



Oregon

Kate Brown, Governor



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USDA Questions and Answers - Emergency Operational Cost Reimbursements

1. Which school food authorities (SFA) are eligible to receive payments under the Child Nutrition Programs Emergency Operational Costs Reimbursement Program?

Eligibility in the School Programs Emergency Operational Costs Reimbursement Program is limited to SFAs that filed valid NSLP/SBP meal claims for any of the months of September – December 2020 or have provided assurance to the administering State agency that they will file a claim during the first full semester/term (or equivalent) occurring after the end of the public health emergency. SFAs that participate in the At-Risk Afterschool component of CACFP may also participate as an institution in the CACFP reimbursement program. The program is limited to SFA's that filed valid CACFP claims for any of the months of September – December 2020 or have provided assurance to the administering State agency that they will file a claim within the first 90 days after the end of the public health emergency.

2. For which School District Sponsors must States ensure payment amounts are calculated under the Child Nutrition Emergency Operational Costs Reimbursement Program?

Any SFA which:

Has an agreement with the State agency as described at 7 CFR 210.9 and/or 7 CFR 220.7(e); or has an agreement with the State agency to assume final administrative and financial responsibility for Program operations for

CACFP

Filed valid claims during any of the months of March – June 2020 or January – February 2020; and Meets the criteria described in question #1 of this Q&A.

3. What is the role of the State agency in calculating payments?

In order to ensure consistency, reduce error-risk, and minimize burden for local school sponsors, State agencies should directly calculate payment amounts for SFAs with which they hold an agreement.

4. What types of Program funds must be included in the payment calculations for the Child Nutrition Emergency Operational Costs Reimbursement Program?

Program reimbursements for meals and supplements earned under the NSLP, SBP, and Summer Food Service Program (SFSP) are included when calculating payment levels for SFAs under the School Programs Emergency Operational Costs Reimbursement Program. SFAs that operated SFSP (utilizing flexibilities under COVID-19: Child Nutrition Response #59, Nationwide Waiver to Allow Summer Food Service Program and Seamless Summer Option Operations through School Year 2020-2021 – EXTENSION) throughout the designated months of March – June 2020 the revenues earned under this program must be included in the calculation.

Please note that all other School Program reimbursements, such as those under the Special Milk Program, Fresh Fruit and Vegetable Program, and funds received through grant opportunities like the NSLP Equipment Assistance Grants, are not included in the reimbursement calculation.

Program reimbursements for meals and supplements earned under CACFP are included when calculating payment levels for SFAs under the CACFP Programs Emergency Operational Costs Reimbursement Program.

5. Are USDA Foods or Cash in Lieu included in the reimbursement calculation?

Only Child Nutrition Program reimbursements specified under the statute and further detailed in policy memo SP 06-2021, CACFP 05-2021 must be taken into account for the purposes of calculating payments. The value of USDA Foods is not factored into the payment calculation for either reimbursement program. These do not include the value of commodity entitlements or cash-in-lieu received thereof.

6. Last year, FNS made CARES Act funds available to State agencies to pay program operators for Child Nutrition Program reimbursements. Are these included in the calculations for payments under the reimbursement programs?

Yes, but only in this specific circumstance. In 2020, FNS provided CARES Act funds to the State agencies to be used for regular Child Nutrition Program reimbursements. As such, meal and administrative claims from the months of March-June 2020 may have been covered from this source. The Child Nutrition Program reimbursements specified under the statute and further detailed in policy memo SP 06-2021, CACFP 05-2021 must be taken into account for the purposes of calculating payments to eligible program operators, regardless of the initial source of funding and without exceptions.

However, Child Nutrition program operators may have received other CARES Act funds through separate relief opportunities and funding streams; these revenues are not included in payment calculations, because they were not paid out as Child Nutrition Program reimbursements (which are the only revenues that must be accounted for).

7. Do any additional resources or funding streams, such as State agency-level support to Child Nutrition program operators, need to be taken into account when determining eligibility or calculating payments?

No. Only Child Nutrition Program reimbursements specified under the statute and further detailed in policy memo SP 06-2021, CACFP 05-2021 must be taken into account for the purposes of calculating payments.

8. How should payment amounts be calculated for SFAs operating the School Meal Programs?

In the calculation of payment amounts SFAs will fall into two categories: “new” operators and all other operators. The benefits owed to program operators for each reimbursement month (March, April, May, and June 2020) should be calculated separately.

“New” SFAs

Payments owed to eligible “new” SFAs are calculated by determining the average total reimbursement amount received through the applicable programs/funding streams during January and February 2020 (January 2020 reimbursement amount plus February reimbursement amount, divided by two) and subtracting this figure from the corresponding total reimbursement amount earned during each month of the

reimbursement period (March, April, May, or June 2020). Multiplying the difference between those figures by a factor of .55 (fifty five percent) results in the total monthly payment amount owed to “new SFAs”.

Example:

April 2020 payment = (Average of January and February 2020 reimbursement amount – April 2020 reimbursement amount) X .55

All other Program operators

Other SFAs

Payment owed to other eligible SFAs are calculated by subtracting the total reimbursement amount received through the applicable programs/funding streams during each reimbursement month (March, April, May, or June 2020) from the corresponding total reimbursement amount earned during the reference month (March, April, May, or June 2019). Multiplying the difference between those figures by a factor of .55 (fifty five percent) results in the total payment amount for that month.

Example:

April 2020 payment = (April 2019 reimbursement amount – April 2020 reimbursement amount) X .55

9. How are payments calculated for the month of March 2020?

When calculating the payment amount for the month of March 2020 only, the resulting amount is then divided by two.

Example (new operators):

March 2020 payment = (Average of January and February 2020 reimbursement amount – March 2020 reimbursement amount) X .55)/2

Example (all other operators):

March 2020 payment = (March 2019 reimbursement amount – March 2020 reimbursement amount) X .55)/2

10. If the payment calculation for any eligible program operator in a given month results in a negative number, what amount of funding will be dispersed for that month?

For an eligible recipient, if the payment calculation for any given month in the reimbursement period of March, April, May, and June 2020, or during the alternative period of January-February 2020 results in a negative number, no payment will be provided for that month. In other words, if the program operator had higher claims in March, April, May, or June of 2020 than in the same month in 2019, then the program operator will not receive emergency funds for that month.

11. May a State agency aggregate the reimbursement months for program operators who filed claims in all of the reference months March 2019 – June 2019?

No. All payments should be calculated on a per month basis. The State agency may not aggregate monthly claims and then multiply by .55.

12. How should payments be calculated for program operators who filed claims during at least one, but not all, of the reference months March – June 2019?

All payments should be calculated on a per month basis. For example, if a sponsor was operating in the months of May and June 2019, but not March and April 2019, the “new program operator” calculation must be applied for the months of March and April 2019, and the calculation for all other program operators would be applied for the months of May and June 2019.

Example:

- March 2019 (not operating)
 - “New program operator” formula
- April 2019 (not operating)
 - “New program operator” formula
- May 2019 (operating)
 - All other program operator formula
- June 2019 (operating)
 - All other program operator formula

The sum of payments for all four months represents the total payment amount owed to the program operator.

13. What are the allowable uses of these funds at the program operator level?

Funds provided to program operators under this authority represent reimbursement for excess costs incurred during defined reimbursement period. The formula nature of the awards serves as a proxy for these costs. The funds may be used to reimburse any local source of funds used to supplement the Nonprofit Food Service account during the reimbursement period to offset the impact of pandemic operations on that account. If this approach is taken, the program operator must maintain documentation supporting these reimbursements for future audit or oversight purposes. Any remaining funds must be deposited in the Nonprofit Food Service account and be used in accordance with normal program requirements.

14. Are program operators still eligible for payments if their net cash resources are positive, or in the case of SFAs, if they currently have a three month operating balance as described in 7 CFR 210.19(a)(1)?

Yes. The current balance of a program operator’s nonprofit food service account is not taken into consideration under the calculation formula outlined in statute and guidance from FNS. In the event that payments would result in excess balances, State agencies should provide technical assistance to affected program operators in order to ensure a reasonable and timely expenditure of their excess funds.

15. If a program operator participates in both School Meal programs and CACFP, are they eligible for payments under both programs?

Yes. There is no restriction on receiving a payment under both reimbursement programs where applicable.

16. If a program operator began administering Child Nutrition Programs later than February 2020, are they eligible for payments under the reimbursement programs?

If a program operator didn’t begin operations until after either of the reference periods specified in the statute, they are not eligible for payments under these reimbursement programs.

Oregon Specific Q & As

1. What information should a school district sponsor or education service district use to understand Oregon policies and requirements for accounting?

The [Program Budgeting and Accounting Manual](#). A primary emphasis of this manual is to define account classifications that provide meaningful financial management information to its users. As part of this emphasis, the Program Budgeting and Accounting Manual is written to approach conformance with Generally Accepted Accounting Principles (GAAP), a uniform minimum standard of and guideline for financial accounting and reporting.

2. What information can sponsors use to understand the requirements of federal grants?

Sponsors may refer to [2 CFR Part 200](#) for information pertaining to Federal grants or awards, FNS Instruction [796-2 Revision 4](#) for information on allowable and unallowable costs, and program specific guidance for policies and requirements for maintaining a non-profit food service.

3. What will a sponsor receive when their Emergency Operational Costs Reimbursement is sent from ODE?

Sponsors will receive their Emergency Operational Costs Reimbursement payments in a lump sum payment from ODE.

4. Will the Emergency Operational Costs Reimbursement payment be visible on the payments tab of CNPweb?

At this time ODE CNP is unable to document the Emergency Operational Costs Reimbursement payments in CNPweb, so there will be no documentation of the payment being made on the payment tab. Sponsors should maintain the emailed receipt of payment as backup documentation of funds received.

5. In what year should sponsors report the Emergency Operational Costs Reimbursement funds?

All sponsors should report these funds in Fiscal Year 2021.

6. Will the Emergency Operational Costs Reimbursement funds affect my excess operating balance?

Possibly. Funds are sent to the same account used for Child Nutrition Program reimbursement payments and must be counted as income received. If funds are not expended or transferred to other accounts to cover expenses incurred during the Covid-19 related closures they will be calculated in the final overall balance of funds. If this balance exceeds the allowable 3 months' worth of expenses, a sponsor will be required to provide ODE with a spend down plan for the excess funds.

7. What is the Catalog of Federal Domestic Assistance (CFDA) number for these funds?

Sponsors will use the same CFDA numbers as they use for program reimbursement funds. The information is as follows:

CACFP:

Catalog of Federal Domestic Assistance (CFDA) number for CACFP 10.558

NSLP/SBP:

Catalog of Federal Domestic Assistance (CFDA) number for NSLP 10.555

Catalog of Federal Domestic Assistance (CFDA) number for SBP 10.553

8. Do payments made under either of the reimbursement programs need to be treated as regular reimbursement funds and deposited into the program operator's nonprofit food service account?

Yes. All payments made to eligible Child Nutrition program operators must be deposited to that program operator's nonprofit food service account, and will be subject to the same performance/allowable cost rules as other reimbursement funds.