

## What Can Your School Purchase with Supply Chain Assistance (SCA) Funds?

SCA funds can be used to purchase domestic food products that are unprocessed or minimally processed. Meaning, food that comes cut, whole, pureed, fresh, frozen, dried, or canned is acceptable.

**Purchase local!** Michigan grown produce that is in season this fall--September-November includes: broccoli, carrots, celery, rutabaga, spinach, sweet potatoes, apples, and cranberries.

SCA funds can be used with the **10 Cents a Meal for Michigan's Kids and Farms** program to provide up to 10 cents per meal in match funding to purchase Michigan grown fruits, vegetables, and legumes. The same local fruits and vegetables purchased with SCA funds **can** be submitted for 10 Cents a Meal. However, items purchased with SCA funds **cannot** be submitted for Local Foods for Schools (LFS) grant purchases.

### **SCA funds CAN be used for what programs?**

The National School Lunch Program, School Breakfast Program, or Afterschool Snack Program.

### **SCA funds CANNOT be used for what programs?**

The Special Milk Program, Fresh Fruit and Vegetable Program, Summer Food Service Program, or Child and Adult Care Food Program. Funds are not allowed to provide extra free meals or snacks to students. The food purchased with SCA funds must be used as part of a reimbursable meal or snack.

### **Allowed**

- Domestic food products originating from the United States. Purchasing local Michigan grown food products is encouraged.
- Food that comes whole, cut, pureed, fresh, frozen, canned, or dried.
- Examples: sliced peppers, cut carrot coins, pumpkin puree, fresh apples, frozen peaches, canned corn, dried cherries.
- Dairy products such as milk, shelf stable milk, cheese, and yogurt. Flavored milk and yogurt are acceptable.
- Fruits such as apples, blueberries, cherries, grapes, peaches, pears, raspberries, blackberries in fresh, frozen, or canned states and 100% juice.
- Vegetables such as broccoli, carrots, peas, lettuce, in fresh, frozen, or canned states and 100% juice.
- Grains such as pasta, rice, corn, oats, whole wheat flour.
- Animal products that are whole, in pieces, or ground. Such as chicken breast, turkey/ham deli meat, ground turkey/beef, eggs, canned seafood.
- Legumes such as (canned) garbanzo beans, kidney beans, black beans, and lentils.

## **Not Allowed**

- Food that is purchased from outside of the United States (i.e., Canada, France, Germany, India, Mexico).
- Grains that have been altered such as baked goods, crackers, breads, muffins, tortilla chips, pizza, and pre-packaged sandwiches or meals such as ready-to-eat breakfast cereals.
- Meat and food that is ready-to-eat or requires no further preparation than heating. Examples include chicken nuggets, lasagna, hot dogs.

## **Does it matter what vender is used to purchase products?**

No. It can be from your broadline distributor (example: Gordon Food Service (GFS), Van Eerden, or Sysco) or it could be from a local farmer. Follow regular procurement procedures and current contracts.

## **What is the grant code to use for Round 1 and 2?**

CFDA# 10.555, Accounting Grant Code 851X, MDE Program ID# 220910.

## **How should SCA funds be handled financially?**

SCA funds do not need to be tracked separately from an accounting standpoint. An optional tracking spreadsheet is available on the Supply Chain Challenges webpage.

- Revenue recognition will have to happen in School Year 2022-2023 because the award notices and payments will go to sponsors prior to June 30.
- Ideally the SCA Funds should be spent this school year since the funding is intended for immediate relief of supply chain challenges.
- Sponsors would have Unearned Revenue for all the SCA funds that are unspent as of June 30, 2023. The SCA funding would then be expended in the next fiscal year and complete the recognition of revenue.
- Total SCA Funds would show on the SEFA for the Fiscal Year 2023, however that amount less Federal Expenditures would be Unearned (deferred) Revenue.
- The use of SCA funds will be reviewed and monitored in the same manner as other funds in the Food Service Fund.
- SCA funds, if unused prior to June 30 may trigger an excess fund balance.
  - The requirements of 7 CFR 210,19(a)(1) to maintain no more than a three-month operating balance in the Nonprofit Food Service Account (NFSA) does not impact a sponsor's eligibility for and/or receipt of SCA funds. State Agencies are advised to continue providing appropriate technical assistance to SFAs that exceed their three-month operating balance to ensure full use of Federal funds. All regulations still apply, and our normal Excess Fund Balance process is still required to be followed.

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**For more information** see [Supply Chain Assistance Funds Allocation](#).

Links Used in This Document:

<https://www.fns.usda.gov/cn/allocation-supply-chain-assistance-fund>