



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

3101 Park  
Center Drive  
Alexandria, VA  
22302-1500

DATE: March 30, 2012

MEMO CODE: SP 23-2012

SUBJECT: Fresh Fruit and Vegetable Program (FFVP): Allocation of Funds for School Year (SY) 2012/2013

TO: Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
School Nutrition Programs  
All States

The *Fresh Fruit and Vegetable Program*, under Section 19 of the Richard B. Russell National School Lunch Act (NSLA), has been a nationwide program since 2008 and operates in selected elementary schools in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

The purpose of this memorandum is to provide funding allocation amounts for all State agencies (SAs) for SY 2012/2013; to provide information on funding requirements and deadlines; and to serve as a reminder of important program requirements.

#### *Allocation of Funds to SAs*

The FFVP is funded by two sources: a transfer from the Agricultural Marketing Service and prior year funds. Prior to SY 2012/2013, the amount of the transfer was specified in the NSLA. Beginning in SY 2012/2013, the amount of the transfer equals the prior year transfer adjusted for inflation. The adjusted transfer, combined with prior year funds, result in a total SY 2012/2013 allocation of \$163.5 million.

As in the previous year, allocations of FFVP funds are made on a school year basis, and funds will be provided on a fiscal year basis through two distributions: on or about July 1 and October 1, 2012.

Per Section 19, the funding formula is as follows: (1) all 50 States and the District of Columbia will receive an annual grant equal to one percent of the funds made available; and (2) Food Nutrition Service (FNS) will allocate the remaining funds to all 50 States, the District of Columbia, Guam, Puerto Rico and the Virgin Islands based on the proportion of the population to the U.S. population. All funds are allocated using this formula.<sup>1</sup> Please refer to the Attachment for the total of FFVP funds available for each State. The attachment also includes each State's maximum July allocation.

---

<sup>1</sup> Per Section 19 of the NSLA, FNS has retained \$500,000 for the administrative costs of carrying out the FFVP.

### **July Allocation**

This year a total of \$27 million is available to the States for the July allocation. In an effort to help SAs effectively administer the FFVP, FNS is asking each SA to determine the amount of funding needed to initiate and operate its FFVP during the first quarter of SY 2012/2013; this amount will be the SA's July allocation and will be available for obligations made from July 1 through September 30, 2012. We anticipate that providing each SA the flexibility to estimate the amount of funds it needs during the first quarter of the school year will reduce the amount of unobligated funds at the end of the fiscal year.

Therefore, each SA must notify its respective FNS Regional Office (RO) by June 1, 2012, of the amount the SA wishes to receive for its July allocation. The SA will receive these funds on or about July 1, 2012. ROs must report SAs' July allocation requests to Headquarters (HQ) Financial Management (FM) by June 8, 2012. A request for more than the available amount of the State's total grant award for the first quarter of SY 2012/2013 will require written justification and subsequent approval from FNS.

Here are a few considerations for SAs when deciding their July allocation request:

- All participating schools, including new schools, should be operational when classes resume for the school year. Therefore, the estimate should include all necessary expenses for schools to initiate the FFVP; i.e., ordering produce for delivery in August and September and any equipment to support program operations.
- SAs may want to consider including a portion of their administrative funds in their first quarter estimate.

To ensure that States are provided every opportunity to expend their allocation, and as allowed in previous school years, if a State returns unobligated FFVP funds from the July allocation to FNS-HQ prior to the end of September, those returned funds will be added to the October allocation. Unobligated funds that are not returned to FNS-HQ prior to Friday, September 21, 2012, will be recovered by FNS during normal closeout activities. These funds will no longer be available for SY 2012/2013, but will be made available for future program operations.

RO-FM staff should be able to track the transactions by Program Cost Account (PCA) at the regional level. Since regional FM personnel handle letter of credit (LOC) transactions with States, SAs should notify their FM contacts in the regions of any balances to be returned. States may also want to consider copying regional program staff and HQ staff for continuity. States must provide their balances to be returned to RO-FM no later than September 18, 2012, and the RO in turn must provide this information to HQ-FM no later than September 21, 2012. These deadlines will allow sufficient time for each SA's return to be processed so that it may be included in the October allocation.

### **October Allocation**

The second allocation will be made on or about October 1, 2012. Schools can obligate the October funds through June 30, 2013. SAs may continue to obligate these funds for State administrative costs through September 30, 2013.

The October allocation will be the remainder of the SA's total grant for the school year, including any unobligated funds from the July allocation that a State returned prior to the end of the fiscal year. The October allocation will not include any funds recovered by FNS from the July allocation; those funds will be available for future program operations.

### **Funds for State Administrative Costs**

Section 19 permits SAs to retain a portion of their total FFVP grant allocation for State administrative costs. The amount of funds retained for State administrative costs is the lesser of: (1) five percent of the SA's total grant for the year; or (2) the amount required to pay the costs of one full-time coordinator for the FFVP in the SA. Each SA should identify the appropriate level and resulting salary for a FFVP coordinator within the SA personnel structure. As a reminder, this provision serves to assist SAs in determining the FFVP administrative funds they can retain from their total grant and does not require SAs to employ a coordinator for the FFVP.

The amount retained for State administrative costs must be determined up-front, since SAs must subtract funds used for State administrative costs prior to making school selections and determining school allocations. State administrative funds are subject to the same cost accountability and management principles applied to State Administrative Expense funds.

SAs can determine from which of the two allocations and how much, if any, of the funds they will retain for administrative expenses. SAs taking the entire portion of administrative funds in the July allocation must obligate these funds by September 30, 2012.

### **General Program Reminders**

- The requirements in the law for school selection are very prescriptive and require that schools with the highest level of free and reduced price enrollment receive priority in selection. For more detailed information regarding school targeting, outreach to needy schools and the application process, please refer to FNS memorandum dated December 1, 2009, SP-10-2010, titled *Fresh Fruit and Vegetable Program (FFVP) Targeted School Selection and Outreach Process*. See also the manual *Fresh Fruit and Vegetable Program: A Handbook for Schools*, found at: <http://www.fns.usda.gov/cnd/FFVP/handbook.pdf>
- As stated in Section 19 of the NSLA, since SY 2010/2011 only elementary schools have been eligible to participate in the FFVP. Secondary schools are not allowed to participate.
- Total enrollment of all schools selected by the SA must result in a per-student allocation of \$50 to \$75 per year.
- The application process must be conducted yearly, however returning schools do not have to submit a new application each year; instead they are permitted to update their application on file, at the discretion of the SA.
- As stated earlier, all schools should be operating the FFVP as soon as the new school year begins. Therefore, SAs are strongly encouraged to select their schools before the current school year ends.

The following table provides some key FFVP dates.

Key Dates to Remember	
No later than June 30, 2012	SAs select all SY 2012/2013 FFVP participating schools (recommended)
June 1, 2012	SAs report July 2012 funding requirement to RO-FM
June 8, 2012	ROs report SA funding requirements to HQ-FM
July 1, 2012	SAs receive 1 <sup>st</sup> allocation for SY 2012/2013; schools can no longer obligate funds received in October 2011 allocation for SY 2011/2012
Sept. 18, 2012	States must notify RO-FM of any July allocation balances to be returned
Sept. 21, 2012	RO must provide July allocation return totals to HQ-FM
Sept. 30, 2012	Last day on which July allocation funds can be obligated (any unobligated funds will be recovered during closeout)
Oct. 1, 2012	SAs receive 2 <sup>nd</sup> allocation for SY 2012/2013
Dec. 31, 2012	Closeout for FY 2012 funds; SAs submit final SF-425 via FPRS
June 30, 2013	<u>Schools</u> can obligate all 2 <sup>nd</sup> allocation funds up to this date
Sept. 30, 2013	<u>SAs</u> can obligate all 2 <sup>nd</sup> allocation funds up to this date

SAs with questions regarding FFVP should contact their respective Regional Offices.

**Original Signed**

Cynthia Long  
 Director  
 Child Nutrition Division

Attachment

<b>State</b>	<b>Proposed FFVP per state allocation for SY12-13, based on approximately \$163.5 million available</b>	<b>Maximum July Allocation (based on \$27 million available)</b>
Alabama	\$2,859,345	\$472,185
Alaska	\$1,816,928	\$300,043
Arizona	\$3,272,336	\$540,386
Arkansas	\$2,381,922	\$393,345
California	\$11,177,723	\$1,845,863
Colorado	\$2,923,245	\$482,738
Connecticut	\$2,550,517	\$421,186
Delaware	\$1,865,009	\$307,983
District of Columbia	\$1,789,133	\$295,453
Florida	\$6,451,017	\$1,065,306
Georgia	\$4,116,524	\$679,793
Hawaii	\$1,983,446	\$327,541
Idaho	\$2,036,541	\$336,310
Illinois	\$4,921,609	\$812,743
Indiana	\$3,295,847	\$544,268
Iowa	\$2,415,334	\$398,862
Kansas	\$2,365,836	\$390,688
Kentucky	\$2,746,543	\$453,558
Louisiana	\$2,796,238	\$461,764
Maine	\$1,975,264	\$326,190
Maryland	\$3,113,914	\$514,224
Massachusetts	\$3,312,197	\$546,968
Michigan	\$4,166,727	\$688,083
Minnesota	\$2,993,618	\$494,359
Mississippi	\$2,395,083	\$395,518
Missouri	\$3,169,083	\$523,335
Montana	\$1,888,442	\$311,853
Nebraska	\$2,102,823	\$347,255
Nevada	\$2,326,755	\$384,235
New Hampshire	\$1,972,218	\$325,687
New Jersey	\$3,887,073	\$641,902
New Mexico	\$2,162,465	\$357,104
New York	\$6,598,765	\$1,089,704
North Carolina	\$4,077,545	\$673,356
North Dakota	\$1,807,286	\$298,451
Ohio	\$4,590,113	\$758,000
Oklahoma	\$2,595,921	\$428,684
Oregon	\$2,616,342	\$432,057
Pennsylvania	\$4,888,756	\$807,318
Rhode Island	\$1,904,619	\$314,524
South Carolina	\$2,819,802	\$465,655
South Dakota	\$1,843,555	\$304,440
Tennessee	\$3,260,576	\$538,444
Texas	\$8,076,118	\$1,333,671
Utah	\$2,342,978	\$386,914
Vermont	\$1,795,286	\$296,469
Virginia	\$3,684,489	\$608,448
Washington	\$3,357,513	\$554,452
West Virginia	\$2,109,651	\$348,383
Wisconsin	\$3,091,740	\$510,563
Wyoming	\$1,779,375	\$293,842
Puerto Rico	\$954,373	\$157,603
Guam	\$46,329	\$7,651
Virgin Islands	\$28,113	\$4,643
	<b>\$163,500,000</b>	<b>\$27,000,000</b>