

MEMORANDUM

To: School Nutrition Program Authorized Representatives, Business Managers, and Food Service Directors
Child and Adult Nutrition Program Contacts
Summer Food Service Program Contacts

From: Division of Child and Adult Nutrition Services

Date: August 15, 2022

RE: Temporary Flexibility for Nonprofit Food Service Account Finances

This memo communicates a temporary flexibility for food service finances from School Year (SY) / Program Year (PY) 2021-2022 that allows School Nutrition Program (SNP) or Child and Adult Care Food Program (CACFP) operators to apply for a two-year spend down plan if the program operator exceeds a five-month net cash resource limit. This flexibility is also available to Summer Food Service Program (SFSP) sponsors that only operate during summer months for the net cash resource limit of one month's average expenditures.

This flexibility is due to extra federal funding that many child nutrition program operators received from recent USDA COVID-related waivers. Due to the increased risk of operators exceeding the federal program limit on net cash resources, **DOE will temporarily allow operators that exceed a five-month limit to apply for a two-year spend down plan.** SY/PY financials 2022-2023 will return to the normal practice of one-year spend down plans.

Please share this information with staff involved with your nonprofit food service account. If you have any questions, please contact the Child and Adult Nutrition Services (CANS) office at (605) 773-3413 or DOE.SchoolLunch@state.sd.us.

Authority: 7 CFR 210.19(a)(1); 7 CFR 215.7(d)(1); 7 CFR 220.7(e)(1)(iv); FNS796-2 revision 4, Part 6D, 7 CFR 225.15(a)(4)