



TERRY BRANSTAD, GOVERNOR
KIM REYNOLDS, LT. GOVERNOR

DEPARTMENT OF EDUCATION
BRAD A. BUCK, DIRECTOR

DATE: May 15, 2015

TO: School Superintendent
Authorized Representative
School Food Service Director
School Business Manager

FROM: Ann Feilmann, Bureau Chief
Patti Harding, Administrative Consultant, School Programs
Bureau of Nutrition and Health Services

SUBJECT: **FY 2015 FOOD SERVICE EQUIPMENT ASSISTANCE GRANT
Request for Applications**

PLEASE ROUTE – ACTION NEEDED BY June 30, 2015

The Fiscal Year (FY) 2015 Agriculture Appropriations Act provided State agencies funding to competitively award equipment assistance grants to eligible School Food Authorities (SFA) participating in the National School Lunch Program (NSLP). This memorandum also provides guidance on the specific terms and conditions for these grants, period of performance and timeline, funding goals, and reporting requirements.

These funds will allow SFAs to purchase equipment to serve healthier meals that meet the updated meal patterns, with emphasis on more fruits and vegetables in school meals, improve food safety, and expand access.

Grant Awards

Iowa received \$205,543 to be awarded to School Food Authorities (SFAs) via a competitive grant process, giving priority to high need schools (i.e., schools in underserved areas, schools with limited access to other resources, and age of food service equipment) where 50 percent or more of the enrolled students are eligible for free or reduced price meals as reported on the Site Enrollment section on IowaCNP for October, 2014. In addition, **SFAs must give priority to schools that did not receive a previous NSLP Equipment Assistance Grant award under the American Recovery and Reinvestment Act of 2009 and the FY 2010, FY 2013 and FY14 Agriculture Appropriations Acts.**

Equipment Definition:

Equipment requests may include new equipment, renovation of equipment, or replacement of equipment. In Regulation 2CFR §200.33, equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity (SFA) for financial statement purposes, or \$5,000. See also §§200.12 Capital assets, 200.20 Computing devices, 200.48 General purpose equipment, 200.58 Information technology systems, 200.89 Special purpose equipment, and 200.94 Supplies.

Equipment procured using these grant funds must be necessary, reasonable, and allocable. While using these grant funds to purchase a walk-in freezer for school food service, or a salad bar, may be an allowable cost, building an extension to a cafeteria would be a capital expense that should be borne by the school district or school.

Eligibility Requirements:

- Participate in the National School Lunch Program.
- Only one application packet per SFA will be accepted. If equipment is being requested at multiple schools or if one school is requesting multiple pieces of equipment, the SFA must complete the SFA Application and a School Application for each school and piece of equipment.
- SFAs requesting equipment for a Central Kitchen or Production Kitchen must complete the SFA Application and the Central Kitchen or Production Kitchen Application for each piece of equipment the SFA is requesting.
- Generally speaking, the minimum amount of the grant must be \$5,000 (or a lesser amount if the SFA has a capitalization policy with a threshold less than \$5000). **If your SFAs equipment capitalization threshold is under \$5,000, the SFA must provide a copy of its capitalization policy.**
- Equipment purchase requests must fall into at least one of the State's allowable focus areas.
- Obligations made *prior* to grant award will not be considered for award/payment.
- If replacing equipment, the SFA must describe the condition of the equipment, report the age of the equipment and what will be done with existing equipment.
- SFAs must complete their procurement and expenditure activities by Nov. 13, 2015.
- SFAs will be required to follow all Federal, State, and Local procurement laws when purchasing equipment under these grants. (see Appendix A for a listing of Federal Regulations and Cost Principles).
- **Completed application must be postmarked by June 30, 2015.**

Equipment Purchases Must Fall Into At Least One of the Focus Areas Listed Below:

- 1) Equipment that improves the quality of school meals
- 2) Equipment that improves the safety of food served in the school meal programs
- 3) Equipment that improves the overall energy efficiency of the school food service operations
- 4) Equipment used to improve or expand participation in the NSLP and/or School Breakfast Program

IMPORTANT: Given the focus areas, the State Agency will not approve funding for computerized software or hardware.

Reporting Requirements:

- Records documenting the competitive bid process must be on file for review.
- Impact on the school food service operation of purchased equipment.
- Expenditures made with FY 2015 equipment assistance funds must be distinguishable from all other funds. Accounting codes and additional guidance will be provided to SFAs awarded grants.
- Records documenting expenditures consistent with the approved grant award must be on file for review per USDA requirements.

Timeline:

SFAs must complete their procurement and expenditure activities and submit Request for Grant Payment by January 29, 2016.

May 15, 2015	Request for School Food Service Equipment Assistance Grant Applications Released
June 30, 2015	Completed application must be postmarked by June 30, 2015
Sept. 8, 2015	Grant Awards will be announced by Sept. 8, 2015
Nov. 13, 2015	Equipment funds must be expended or obligated by November 13, 2015
January 29, 2016	Final deadline for submitting documentation and Request for Grant Payment

Distribution of Funds

Grant awards will be for a dollar amount not to exceed that specified in the Grant Award document. **Actual funds will be distributed through a reimbursement process, with final grant payment determined by submission of actual invoices for equipment and applicable related costs.** The related costs may include those that are reasonably required to procure new equipment and place it in service (including delivery, installation, testing, disposition of old equipment, etc.) Funds may not be used for administrative costs associated with the grant application process or for administrative costs related to the procurement and installation processes. FY 2015 equipment assistance grant funds may not be used for kitchen renovations.

Please note: *Old equipment must be disposed of in accordance with applicable Federal regulations. See 2 CFR 200.313 for information on equipment disposal.*

SFAs will be financially responsible for any expenditure in excess of that specified in the Grant Award. Funds not fully expended or obligated by November 13, 2015, are subject to withdrawal by the State Agency.

FOOD SERVICE EQUIPMENT ASSISTANCE GRANTS

Evaluation Criteria

Maximum Points	Category Description
Required for Consideration	Completed application <ul style="list-style-type: none"> • required information is provided and organized as requested • certification statements/original signatures • equipment specification or description of item attached • capitalization policy attached if applicable
30	Free and Reduced Price Meals <ul style="list-style-type: none"> • Percent students eligible for free or reduced-price meals
45	Equipment improves at least one of the stated four focus area(s): <ul style="list-style-type: none"> • How will it impact and improve the focus area(s) • Why it is needed, justification if replacing equipment • Reasonable and appropriate for intended use and district/school size • Number of focus areas impacted • Additional points for description of improvement in meal quality or of smarter lunchroom strategies
10	Equipment Specification and Estimated Expenses Section <ul style="list-style-type: none"> • Equipment specifications or description of the item (type of equipment, features, functionality, capacity, etc.) that will be used in the bid purchasing process appears complete and appropriate • Cost estimates included, appear reasonable with rationale for how determined
10	Impact <ul style="list-style-type: none"> • Frequency equipment will be used • Number of students that will be impacted
5	Financial Considerations <ul style="list-style-type: none"> • Number of months operating balance • Funds for other sources Number of students
100 pts	Total

The grants review panel will provide recommendations for funding to the Department of Education administration based on the scoring criteria above. The final award decisions will consider the panel recommendations and may consider additional factors such as geographic distribution, number of students that would benefit, cost per student, financial condition of SFA, and confidence in a prospective grantee's ability to satisfactorily perform grant requirements based on past performance (timeliness with other requirements, attention to details, administrative review results, etc.) The State Agency reserves the right to not fund an application, fund applications out of ranked order or at a lesser dollar amount if it is judged that the application can be implemented with fewer Federal dollars, fund components of or only specific items in an application, or to only fund part of the application(s) if Federal funding is not sufficient to fully fund all applications that merit awards. Related to limited total funding available, the State Agency reserves the right to limit funding to one piece of equipment per SFA and/or school.

Resource

The National Food Service Management Institute (NFSMI) has recently developed a resource for districts entitled “Equipment Purchasing and Facility Design for School Nutrition Programs,” which includes information on decision making for purchase of school food service equipment. This resource is available on NFSMI’s web site at <http://nfsmi.org/documentLibraryFiles/PDF/20090312115009.pdf>

Request for Applications - Application Form

A copy of this memo, the SFA Application, School Application, and Central Kitchen or Production Kitchen Application are also posted on **the Department of Education web site at School – Monthly Memos and Updates dated 2015/05/15.**

Remember:

- Only one SFA Application (pages 1-2) will be accepted.
- If equipment is being requested at multiple schools, the SFA must complete the School Application (pages 3-4) for each school and each piece of equipment along with the SFA Application (pages 1-2).
- If equipment is being requested for a Central Kitchen or Production Kitchen, the SFA must complete the Central Kitchen or Production Kitchen Application (pages 5-6) for each piece of equipment being requested along with the SFA Application (pages 1-2).

Please **staple equipment specification that will be used in the bid purchasing process** to the applicable school or central kitchen/production kitchen application document. Also attach an explanation on how the SFA derived at the cost and where received. Paperclip the SFA Application (pages 1-2) followed by the school or central kitchen or production kitchen application(s) documents together. **Only one application packet** per school district or SFA should be submitted.

Contact Information

Questions may be directed to Patti Harding, Administrative Consultant, patti.harding@iowa.gov please put FY 2015 Equipment Assistance Grant in the subject line. SFAs may also contact the area consultant or the general Bureau office number at 515-281-5356.

Enclosed: FY 2015 Food Service Equipment Assistance Grant Application