



# Georgia Dept of Early Care and Learning

BRIGHT FROM THE START

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## MEMORANDUM

**Subject:** Use of SFSP Funds towards Farm to Early Care and Education Costs, with Questions and Answers

**Date:** May 23, 2022

**Legal Authority:** USDA Policy Memorandum SFSP 07-2016; USDA Policy Memoranda SP 32-2009 and SP 06-2015

**Cross Reference:** GA DECAL Policy Memoranda, *Local Foods and Related Activities in Summer Meal Programs, with Questions and Answers* - December 11, 2015 and *Use of CACFP funds towards Farm to Early Care and Education Costs, with Questions and Answers* - March 31, 2022

**Applies To:** All Institutions Participating in the Summer Food Service Program (SFSP)

**Purpose:** The guidance contained within this policy memorandum seeks to advise of how SFSP sponsors may use SFSP reimbursement towards Farm to Early Care and Education related costs.

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## Background

As early childhood is the prime time to incorporate and emphasize healthy habits, the Farm to Early Care and Education (ECE) initiative connects local food producers and farmers, nourishing foods, and nutrition and agricultural education to children in childcare and early education environments. Farm to ECE incorporates the three core elements of local procurement, gardens, and food and agriculture education to advance health and wellbeing, engage families and communities and enhance the quality of the ECE setting. To support such efforts, DECAL uses competitive USDA grants and other resources that support the planning, developing, and implementing of Farm to Early Care and Education programs.

GA DECAL intends to build upon Farm to ECE foundations to improve access to local foods in child nutrition programs across the state while emphasizing local procurement and nutrition and agricultural education efforts.

As such, the goals of GA DECAL and Farm to ECE include:

- Help children develop healthy lifelong eating habits through exposure to gardening, hands-on food and nutrition education, cooking and local foods;
- Increase access to locally grown nourishing food in meals and snacks;
- Enhance the quality of the early care and education experience; and
- Create an environment that enables and encourages children and families to make choices for overall health and wellness.

## **Gardening Costs**

Summer is a time of agricultural abundance and a prime time of the year to add a variety of produce to nutritious and delicious meals at summer feeding sites. In Georgia, local harvests peak during the warmest months, which aligns with the operational season of the Summer Food Service Program (SFSP), known as Happy Helpings in Georgia. This alignment would allow sponsors to serve produce in their freshest state. The numerous benefits to "bringing the farm" to summer feeding sites include increases in the following:

- Participation in summer meals programs;
- Quality and appeal of summer meals;
- Children's access to fresh and nutritious meals;
- Access to experiential learning activities; and
- Nourishment and activity while school is out.

SFSP sponsors are encouraged to create innovative ways of meeting the goals of providing nutritious meals to children and providing agriculture-based education and activities. Sponsor and site gardens and related activities may offer viable opportunities for supporting the Program and increasing children's interest and consumption of nourishing foods. Per DECAL Policy Memorandum, *Local Foods and Related Activities in Summer Meal Programs, with Questions and Answers* (December 11, 2015), costs associated with growing food to be used in the meal service and nutrition education activities are allowable.

To further promote children's exposure to healthy foods and a more creative and hands-on learning environment, sponsors may use SFSP funds from their non-profit food service account to purchase items to implement and maintain a garden if the following:

- The garden is located at the sponsor's physical address and/or a sponsored site;
- Purchases funded by the SFSP are used within the context of the SFSP and to the benefit of the children participating in the Program;
- The produce grown in the garden will be used as part of the reimbursable SFSP meal; and/or
- The garden produce will be incorporated into nutritional education activities. Nutritional education activities can include but are not limited to providing food at the SFSP sponsored site as an education lesson, gardening activity, cooking demonstration, and/or taste-testing.

The Farm to ECE on-site garden educational opportunities are designed to end when SFSP meal operations have concluded. Sponsor staff would be responsible for the maintenance of the garden after the ending of SFSP meal service operations and may connect with community partners such as Master Gardener volunteers or UGA Extension Agents to continue their gardening efforts and to make plans for revitalizing the garden for use in the following SFSP year.

### **Allowability of Farm to ECE Costs, CACFP Budgets, and Procurement Requirements**

In an effort to lessen the burden to those sponsors electing to create an onsite garden and to further foster participation in the Farm to ECE, GA DECAL has developed the following list of "pre-approved" items associated with the creation and maintenance of gardens and Farm to ECE activities that will not require separate GA DECAL approval; and have been deemed allowable if used within the context of the SFSP and to the benefit of the participants enrolled in the Program.

However, the pre-approved items' projected costs would be required to be disclosed and included within budgetary line-item projected costs within a sponsor's budget in GA ATLAS, prior to sponsors using SFSP reimbursement funds and/or excess SFSP funds towards those costs. For further guidance on which budget line item under which each pre-approved cost would fall, see the Questions and Answers section of this memorandum and the below section entitled "Pre-Award Costs and the Use of SFSP Excess Funds on Farm to ECE Costs".

*(Please note: Basic cost principles, as per 2 CFR 200, Subpart E, which includes that costs must be necessary, reasonable, and allowable, is applicable to all costs related to onsite gardens and related Farm to ECE activities that are charged to the Program).*

- Cold frames
- Compost bins
- Cooking demonstration supplies
- Fertilizers
- Garden tower
- Garden supports
- Grow lights
- Instructional materials, field guides, books
- Labor (*i.e.*, contracted garden educators, contracted labor, or teachers providing garden instruction or nutrition education to children)
- Materials for raised garden beds
- Mulch
- Natural pest controls
- Organic material to improve soil, compost
- Planting containers
- Rain barrel
- Rent/lease of kitchen equipment needed to store fresh produce
- Seeds, starts, plants
- Soil test kit and amendments
- Taste-test supplies and materials for children
- Tools
- Training for staff and garden volunteers
- Wheelbarrow

However, sponsors must be aware that not all garden and Farm to ECE costs are allowed with no additional State agency approval. Sponsors will be required to request and receive specific prior written approval through GA DECAL for gardening costs that are not included on the above pre-approved item list.

Please note that per FNS Instruction 796-4, Rev. 4 and DECAL's Budget Guidance Manual, SFSP funds used towards outright purchases of capital equipment (equipment with an acquisition cost of \$5,000 or more) is prohibited in the SFSP and thus would be unallowable for the purposes of Farm to ECE SFSP related costs.

Sponsors should also note that if SFSP funds are used towards the total purchase cost of a Farm to ECE pre-approved item, the item must be used entirely for the benefit of the SFSP. Use of that item in the sponsor's non-SFSP programs or for personal use would be prohibited. If the sponsor intends for a Farm to ECE cost to be shared by other programs/purposes, then the sponsor would be required to properly allocate the Farm to ECE cost within the SFSP budget in GA ATLAS and only charge to the SFSP the properly allocated cost amount.

In addition, sponsors who intend to use SFSP reimbursement towards the costs listed on the above-mentioned, pre-approved list would be required to adhere to procurement requirements regarding those costs per 2 CFR § 200, 7 CFR § 226.22 and GA DECAL's Procurement Guidance Manual.

### **Documentation of Farm to ECE Pre-approved Costs**

Just as any other cost charged to the SFSP, sponsors must ensure that recordkeeping requirements and standards are met regarding costs associated with the creation and maintenance of onsite gardens and Farm to ECE activities as set forth in GA DECAL Policy No. SFSP/17-20 *Financial Recordkeeping in the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program (SFSP)*, October 1, 2018, SFSP/03-05 *Recordkeeping Requirements for All Sponsors and Sponsored Facilities Participating in the Summer Food Service Program (SFSP)*, February 1, 2022, and GA DECAL's Budget Guidance Manual. Records that must be maintained and made available upon request include, but are not limited to:

- Photographs of how items are being used in the Program;
- Invoices;
- Receipts;
- Monthly Record of Cost Form which is to include all Farm to ECE related costs charged to the SFSP;
- Procurement documentation;
- Small Purchase Item Documentation Form (if applicable);
- Allocation methodologies (if applicable); and
- Labor cost documentation (if applicable)

Note: To account for the food grown and served as part of a reimbursable meal, sponsors using onsite garden produce as part of their SFSP reimbursable meals should record the following: (1) description of the food harvested; (2) the weight and/or volume of the produce harvested; and (3) other specific meal service information (i.e., dates of meal service and service type). This information must be captured on the DECAL required form *SFSP Farm to ECE Harvested Food Form*, which can be found at <http://www.decals.ga.gov/BftS/FormList.aspx?cat=SFSP>.

In addition to capturing information on harvested produce on the SFSP Farm to ECE Harvested Food Form, sponsors must also document the sale of harvested produce. Sponsors must document (1) harvest date, (2) sale date; (3) description of food harvested/sold; (4) the weight and/or volume of the

produce sold; (5) sale price; and (6) date funds were deposited/coded to the sponsor's SFSP food service account.

### **Pre-Award Costs and the Use of SFSP Excess Funds on Farm to ECE Costs**

DECAL requires all SFSP sponsors to complete an annual year-end reconciliation of revenue and SFSP expenses. This process ensures that SFSP sponsors are using SFSP reimbursement funds for allowable costs, maintain a non-profit food service account, and identifying potential excess funds. Please see DECAL Policy Memorandum, *Simplified SFSP and Bright from the Start's Annual Year-End Reconciliation Process - Revised (v.4)* (February 7, 2020) for further information.

Per DECAL's Budget Guidance Manual, pre-award costs are costs incurred prior to the effective dates of the award (the approval to participate in SFSP) where such costs are necessary to Program operations. These costs, which must be approved by DECAL, are considered allowable only if the costs would be allowable once the sponsor is approved to operate the SFSP.

As planting seasons vary based upon the type of produce grown, there is a possibility that SFSP garden costs could be incurred prior to the beginning of the following year's SFSP. Sponsors that have excess funds from the prior year may use the excess funds for SFSP planting costs prior to the beginning of the next year's SFSP.

However, sponsors who intend to use excess SFSP funds towards gardening costs prior to the start of meal services must do the following:

- Include the costs in the Pre-Award cost line item in the SFSP budget in GA ATLAS;
- Complete and submit the Pre-Award Cost Request form located on Nutrition Services' website at <http://www.decal.ga.gov/BftS/FormList.aspx?cat=SFSP>; and
- Submit pre-Award cost supporting documentation such as the following:
  - Small Purchase Documentation form, if applicable;
  - Year-End Reconciliation Form;
  - Time Reports, if applicable; and
  - Supporting receipts/invoices

SFSP sponsors must adhere to financial record maintenance requirements with regard to these Pre-Award costs just as any other SFSP cost that is expensed during typical SFSP operating time periods. For example, if in April a sponsor needs to prepare the garden and plant vegetables for a June harvest, the sponsor may use excess SFSP funds towards pre-approved items for the April planting (*i.e.*, Seeds, plants, mulch, organic material, etc.). These costs must be supported by invoices and/or receipts, reconcile with the sponsor's separate financial tracking system and be recorded on a Monthly Record of Cost Form.

### **SFSP Sponsors Participating in the CACFP**

SFSP Sponsors who also participate in the CACFP may continue established gardens that were created for the SFSP for use in their CACFP. However, proper allocation of costs shared by both Programs must be fully documented and reflected in both the SFSP and CACFP budgets within GA ATLAS. For example, if an SFSP sponsor, who also participates in the CACFP's At-Risk Afterschool Meal Program, would like to continue the use of a garden that was created and used for the SFSP, any of the pre-approved costs mentioned above would be required to be disclosed and included within budgetary line-item projected costs within a sponsor's CACFP budget in GA ATLAS when those items are expensed

with CACFP funds. Any pre-approved cost that is shared by both Programs must be properly allocated in the budget and charged to the respective program food service accounts. For further information, please see DECAL Policy Memorandum, *Use of CACFP funds towards Farm to Early Care and Education Costs, with Questions and Answers* (March 31, 2022).

**Resources:**

- Local Foods in the Summer Food Service Program, <https://www.fns.usda.gov/cfs/farm-summer>
- DECAL's Farm to Summer, <http://www.dec.al.ga.gov/documents/attachments/FarmToSummerSheet.pdf>
- Getting Started: Georgia Farm to Early Care and Education Guide, [http://www.dec.al.ga.gov/documents/attachments/FTECE\\_GettingStartedGuideInteractive.pdf](http://www.dec.al.ga.gov/documents/attachments/FTECE_GettingStartedGuideInteractive.pdf)
- Growing Farm to School and Early Care and Education in Georgia, [http://www.dec.al.ga.gov/documents/attachments/GAF2S\\_F2EC\\_StrategicPlan2021-2025.pdf](http://www.dec.al.ga.gov/documents/attachments/GAF2S_F2EC_StrategicPlan2021-2025.pdf)

For questions concerning this memorandum, please contact the Policy Administrator at 404-651-8193 or the Budget Compliance Supervisor at 404-651-7191.

## Questions and Answers

**1. Can an SFSP Sponsor sell food grown in their onsite garden that was funded using the nonprofit SFSP food service account?**

Yes, as long as the revenue from the sale of the food is returned to the nonprofit SFSP food service account. The facility can serve the produce as part of a reimbursable meal or sell it a la carte, to parents, to community members, or at a roadside stand. Sponsors should maintain and provide upon request all documentation associated with the sale of food grown. For the purposes of accounting for food grown, sponsors using garden produce in reimbursable meals should document the weight or volume of the produce. Please keep in mind that if a sponsor does not return the revenue from the sale of the food grown in a SFSP funded onsite garden, the sponsor will be cited and corrective action would require the sponsor to return the revenue to the SFSP food service account.

**2. Can a SFSP Sponsor use the nonprofit food service account funds towards labor costs?**

Yes, SFSP reimbursement can be used towards labor costs associated with onsite gardens. Gardening related labor costs can include contracted garden educators or teachers providing gardening instruction or nutrition education to children and/or labor costs associated with the creation and maintenance of the garden. But please keep in mind, any labor cost charged to the SFSP must be supported by time and attendance records signed by the employee and supervisor, time distribution reports (if applicable), and payroll records. Failure to maintain labor cost records supporting the use of SFSP funds will result in funds due back to the sponsor's food service account. Please see DECAL memorandum, *SFSP Labor Cost and Benefits Documentation* (January 15, 2022 v.2) for further information regarding labor cost documentation.

**3. What budget line-item categories within the GA ATLAS Budget should SFSP sponsors include the costs associated with pre-approved Farm to ECE items?**

*Note: For SFSP sponsors that intend to use SFSP excess funds on Farm to ECE costs prior to the start of meal operations, the costs should be included within the Pre-Award Costs line item in the sponsor's GA ATLAS budget and not within the cost categories below.*

Provided below is a list of the pre-approved Farm to ECE items per budget line-item category for SFSP sponsors to reference:

Durable Supplies Costs

- Cold frames
- Compost Bins
- Cooking demonstration supplies
- Garden supports
- Garden tower
- Grow lights
- Materials for raised garden beds
- Planting containers

Rain Barrel

Rent/lease of kitchen equipment to store fresh produce (requires special prior written approval)

Soil test kit and amendments

Tools (may require special prior written approval)

Wheelbarrow

Expendable Supplies

Fertilizers

Natural pest controls

Mulch

Organic material to improve soil, compost

Seeds, starts, plants

Taste-test supplies and materials for children

Labor and Benefit Costs

Labor (*i.e.*, contracted garden educators, contracted labor costs, or teachers providing garden instruction or nutrition education to children)

Participant Training & Other Participant Support Costs

Training for staff and garden volunteers

Other and Special Costs

Instructional materials, field guides, books