



United States
Department of
Agriculture

Food and
Nutrition
Service

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Alexandria, VA
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DATE: October 1, 2013

SUBJECT: Update on Food and Nutrition Service Operations: Child Nutrition Programs

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

Due to a lapse in appropriations for the Food and Nutrition Service (FNS) as of October 1, 2013, FNS has initiated the process of orderly shutdown of nonessential operations. You can view the Department of Agriculture's (USDA's) plans for a lapse in appropriations at <http://www.whitehouse.gov/omb/contingency-plans>.

We understand the uncertainty that the current circumstances present for Americans that USDA serves every day, as well as our many partners around the country. Effective today, many FNS staff will be furloughed pending reinstatement of funding by Congress. These staff will not be available by phone or email, and cannot carry out work for the Agency, until funding is restored.

In FNS, this means that the Child Nutrition Programs will be impacted as discussed below. The Child Nutrition Programs include the National School Lunch Program, the School Breakfast Program, the Special Milk Program, the Child and Adult Care Food Program, the Summer Food Service Program, the Fresh Fruit and Vegetable Program, and State Administrative Expenses.

Fiscal Year (FY) 2013 Reimbursements and FY2014 Program Operations

FY 2013 funds would continue to be available to pay reimbursement claims for all Child Nutrition Program meals served in FY 2013. This means school food authorities and other program operators would receive reimbursement for meals served prior to October 1, 2013.

FNS has confirmed that the Treasury ASAP letter of credit system (LOC) will continue to operate and all State agencies will be able to draw funding for FY 2013 benefits.

The Child Nutrition Programs, including School Lunch, School Breakfast, Child and Adult Care Feeding, Summer Food Service, and Special Milk will continue operations into October. Meal providers are paid on a reimbursement basis 30 days after the end of the

Region Directors

State Directors

Page 2

service month. Limited carryover funding will be available during a lapse to support FY 2014 meal service. Once an appropriation is enacted, we expect additional resources will be available to reimburse October performance.

For the Fresh Fruit and Vegetable Program, the second allocation of funds for School Year 2013-2014 will be provided to States by FNS once the Federal government resumes operations.

State Administrative Activities

State Administrative Expense (SAE) grants are made available with a two year performance period. Therefore, State agencies may utilize the funds that they already have available to them to cover State administrative costs during a shutdown.

FNS expects that a large majority of States will have enough SAE carryover from FY 2013 SAE funds to last at least several weeks. States with more than one agency administering Child Nutrition programs should ensure that all agencies have adequate SAE funds to continue program operations by transferring unspent FY 2013 SAE funds between agencies if needed. In addition, funds provided through Section 201 of the Healthy, Hunger-Free Kids Act of 2010 may also be used to support State administrative activities related to implementation of the new school meal standards, and remain available in FY 2014. SP 39-2013 provides guidance on allowable uses of these funds.

We are committed to keeping you as up to date as possible, within the limits of current circumstances.

A handwritten signature in blue ink that reads "Cynthia Long". The signature is written in a cursive, flowing style.

Cynthia Long
Director
Child Nutrition Division