



Supplemental Resource for School Nutrition Programs (PRC 125)

This document reiterates earlier guidance and provides further detail on using Coronavirus Relief Funds on School Nutrition programs. Information provided is supplemental to [NCPRO's June 10 memo](#) to the State Board of Education and Department of Public Instruction and references [DPI's August 12 FAQ](#). The key issues addressed in this document are double dipping, defining “emergency meal services” as substantially different, and allowability of various payroll costs.

As a reminder, NCPRO interprets Coronavirus Relief Fund allowability based on federal guidance issued by the U.S. Treasury Department, which itself has been updated several times since the spring. Information provided below derives from the following documents:

- [US Treasury Guidance](#)
- [US Treasury FAQ](#)

Safeguards against “double dipping.”

Federal policy prohibits using CRF money on expenditures that have been or may be reimbursed under any federal program. PSUs must ensure that proper safeguards are in place to ensure no costs are reimbursed by both PRC 125 and other federal programs. These determinations may be made on a monthly basis, recognizing the total amount of federal school nutrition reimbursements received and deposited into the non-profit school nutrition account.

The August 12 FAQ provides determinations for “atypical” and “typical” expenditures. “Atypical” expenditures may be charged directly to PRC 125, as they are necessary expenditures that are substantially different than normal usage of school nutrition programs and thus USDA meal reimbursements were never designed to cover. “Typical” expenditures are those tied to budget codes (as listed in previous guidance) that USDA meal reimbursements would ordinarily be designed to support. Typical expenditures that are (1) necessary for emergency meal services and (2) not funded by USDA meal reimbursements may be charged to PRC 125.

Establishing how emergency meal services constitute “substantially different” programs.

NCPRO has previously established that the emergency meal services program is substantially different from usual school nutrition services in the following ways:

Emergency meal service provided since the Governor’s Executive Order on March 14, 2020, to close public schools statewide are substantially different from regular school

nutrition programs. DPI has received numerous federal waivers from the US Department of Agriculture (USDA) to operate altered meal service to mitigate the spread of COVID-19.

Meals are provided:

- 1) to an expanded population (food is distributed to hungry children without regard to program eligibility);
- 2) through a variety of mechanisms and settings, including “Grab-and-Go” containers, curbside pick-up, and delivery by Yellow School Bus;
- 3) by School Nutrition personnel in partnership with a variety of staff and organizations such as NC National Guard and Community Organizations such as food banks, YMCAs, faith-based communities, and Boys and Girls Clubs;
- 4) and for a variety of time-periods, including multiple meals picked up daily, weekly, or over the weekend.

Emergency meal services continue in the 2020-21 school year, as public schools resumed instruction and services under heavily modified operations in response to the ongoing public health crisis.

DPI and/or PSUs may develop a comprehensive description of its emergency meal services program that details the full scope of how school nutrition has had to alter programs and operations to respond to the pandemic and mitigate the spread of COVID-19. The description may include, but is not limited to, topics such as:

- 1) Alterations to meal planning, ordering, and food preparation
- 2) The impact on equipment, including maintenance and replacement costs that were not accounted for in any budgets previously adopted earlier than March 27, 2020,
- 3) Changes to food delivery in order to provide nutritious meals in non-congregate settings
- 4) Increased efforts to sanitize facilities, equipment, and sites used for food preparation and distribution
- 5) New technology and equipment necessary to safely store, transport, and track meals at the point of service.
- 6) List of all personnel and contract workers involved with the activities described above.

PRC 125 may be used for expenses that are (1) incurred due to providing emergency meal services and (2) have not been and will not be reimbursed by another federal program.

Equipment costs.

It is understood that the increased demand on School Nutrition operations due to providing emergency meal service may strain equipment. PRC-125 may be used to repair or replace (whichever is more economical) equipment that is damaged through overuse provided that such repairs or replacement was not accounted for in the budget most recently approved as of March 27, 2020. Equipment costs that meet these conditions may be treated as “atypical” expenditures and charged to PRC-125 in full. Eligible costs do not need to be prorated based

on the covered period of CRF allowability. PSUs must document and demonstrate why the repair or replacement is necessary in relation to providing emergency meal services.

PERSONNEL COSTS

Salary and benefits.

US Treasury guidance allows CRF money to be used for payroll expenses for all public health, public safety, health care, human service and similar employees substantially dedicated to COVID-19 response and mitigation. The \$75 million appropriated in SL 2020-4, Section 3.3(6) for School Nutrition may be used for the payroll expenses of employees who worked to provide “emergency meals to food-insecure children in the community” using PRC 125. Payroll costs of substantially dedicated employees may be funded by CRF at 100% of costs. “Substantially dedicated” is defined as greater than 50% of an employee’s work time. Payroll costs for non-substantially dedicated employees may be charged to CRF based on hours or the percentage of time dedicated to COVID-19 activities.

Leave.

CRF money may pay for leave required in the Families First Coronavirus Response Act (FFCRA) as outlined below. If the agency cannot ensure that the leave was taken for reasons outlined in FFCRA, then CRF money cannot be used.

Pursuant to FFCRA, paid leave must be provided at the following rates based on various circumstances:

- Two weeks (up to 80 hours) of paid sick leave at the employee’s **regular rate of pay** where the employee is unable to work because the employee is quarantined (pursuant to Federal, State, or local government order or advice of a health care provider), and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
- Two weeks (up to 80 hours) of paid sick leave at **two-thirds the employee’s regular rate of pay** because the employee is unable to work because of a bona fide need to care for an individual subject to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider), or to care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing a substantially similar condition as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor; and
- Up to an additional 10 weeks of paid expanded family and medical leave at **two-thirds the employee’s regular rate of pay** where an employee, who has been employed for at least 30 calendar days, is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

Hazard Pay.

Hazard pay is an allowable expense for substantially dedicated and non-substantially dedicated employees remediating or responding to COVID-19 pandemic. Only the hours spent

“performing hazardous duty or work involving physical hardship” related to COVID-19 are eligible. PRC 125 may be used to provide additional pay to School Nutrition and other personnel who worked to provide emergency meals to food-insecure children in the community and faced hazardous conditions. PSUs must determine the rate of hazard pay to be provided in accordance with the appropriate governing authority's policies.

Furlough and layoffs.

CRF funds may be used to avoid furloughs and layoffs. PRC 125 may be used to fund salary and benefits of School Nutrition personnel dedicated to mitigating the spread of COVID-19 through their work providing emergency meal services. Activities **must** be related to providing “emergency meal services.” For example, a non-exhaustive list of eligible activities for School Nutrition employees through PRC-125 may include:

- Sanitizing meal preparation facilities, vehicles used for transporting meals, distribution locations, etc.
- Delivering and providing meals in non-congregate settings.
- Packaging meal boxes (or similarly individually packaged meal) to be provided in non-congregate settings.
- Professional development to learn new technology determined necessary to accurately track meals provided in non-congregate settings.