



SUMMER FOOD SERVICE PROGRAM

TEXAS POLICY

In Texas, organizations contracting directly with the Texas Department of Agriculture (TDA) to operate nutrition programs federally funded through the United States Department of Agriculture (USDA) are called Contracting Entities, or CEs. The Summer Food Service Program (SFSP) is a federally funded nutrition program and, as such, sponsors are considered CEs.

Each year, the USDA publishes the SFSP *Administrative Guidance for Sponsors (AGS)* which provides federal policy, program guidance and information for all CEs that participate or plan to participate in SFSP. TDA occasionally issues a Texas Policy that supplements federal policy found in the AGS.

Advance SFSP Program Payments

CEs that have an approved SFSP Application Packet and executed Food and Nutrition Permanent Agreement to operate the SFSP may request receipt of advance SFSP program payments to assist in meeting program-related administrative and operating expenses.

These payments are advances on the meals reimbursements a CE is expected to receive based on information provided by the CE in its SFSP application and will be deducted from future payments for meal reimbursements. The CE, along with its responsible principals, must pay back TDA for any advances that are not offset by reimbursements for eligible meals.

In addition to the method of determining advance payments described in the AGS and 7 Code of Federal Regulations (CFR) § 225.9(c), TDA will use the following factors to determine CE eligibility for advances and to calculate the amount of payments issued:

- CEs intending to request advance payments must submit an application to participate in the SFSP no later than March 15 of the calendar year.
- Advance payments will be calculated using the site data in TX-UNPS for sites currently approved by TDA to be operated by the CE.
- Advance payments for **new** non-governmental SFSP CEs will be limited to a maximum of forty thousand dollars (\$40,000) per program month.

Example: A first-time SFSP sponsor is a nonprofit organization which intends to operate ten sites and anticipates high numbers of turnout. Advance payments awarded to the CE by TDA will be capped at \$40,000 per program month because it is the CE's first year operating the program.

- Advance payments for **all renewing** SFSP CEs will be limited to the amount of monthly SFSP reimbursement (not advances) successfully managed in the previous program year.

Example: A returning SFSP sponsor received an advance payment of \$25,000 for June 2013 and successfully operated the program to yield a total of \$50,000 in reimbursement for that month. Therefore, the CE is eligible to receive up to \$50,000 in advance payments for June 2014.

- CEs that receive a June advance payment must submit a June claim for reimbursement before TDA will issue an advance payment for the month of August.