

10.185 LOCAL FOOD FOR SCHOOLS COOPERATIVE AGREEMENT PROGRAM

State Project/Program: LOCAL FOOD FOR SCHOOLS PROGRAM (LFS)

Federal Authorization: United States Department of Agriculture
5(c) of the Commodity Credit Corporation Charter Act (15 USC 714c(c))

State Authorization:
North Carolina Department of Agriculture and Consumer Services
Food Distribution Division

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The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2023 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

To increase purchasing of local and regional foods for distribution to schools.

II. PROGRAM PROCEDURES

NCDA&CS FDD receives the funds from USDA and has received permission to provide advance funding in one or two payments to participating North Carolina Schools who completed a grant contract. The number of payments to be received will be based on the amount of the award.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as “Y,” on the “Matrix of Compliance Requirements” located in Part 2 of the OMB 2023 Compliance Supplement; however, the State Agency may have added the Type and this should be noted by “Y.” If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by “N.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2023 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

State Agency: Please note the Type of Compliance Requirements that apply to be program below consistent with Part 2 of the OMB Compliance Supplement. If the Type does not apply, change “Y” to a “N”. If a program is subject to the requirements found in a Crosscutting Supplement, please use the template “FederalTemplate-CC programs.docx.”

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	N	Y	Y	N	Y	N	Y

A. Activities Allowed or Unallowed

Schools have to purchase minimally processed foods from local farmers, small businesses and the NCDA&CS Farm to School Program and distribute food to the county schools. They must buy from these special farmers.

B. Allowable Costs/Cost Principles

Schools are allowed to use funds for food purchases, distributions, and storage costs.

C. Cash Management

Not applicable

D. Reserve

Not applicable

E. Eligibility

Must be a North Carolina School and have a current contract with the NCDA&CS FDD participating in the National School Lunch Program (NSLP)

F. Equipment and Real Property Management

Not Applicable

G. Matching, Level of Effort, Earmarking

Not Applicable

H. Period of Performance

January 1, 2023 to March 31, 2024

I. Procurement and Suspension and Debarment

All federal and State of NC rules and regulations must be followed.

J. Program Income

Not Applicable

K. Reserve

Not Applicable

L. Reporting

Quarterly expense reporting is required and must include a detailed list of foods purchased along with the supporting documentation (receipts, name of farmer/business, socially disadvantaged farmer, small farm, small business, etc.)

M. Subrecipient Monitoring

Not Applicable

N. Special Tests and Provisions

A local farmer is a socially disadvantaged farmer as defined by USDA. A small farm is one with a gross cash farm income of under \$25,000. Small businesses are one with 500 or less employees. Local Food purchased should be within a 400-mile radius or within the state of NC. Farmers must be GAP certified.