



*Date:* September 19, 2022

*To:* Authorized Representatives of School Food Authorities (SFAs) Participating in the United States Department of Agriculture (USDA) National School Lunch Program (NSLP) or School Breakfast Program (SBP/SBSEVERE)

Authorized Signatories of Local and Regional Food Non-Profit or For-Profit Organizations, Farmers, Producers, and Processors

*From:* Randall Jones  
Assistant Director, School Nutrition Team

*Subject:* **Announcing:** Application Now Available for the Wisconsin Local Food for Schools Program (WI LFS) for SFAs and Non-SFAs

The School Nutrition Team is pleased to announce that Wisconsin has received \$3,447,772 from the USDA to purchase local unprocessed and minimally processed food. This funding will help states deal with the challenges of supply chain disruptions. Wisconsin will issue non-competitive subawards to SFAs and Non-SFAs for food assistance purchases of domestic, local, unprocessed, or minimally processed foods for distribution to SFAs. This program will build a more resilient local food chain by expanding and strengthening local and regional markets. Purchases will target small business and/or socially disadvantaged farmers/producers.

## Eligibility

### SFAs

All public school districts, private schools, tribal schools, and Residential Child Care Institutions (RCCI) are eligible to apply for subaward, if they participate in the NSLP or SBP/SBSEVERE.

SFAs who do not wish to apply for a subaward, can still benefit from the WI LFS by obtaining food from either another SFA receiving subaward or a Non-SFA.

SFAs utilizing a Food Service Management Company (FSMC) contract, Vended Meal Agreement (VMA), or Joint Meal Agreement (JMA) are eligible. See the Application section below and Frequently Asked Questions (FAQs) for additional information on submitting a contract amendment and attesting to invoicing terms and conditions.

## Non-SFAs

Non-SFAs are any non-profit or for-profit food organizations that conduct procurement of local and regional unprocessed or minimally processed food from small businesses and/or socially disadvantaged farmers/producers to distribute qualified products to eligible SFAs. Examples of eligible organizations include, but are not limited to food hubs, aggregators, cooperatives, distributors, farmers/producers, processors.

# Local and Regional Food

For the purposes of this program:

- **Local and Regional Food** means raised, produced, aggregated, stored, processed, and distributed in the locality or region where the final product is marketed to consumers, so that the total distance that the product travels between the farm or ranch where the product originates and the point of sale to the end consumer is at most 400 miles, or both the final market and the origin of the product are within the same State or territory. Food must also meet the requirements of the definition of “domestic food”.
- **Domestic Food** means “Agricultural Commodity” product grown, processed, and otherwise prepared for sale or distribution exclusively in the United States or its territories, except with respect to minor ingredients. Minor ingredients from nondomestic sources will be allowed to be utilized as a United States product if such ingredients are not otherwise: (1) produced in the United States; and (2) commercially available in the United States at fair and reasonable prices from domestic sources. The following ingredients are determined by AMS Commodity Procurement as not available at fair and reasonable prices and are waived from U.S. origin restrictions: (1) Vitamin A (Retinol Palmitate), (2) Vitamin D, (3) Carageenan (stabilizing agent), (4) Sorbic Acid (preservative), (5) Potassium Sorbate (preservative), (6) Rennet (coagulant), (7) Items excepted from the Buy American Act under FAR 25.104 Nonavailable Articles.
- **Unprocessed or minimally processed** means food that retains the inherent character. The following handling and preservation techniques are allowable:
  - Refrigerating
  - Freezing
  - Size adjustment made by
    - Peeling
    - Slicing
    - Dicing
    - Cutting
    - Chopping
    - Shucking
    - Grinding
  - Pureeing
  - Forming ground products into patties without any additives, preservatives, or fillers
  - Drying or dehydration
  - Washing
  - Packaging (such as placing eggs in cartons)

- Vacuum packing and bagging (such as placing vegetables in bags or combining two or more types of vegetables or fruits in a single package)
- Adding of ascorbic acid or other preservatives to prevent oxidation
- Butchering livestock and poultry
- Cleaning fish
- Pasteurization
- Canning \*do not purchase/serve, or accept as donation, home canned or unlabeled product. All canned food must come from a licensed food processor

Examples of allowable food products include fruits and vegetables (including 100% juices); grain products such as pastas and rice; meats (whole, pieces, or food items such as ground meats); meat alternates such as beans or legumes, and fluid milk and other dairy foods such as cheese and yogurt.

- **Unallowable food** means foods generally understood to be significantly processed or prepared. Examples include baked goods such as breads, muffins, or crackers; prepackaged sandwiches or meals; other prepared and/or pre-cooked items that come ready-to-eat or that require no further preparation beyond heating (e.g., chicken nuggets, fish sticks, pre-made pizzas, etc.).
- **Small Business** means as a business that is: a for profit-business of any legal structure; independently owned and operated, not nationally dominant in its field, and physically located and operated in the U.S. or its territories. There is no required certification or validation process.
- **Socially Disadvantaged** means a farmer or rancher who is a member of a Socially Disadvantaged Group. A Socially Disadvantaged Group is a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program.
- **Allowable costs** mean food and the storage and distribution directly associated with those foods. Administrative costs and indirect costs are unallowable.
  - Once food is received by SFAs that participate in the NSLP or SBP/SBSEVERE, it can be used to produce meals/snacks for the collective benefit of the non-profit school food service account. For example, the inventory can be co-mingled for use in the NSLP, SBP/SBSEVERE, Afterschool Snack Program (ASP/AE-ASP), non-program food sales, etc.
  - Food purchased with LFS funds *cannot* be used to benefit programs outside of the non-profit school food service account.
- Acquisition costs of general purpose equipment or lease agreements to own (i.e., lease-to-own or rent-to-own) are *unallowable*. Equipment rentals are

allowed, but the lease or rental agreement must terminate at the end of the program cycle. These equipment costs must be disclosed and pre-approved by Wisconsin Department of Public Instruction (DPI) School Nutrition Team (SNT) prior to the rental.

## Funding/Evaluation Criteria

Applicants must submit a budget plan, as part of their application, requesting a dollar amount that supports responsible estimates of local food purchasing activities through December 2023.

- SFAs that receive a subaward will be reimbursed through the [Aids Register Online Banking System](#), which is used for processing USDA Child Nutrition Programs reimbursements.
- Non-SFAs will be required to register with the Wisconsin DPI SNT to be eligible for reimbursement. A valid FEIN and UEI number are required and will be requested during the application process.
- Applicants will be required to submit documentation to verify eligible beneficiaries and qualifying products. Wisconsin DPI SNT will audit these documents prior to approving reimbursement requests.
- Records must be maintained for the duration of the contract, plus an additional three years, or until any open audits are resolved. Other documents such as procurement records may be subject to future audit. If working with other local or state agencies, follow applicable record retention schedules.
- Wisconsin DPI SNT will determine the total dollar amount to award based on the applicant pool size, a complete and timely submission, and plans that meet the program criteria and align with the following core objectives:
  - Expand local and regional supply chain by increasing purchasing, aggregation, and subcontracting that benefit:
    - SFAs
    - Small businesses serving SFAs
    - Socially disadvantaged farmers/producers serving SFAs
  - Equitably distribute program subawards to SFAs and Non-SFAs by mapping regional areas served and intentionally award to underserved populations and regions of the state.
  - Total dollar amount of local food purchases the SFA or Non-SFA made between July 1, 2021-June 30, 2022.
    - Of this total, the portion of local food purchases that benefited SFAs.
  - Estimated minimum dollar amount needed to support planned activities that increase local and regional purchasing and sustainable SFA and farmer/producer partnerships.

## Reimbursement

- Subawardees will receive funds for approved purchases by requesting reimbursement using the WI LFS Program Reimbursement Form accompanied by a copy of the paid invoice and delivery receipt to an eligible SFA beneficiary (as applicable). Purchases made prior to subaward are ineligible for funding.
- Reimbursement of paid invoice(s) will be processed monthly. The deadline for requesting reimbursement of paid invoice(s) is the 10<sup>th</sup> of each month for payment in the following month. Since DPI-SNT is funded by USDA on a quarterly basis, some reimbursements may be delayed if occurring at the end of the quarter. For example, purchases made through November 30, 2022, should be submitted by December 10, 2022, for processing to occur in the same month. Payments submitted by December 10 are processed on Tuesday, December 13 and deposited through online banking the following Monday, December 19. Reimbursement requests can be held for activities occurring over multiple months. For example, November and December purchases may be held and submitted to DPI SNT in January 2023.
- Procurement and expenditure activities must be completed, and requests for reimbursement submitted to WI DPI SNT by December 31, 2023.
- Supplanting: the funds awarded through the LFS must supplement (by increasing or expanding) *but not duplicate*, existing food procurement and food distribution activities of the non-profit school food service account. For example, LFS funds cannot be used to purchase food that is already purchased using Supply Chain Assistance Funds (SCA), Fresh Fruit and Vegetable Program (FFVP) funds, DoD Fresh Produce funds, etc.

## Procurement

Subawardee must have in place and use documented procurement procedures that follow all applicable federal, state, local, and tribal procurement laws and regulations.

### SFA Purchases

Keep in mind:

- Procurement regulations at 7 CFR Part 210.21, 2 CFR Part 200.318-327 apply, and food competitively procured using these funds must be necessary, reasonable, and allocable.
- Transactions less than \$10,000 may be acquired using non-competitive [Micro-Purchase](#) procedures. SFAs have the option to establish a higher local threshold up to \$50,000, or more. To increase the local threshold above \$10,000, see self-certification requirements below and consult with the SFA's internal finance department.
- For transactions estimated under \$250,000, [Small Purchase](#) procedures are required (three bids and buy). When using the small purchase procedure, the three bids should be obtained from three different vendors.

- Sealed Bids or Competitive Proposal procedures are not required unless the estimated value of the transaction is over \$250,000.
- Obligations to purchase, made prior to award, are ineligible for funding.

### **SFAs Operating Under a Fixed Meal Price Contract (FSMC contract, VMA, JMA)**

- Fixed price per meal contracts will require an amendment to qualify for the LFS program. Contact [dpisntlfsprogram@dpi.wi.gov](mailto:dpisntlfsprogram@dpi.wi.gov) to request amendment template.
- No additional steps are required for Cost Reimbursable FSMC contracts.

### **Non-SFA Purchases**

Keep in mind:

- Non-SFA should be aware and understand applicable regulations governing subawardees found in 2 CFR Part 200.
- Procurement regulations at 2 CFR Part 200.318-327 apply, and food competitively procured using these funds must be necessary, reasonable, and allocable.
- Transactions less than \$10,000 may be acquired using non-competitive [Micro-Purchase](#) procedures. SFAs have the option to establish a higher local threshold up to \$50,000, or more. To increase the local threshold above \$10,000, see self-certification requirements below and consult with the SFA's internal finance department.
- For transactions estimated under \$250,000, [Small Purchase](#) procedures are required (three bids and buy). When using the small purchase procedure, the three bids should be obtained from three different vendors.
- Sealed Bids or Competitive Proposal procedures are not required unless the estimated value of the transaction is over \$250,000.
- Obligations to purchase, made prior to award, are ineligible for funding.
- Records must be maintained sufficient to detail the history of procurement. These records will include, but are not limited to: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

# **APPLICATION PROCESS**

## **Timeline**

- Announcement Memo, Application, and Frequently Asked Questions (FAQs) released: September 19, 2022
  - SFAs receive personalized link to WI LFS Program Application via automated email from DPI SNT. Check with Authorized Representative and/or Food Service Director.

- Non-SFAs request WI LFS Program Application by “Requesting Link to Apply” on the [Local Procurement Webpage](#).
- Attend Live Microsoft Teams webinar Thursday, September 29 from 2-3 PM, weekly office hours thereafter on Tuesdays from 2-2:30 PM.
  - Link to live webinar: [Wisconsin Local Food for Schools \(LFS\) Program: Overview + Application Process](#)
  - Link to weekly office hours will be shared during live webinar and posted to the Local Procurement webpage.
- **Application due to DPI SNT: Tuesday, October 18, 2022**
  - \*DPI SNT reserves the right to accept applications beyond this date based on funds available.
- Notification of subawards: by November 15, 2022
- Conduct local food purchases: November 15, 2022-December 31, 2023
- Submit final requests for reimbursement: December 31, 2023

## Subawards

If selected, a Notification of Federal Subaward letter will be sent via email to each SFA/Non-SFA on or before November 15 and a SFA and Non-SFA list posted to the WI DPI SNT Local Procurement webpage. Once notified, subawardees can begin planning and conducting procurements. Requests for reimbursement must be submitted by December 31, 2023. The award letter will provide further instructions for submitting reimbursement claims.

By receiving subaward, the SFA and Non-SFA agree to record keeping and reporting requirements required by this program. Weekly, virtual office hours will be available throughout the performance of the program.

## Key Areas of Focus

### Food Safety

Local foods are not riskier than food sources from large scale distributors. The supply chain is shorter and has fewer “touch points” for food safety issues to arise. It is the responsibility of the SFA to ensure they are purchasing from a reputable supplier that engages in safe food practices.

Source: [Get the Facts About Food Safety, USDA, 09/11/2019](#).

SFAs:

- Follow [Food Safety HACCP Plan and Procedures](#):
  - Local products received into the school meal program operation are handled like any other food item with attention to washing produce, hand washing

handling ready-to-eat foods, storage at correct temperatures, cooking to minimum internal temperatures, avoiding cross-contamination, etc.

- Review and modify Standard Operating Procedures (SOPs) to meet operational needs, including SOP for Approved Food Source.
- Reminders:
  - Milk and juice must be pasteurized to serve in SFAs.
  - Raw shell eggs are not required to be pasteurized, *unless* they are undercooked (e.g., sunny side up) and served to a “highly susceptible population”.
  - Eggs must come from a licensed farmer/producer per [Chapter ATCP 88](#). This license allows for sale/distribution to SFAs.
  - Meat, poultry, game, and eggs must be processed in a [USDA or State Inspected facility](#).
  - Do not purchase/serve, or accept as donation, home canned or unlabeled product. All canned food must come from a licensed food processor.
- The following are **not** required under LFS or when purchasing local foods outside of this program, but may be considered as a local SFA specification requirement:
  - Farm tour/inspection by SFA
  - Completion of basic food safety checklist
  - Disclosure of other food safety handling certifications/trainings completed
  - Good Agricultural Practice (GAP) or other food handling certification (being certified or attesting to following these practices without certification)
  - Liability coverage
  - Requiring the farm to have a food safety plan and procedures
  - Results of current water test for nitrates, total coliforms and quantified E. coli
- [The American Indian Traditional Foods in USDA School Meals Programs: A Wisconsin Farm to School Toolkit](#) was created to help food service directors identify, procure, and successfully incorporate traditional, healthy foods into their breakfast and lunch programs. It is also a teaching tool to educate those interested in traditional foods about American Indian nations and tribal communities. The following are examples of common, traditional foods in Wisconsin that may be served in USDA School Meals Programs if certain requirements are met:
  - Berries (cranberries, blueberries, blackberries, raspberries, cherries, strawberries)
  - Bison
  - Fish (walleye, sturgeon, trout, salmon)
  - Maple syrup
  - Potatoes
  - The Three Sisters (corn, beans, and squash)
  - Wild rice
  - Venison

Non-SFAs:

- The [Department of Agriculture, Trade and Consumer Protection](#) (DATCP) can assist with questions related to state and local agricultural food safety, including packaging



and labeling. Use the emails below to contact the appropriate department, depending on activity:

- Meat and Poultry: [datcpmeatpoultrylicensing@wi.gov](mailto:datcpmeatpoultrylicensing@wi.gov)
  - Produce: [datcpproducesafety@wisconsin.gov](mailto:datcpproducesafety@wisconsin.gov)
  - Retail: [datcpdfsretail@wisconsin.gov](mailto:datcpdfsretail@wisconsin.gov)
  - Manufactured Foods and Eggs: [datcpttechnicalspecialist@wisconsin.gov](mailto:datcpttechnicalspecialist@wisconsin.gov)
- Most farms are required to comply with the FDA [Food Safety Modernization Act \(FSMA\)](#) produce food safety rule. There are exceptions for small farms and businesses.
  - Consider the Wisconsin Food Code and any other local, or tribal food safety requirements requested by the SFA.
    - Reminders:
      - Milk and juice must be pasteurized to serve in SFAs.
      - Raw shell eggs are not required to be pasteurized, *unless* they are undercooked (e.g., sunny side up) and served to a “highly susceptible population”.
      - Eggs must come from a licensed farmer/producer per [Chapter ATCP 88](#). This license allows for sale/distribution to SFAs.
      - Meat, poultry, game, and eggs must be processed in a [USDA or State Inspected facility](#).
      - Do not purchase/serve, or accept as donation, home canned or unlabeled product. All canned food must come from a licensed food processor.

## Meal Pattern and Crediting

The National School Lunch Program (NSLP) and School Breakfast Program (SBP) meal patterns, which can be found on the [DPI's NSLP Menu Planning webpage](#), are designed based on the latest nutrition science, promoting healthy eating habits for children. The meal patterns focus on incorporating whole grains, increasing fresh fruits and vegetables, lowering sodium in meals, limiting saturated fat and calories, and eliminating trans-fats in all products served to students. The required food components are:

- Breakfast: Grain, Fruit, Milk
  - \*Serving Meat/Meat Alternate is optional and encouraged.
  - \*Vegetables can be planned in addition to, or as substitute to fruit.
- Lunch: Meat/Meat Alternate, Grain, Fruit, Vegetable, Milk

SFAs are familiar with the meal pattern and crediting requirements of the NSLP and SBP and product requests will be driven by these guidelines. Crediting is not a topic area that Non-SFAs need to be experts in. A general understanding that whole foods fit into the

meal pattern and can be credited by the SFA using the [USDA Food Buying Guide \(FBG\) for Child Nutrition Programs](#) is key.

As a food becomes further processed (which is limited to minimal processing with the LFS Program), SFAs may request either a Child Nutrition (CN) Label or a Product Formulation Statement (PFS). It is not a requirement to have a CN label to work with SFAs. If the product is minimally processed, or the SFAs intends to have the product further processed using non-LFS funding, they may request a PFS (in lieu of a CN label). The PFS helps SFAs know how much of an end-product can be credited towards each meal pattern requirement. For example, sliced cheese is an allowable, minimally processed meat/meat alternate under the LFS Program. Cheese can be credited using the food buying guide ounce for ounce. Therefore, a CN or PFS is not necessary. In a case where local beef is formed into patties (without additives or fillers), but the SFA separately contracts to have the product fully cooked and adds additional ingredients or fillers, the SFA may request either a CN label or a PFS to assist with meal pattern crediting.

[DPI SNT Public Health Nutritionists](#) are available to assist SFAs and Non-SFAs with understanding these requirements.

## For More Information

Please refer to the [Local Procurement webpage](#) for the most up-to-date information, including the application materials and link, Frequently Asked Questions (FAQs), Microsoft Teams meeting links, procurement resources, and WI DPI LFS staff contact information.

Questions regarding this funding opportunity can be directed to [dpisntlfsprogram@dpi.wi.gov](mailto:dpisntlfsprogram@dpi.wi.gov).

## NONDISCRIMINATION STATEMENT

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. mail:  
U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410; or
2. fax: (833) 256-1665 or (202) 690-7442; or
3. email: [program.intake@usda.gov](mailto:program.intake@usda.gov)

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