



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

CN# 14-10
SFSP CN# 06-09

MEMORANDUM

To: National School Lunch Program Sponsors
Summer Food Service Program Sponsors

From: Tina Herzog, Acting Deputy Associate Superintendent
Health & Nutrition Services Unit

Nicholas Dunford, Financial Services Director
Health & Nutrition Services Unit

Original Signed

Date: September 28, 2009

RE: Catalogue of Federal Domestic Assistance (CFDA) Number for Identifying Commodity Assistance
in A-133 Audits

The auditee of an A-133 audit must identify its Federal awards by CFDA number in the required Schedule of Expenditures of Federal Awards (SEFA) and in the single audit data collection form (SF-SAC). Food and Nutrition Services (FNS) understand that CNP Sponsors and their auditors have recently experienced confusion regarding the correct CFDA number to use when identifying commodity assistance in these documents.

The CFDA number for Food Distribution has historically been 10.550, and many State and local agencies have used it to refer to commodity assistance. However, USDA Food and Nutrition Services (FNS) policy holds that commodities are an integral part of the categorical programs under which USDA makes them available and should be identified with those programs. Item 71 of the A-133 Q&As issued in 1999 explains that cash and commodity assistance for the same program “are inextricably linked. At the local level, donated commodities and food purchased with cash reimbursement payments are used in preparing the same school lunches. Children are eligible for the lunches, regardless of what combination of purchased and donated foods was used in their preparation.” **For this reason, the cash and commodity assistance must be viewed as components of the same program.**

The categorical programs affected by this policy and their CFDA numbers are: the National School Lunch Program (NSLP)(CFDA 10.555), the Child and Adult Care Food Program (CACFP)(CFDA 10.558), the Summer Food Service Program (SFSP)(CFDA 10.559), the Commodity Supplemental Food Program (CSFP)(CFDA 10.565), and the Food Distribution Program on Indian Reservations (FDPIR)(CFDA 10.567). Since commodities used in The Emergency Food Assistance Program (TEFAP) have their own program-specific CFDA number (10.569), TEFAP is not affected by this policy.

Sponsors of the School Breakfast Program (SBP)(CFDA 10.553) often use commodities in the SBP, but that program does not appear in the foregoing list of affected programs. This is because the SBP, unlike the NSLP, does not generate separate commodity entitlements for State agencies and the schools under their oversight. There is no “award” of commodities under the SBP. Since reporting in the SEFA and SF-SAC focuses on the expenditure of Federal awards, **commodities used in the SBP should be deemed “awarded” under the NSLP and reported as such.**

Despite the dissemination of this longstanding policy, FNS understands that it is still not widely understood. FNS’s deletion of CFDA No. 10.550 from the CFDA on May 6, 2008 seems to have exacerbated the confusion. FNS took this action because the CFDA write-up no longer reflected the way FNS receives funding for commodity assistance. Given the foregoing, FNS has adopted the following position:

Audit Periods That Began Before May 1, 2008.

State and local agencies and their auditors may use whatever CFDA number they have customarily used to identify commodity assistance in the SEFAs and SF-SAC forms for audits covering auditee fiscal years that began before May 1, 2008. Auditors that have already issued reports on such audits, using CFDA number 10.550 for this purpose, need not re-issue them. The rationale for this position is that the CFDA in effect when these audit periods began still gave 10.550 as the CFDA number for Food Distribution. If the auditor and/or auditee use(s) CFDA number 10.550 as a generic Food Distribution identifier, the full disclosure principle necessitates that they include the following statement as a note to the SEFA:

“CFDA number 10.550 pertains to food commodities distributed by USDA under the following categorical programs (as applicable): the National School Lunch Program (CFDA 10.555), the Child and Adult Care Food Program (CFDA 10.558), the Summer Food Service Program (CFDA 10.559), the Commodity Supplemental Food Program (CFDA 10.565), and the Food Distribution Program on Indian Reservations (CFDA 10.567). USDA deleted this number from the CFDA on May 6, 2008. The audit covering (name of auditee) fiscal year beginning (date), and future audits, will therefore identify commodity assistance by the CFDA numbers of the programs under which USDA donated the commodities.”

Audit Periods Beginning on or After May 1, 2008.

For audits of auditee fiscal years beginning on or after May 1, 2008, State and local agencies and their auditors must identify commodity assistance by the CFDA numbers of the categorical programs under which USDA donated the commodities. FNS recommends the following presentations:

For the SEFA.

Exhibit E to the A-133 Q&As FNS issued in 1999 presented two suggested formats for presenting cash and commodity assistance for the Child Nutrition Cluster in the SEFA. That exhibit is attached to this memorandum. FNS considers it suitable for the other affected programs as well.

For the SF-SAC.

Page 3 of the SF-SAC gives a matrix in which the auditee and/or auditor can list the auditee's Federal awards by CFDA number and provide additional information about them. For entering programs for which the auditee received commodity assistance, FNS recommends reporting the program's cash and commodity components on separate lines but using the same CFDA number for both. For example, an auditee that operated the National School Lunch Program would enter "10.555" and "National School Lunch Program – Cash" on one line; and "10.555" and "National School Lunch Program – Commodities" on the following line. Since both are elements of the Child Nutrition Cluster, both must be identified as major in column (g), page 3 of the SF-SAC whenever the Cluster as a whole is audited as a major program.

If you have questions or concerns regarding this memo, please contact Health & Nutrition Financial Services at 602-542-8700.

SUGGESTED PRESENTATIONS OF THE CHILD NUTRITION CLUSTER IN THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

EXAMPLE 1 - Focus on Assistance Component:

U.S. DEPARTMENT OF AGRICULTURE

Pass-Through - State Department of Education:

Child Nutrition Cluster:

Non-Cash Assistance (Commodities):

National School Lunch Program	10.555	\$xx,xxx,xxx	
Summer Food Service Program for Children	10.559	x,xxx,xxx	
<i>Non-Cash Assistance Subtotal</i>			\$xx,xxx,xxx

Cash Assistance:

School Breakfast Program	10.553	\$xxx,xxx,xxx	
National School Lunch Program	10.555	xxx,xxx,xxx	
Special Milk Program for Children	10.556	xx,xxx	
Summer Food Service Program for Children	10.559	x,xxx,xxx	
<i>Cash Assistance Subtotal</i>			xxx,xxx,xxx

Total for Program (Cluster) \$xxx,xxx,xxx

Total for Federal Grantor Agency

EXAMPLE 2 - Focus on Categorical Programs:

U.S. DEPARTMENT OF AGRICULTURE

Pass-Through - State Department of Education:

Child Nutrition Cluster:

School Breakfast Program - Cash Assistance	10.553	\$xx,xxx,xxx
National School Lunch Program	10.555	
Cash Assistance		\$xx,xxx,xxx
Non-Cash Assistance (Commodities)		x,xxx,xxx
National School Lunch Program Subtotal		xx,xxx,xxx
Special Milk Program for Children - Cash Assistance	10.556	xx,xxx
Summer Food Service Program for Children	10.559	
Cash Assistance		x,xxx,xxx
Non-Cash Assistance (Commodities)		xxx,xxx
Summer Food Service Program Subtotal		x,xxx,xxx

<i>Total for Program (Cluster)</i>		\$xx,xxx,xxx
<i>Cash Assistance Subtotal</i>		\$xx,xxx,xxx
<i>Non-Cash Assistance (Food Distribution) Subtotal</i>		\$x,xxx,xxx