

**Fiscal Year (FY) 2020 National School Lunch Program (NSLP)
Equipment Assistance Grant for School Food Authorities**

Important Information

To assist in applying for the NSLP Equipment Assistance Grant for School Food Authorities (SFAs), **please read the following information.**

Several changes were made to the application after it was developed in NexSys. To capture the required information, all sponsors are required to provide the additional information below.

*****Required by all applicants*****

All sponsors are required to complete the Selection Criteria Assessment spreadsheet. Please follow the steps below.

Consideration for funding will not be possible if the Selection Criteria Assessment is not completed.

1. Download the [NSLP Equipment Assistance Grant Selection Criteria Assessment](#)ⁱ
2. Complete a line item on the spread sheet for each piece of equipment or project.
3. Save, then upload the Selection Criteria Assessment spreadsheet in the **Attachment** section of the application.

Overview

The FY 2020 Agriculture Appropriations Act authorized \$30 million for Food and Nutrition Service (FNS) to provide grants to State Agencies (SAs) for providing equipment assistance to SFAs participating in the NSLP. Michigan received \$642,853.

The purpose of this grant is to purchase foodservice equipment that will replace existing, old, or worn-out equipment and/or purchase equipment that will expand and enhance the SFA's operation. These funds will make a significant investment in addressing unmet needs in SFAs. These funds will allow SFAs to purchase equipment needed to serve healthier school meals that meet the updated meal patterns with an emphasis on more fresh fruits and vegetables, including items purchased locally, improving food safety, and expanding access.

USDA Policy Memoranda SP-17-2020 provides additional information about the grant. The policy memos can be viewed on the USDA Fiscal Year 2020 NSLP EAG for SFAs web page at [FY 2020 National School Lunch Program Equipment Assistance Grants for School Food Authorities | USDA-FNS](#)ⁱⁱ

Focus

The focus of the NSLP Equipment Assistance Grant is to improve the quality of school meals. Additional focus areas may include:

- Equipment that improves the safety of food served in school meal programs

- Equipment that improves the nutrition and quality of meals
- Equipment that improves the overall energy efficiency of the school food service operations; and/or
- Equipment used to improve or expand participation in the NSLP and/or School Breakfast Program

Eligible Applicants

Eligible applicants are SFAs currently participating in the NSLP. Grants will be awarded through a competitive process giving priority to high need schools (e.g., schools in underserved areas, schools with limited access to other resources, and age of food service equipment) where 50 percent or more of the enrolled students are eligible for free or reduced-price meals. In addition, priority will be given to schools that did not receive a previous NSLP Equipment Assistance Grant award (e.g., ARRA of 2009 and FY 2010, 2013, 2014, 2015, 2016, 2017, 2018, and 2019 Agriculture Appropriations Acts).

Equipment Definition

As with all Federal grant funds, equipment procured using NSLP Equipment Assistance Grant funds must be practical and allocable to be reasonable and permissible costs. Therefore, using these grant funds to purchase a walk-in freezer for school food service, or a salad bar, would be an allowable cost, whereas renovation of the food service area would fall under the category of construction costs, which must be done by the school district's general fund.

Congress has specified that the threshold for the purchase of equipment cannot be lower than \$1,000. Therefore, each piece of equipment funded by this grant must be valued at \$1,000 per item, not in the aggregate. Delivery and/or installation costs may be included with the equipment cost to meet the threshold. The grant will not allow building renovation projects.

All federal, state, and local procurement laws must be followed when purchasing equipment under this grant. Procurement resources can be found on the Michigan Department of Education website. [MDE Procurement Resources](#)ⁱⁱⁱ

Grant funds must not be spent for the purchase of equipment used in serving lines that primarily serve/offer competitive foods or foods of minimal nutritional value.

Equipment may include new equipment, renovation of equipment, replacement of equipment, and installation costs. Federal regulation 2 CFR Part 200.33 defines equipment for the purpose of NSLP Equipment Assistance Grant as articles of nonexpendable, tangible personal property with a useful life of more than one year and a per unit acquisition cost of \$5,000 or more (or such lesser amount as the SFA uses when reporting equipment as assets in its financial statements). Most state and local agencies use such lesser amounts, known as capitalization thresholds, to define equipment (e.g., a \$2,000 capitalization threshold instead of \$5,000). In these cases, items classified as supplies under federal definition, but whose acquisition cost equals or exceeds the state or local capitalization threshold, may be purchased as equipment with NSLP grant funds.

Using Capitalization Threshold to Define Equipment

Each district must determine how it differentiates between items considered supplies or

equipment. A capitalization threshold is defined as the dollar value at which an agency differentiates between items that are supplies versus equipment. Each local agency board may designate a specific dollar amount for equipment to capitalize. This is the dollar value at which a school district considers a piece of equipment an asset in its financial statements. School staff need to check with their business office regarding the district's policy on this threshold and how the district reports equipment as an asset in its financial statements.

NOTE: Please be advised that any purchases must follow the agency's capitalization threshold policy approved by its board.

For additional guidance, refer to pages 50, 51, and 52 of the Michigan Public School Accounting Manual (Bulletin 1022) under [Section II Requirements](#)^{iv}

The [Michigan Public School Accounting Manual](#)^v serves as a mandatory guide to the uniform classification and recording of accounting transactions for Michigan public school districts.

Reporting Expectations of Participating Schools

The existing CFDA number 10.579, Child Nutrition Discretionary Grants Limited Availability, will be used for the NSLP Equipment Assistance Grant. The SFA must ensure grant funds are tracked and reported separately and must not be commingled with other program funds.

The State Agency (SA) is required to provide quarterly and annual progress activity reports to the FNS Regional Office that includes the following information:

- Progress/challenges made in solicitation, obligation, and expenditure of funds at the State Agency
- Progress/challenges experienced by the SFA/Local Education Agency (LEA) in expenditure of funds
- Number of Equipment Assistance Grant applicants and number approved
- Total amount and percentage of administrative costs expended as compared to the total amount allowable for administrative costs
- School name and free/reduced priced rate (Annually)
- Total award amount (Annually)
- Type and cost of each piece of equipment funded (Annually)

Additional Resources

School Nutrition Association Resources and Research - a service targeted specifically to School Nutrition Association members, features valuable resources including listings of current products and services for the foodservice industry at: <https://schoolnutrition.org>.

ⁱ https://www.michigan.gov/documents/mde/NSLP_Equipment_Assistance_Grant_Selection_Criteria_Assessment_736038_7.xlsx

ⁱⁱ <https://www.fns.usda.gov/nslp/fy-2020-equipment-assistance-grants>

ⁱⁱⁱ https://www.michigan.gov/mde/0,4615,7-140-66254_72818_92987-541412--,00.html

^{iv} http://www.michigan.gov/documents/sc-ii_13265_7.pdf

^v http://www.michigan.gov/mde/0,4615,7-140-6605_6093-21321--,00.html