, or any other oversight or monitoring activity related to the National School Lunch or School Breakfast Programs.