Appendix B- Guidance for Interpreting Cost Principles for Grants and Sub-Grant Awards

This is brief guidance for Cost Principles of Team Nutrition Training Grants. For the complete Cost Principle requirements, refer to 2 CFR Part 170 and 2 CFR Part 200.

State agencies that award Team Nutrition Training Grants E-STAR sub-grants are expected to:

- Provide oversight to these sub-grant recipients to ensure that expenditures authorized under the sub-grants are allowable, allocable, and reasonable.
- Ensure that all expenditures are consistent with all local, State, and Federal policies, regulations, and procedures.
- Ensure that the expenditure does not exceed that which would be incurred by a prudent person under similar circumstances and would qualify as a sound business practice.
- Ensure that schools that receive sub-grants are enrolled as Team Nutrition Schools. Visit https://www.fns.usda.gov/tn/schools to enroll.
- Ensure that funds support one or more of the Team Nutrition Training Grant E-STAR objectives:

  Grant Objective 1:

  To implement the E-STAR Program to increase school nutrition managers' and frontline staff's knowledge, skills, and self-efficacy related to school meal quality.

  Grant Objective 2:

  To engage school nutrition managers in implementing a goal-oriented action plan to improve school meal quality or students' perceptions of school meal quality.

  Grant Objective 3:

  To assess activities and impacts that result from participation in the E-STAR Program to inform best practices for training school meal professionals and increasing their capacity to improve school meal quality.

Allowable Costs for Team Nutrition Training Grants: General guidance of selected items under the Cost Principles

Evaluation

Team Nutrition Training Grant funds may be used to support costs associated with evaluation activities. The evaluation methods and measurement tools in the proposal must be appropriate for the grant objectives and will be (or have previously been) pre-tested to indicate reliability and validity.

Food Cost
Team Nutrition Training Grant funds may be used to pay for food if the food is part of a specific grant/training activity. For example, conducting a student taste test of a new menu item or demonstrating preparation techniques during a training, are reasonable requests. The use of the food must be related to training or directly related to an activity that will improve students' perception of school meals and enhance school meal quality. Team Nutrition Training Grant funds may not be used to purchase a meal for anyone. The total expenditure of food purchases may not exceed twenty percent of the total grant awarded. For each sub-grant, the food expenditures may not exceed ten percent of the funds awarded.

Food and Nutrition Equipment
Team Nutrition Training Grant funds may be used to purchase small foodservice operation equipment, such as salad bar components, slicers, food processors, electric skillets, and mixers. The equipment must be used for training school meal professionals and/or increasing their capacity to improve school meals. Equipment costs must be less than $5,000 per unit.

SFA Participants
Sub-grants may be used to support the purchase of small equipment in school meals operations. These sub-grants could be used to aid school nutrition managers in the implementation of their action plan and SMART goal achievement to enhance meal quality.

Medical Equipment
Team Nutrition funds may <u>**not**</u> be used to purchase medical equipment or health services related to health assessments, such as obtaining clinical data on nutritional status, chronic disease, or chronic disease risk assessment.

Promotional Items
The purchase of promotional items is allowed if they are directly related to improving student's perception of school meals and enhancing school meal quality or they aid in increasing frontline staffs' knowledge, skills, and self-efficacy related to school meal quality. Any cost associated with such promotions must be reasonable in comparison to the grant funding. A total expenditure of promotional items should not exceed two percent of the total sub-grant awarded.

Staff Development and/or Substitute Pay
If adequate funding is available and acceptable to the State agency, TNTG funds may be used to hire a substitute food service staff person while school food service Managers attend workshops and training, For accounting purposes, a record of who attended the session, how long it lasted, and the purpose of the session is required.

Stipends
Stipends may be used to reimburse for local travel and hotel costs for School Food Service Managers to attend the E-STAR workshops and activities. State agencies should first attempt to utilize an internal process to cover travel costs for E-STAR managers. If not available, costs may be covered with a sub-grant that is clearly designed and used for E-STAR Program travel costs. A clear oversight process must be in place.

Summary

There is limited funding to accomplish Team Nutrition’s E-STAR goals. State agencies will want to ensure that the best use of the limited funding is achieved. Expenditures and purchases need to contribute to a sustainable program or activity. In approving sub-grant requests, a positive answer should always be sought to the following questions:

1. Is the cost applicable to my grant and the sub-grant’s objectives?
2. Is the cost allowable according to program cost principles?
3. Is the cost reasonable and appropriate?