

MAY 31 2006

SUBJECT: Food Stamp Nutrition Education Materials Allowable Cost Issue

TO: Food Stamp Program Directors
All Regions

In response to regional inquiry, this policy memorandum clarifies and reemphasizes what constitutes reasonable and necessary nutrition education materials cost associated with the delivery of Food Stamp Nutrition Education (FSNE).

As a reminder, the annual Food Stamp Nutrition Education Guidance serves as the reference source for allowable materials questions. The 2007 Guidance can be found online on the Food Stamp Nutrition Connection Web site:

http://www.nal.usda.gov/foodstamp/National_FSNE.html#guidance

and on the FNS Partner Web:

<https://www.fnspartner.usda.gov/secure/webboard/wbpx.dll/~FSP-ElectronicMenu>.

The Guidance includes a comprehensive discussion of nutrition education materials. Section B. 2.g-h (Goals, Objectives, Projects, Campaigns, Evaluation and Coordination) of the Guidance, pages 12-13, communicates that States must provide justification for the cost of materials. Instead of purchasing other materials, Food and Nutrition Service (FNS) recommends that States use FNS materials (e.g., appropriate Team Nutrition, Loving Support, and Eat Smart. Play Hard™ materials) or any future FNS developed nutrition education materials. To maximize resources and avoid duplication of effort, State agencies must assess existing materials prior to developing new materials for nutrition education efforts. State agencies must justify why the development or purchase of any new materials is needed.

The following FNS collections of nutrition education resources are available to help States identify existing materials:

- Food Stamp Nutrition Connection (see also Appendix F)
www.nal.usda.gov/foodstamp
- Eat Smart. Play Hard™
www.fns.usda.gov/eatsmartplayhard/
- WIC Works Resource System
www.nal.usda.gov/wicworks
- MyPyramid.gov
www.mypyramid.gov

Consistent with the 2007 Guidance, the costs of providing nutrition education to Food Stamp Program eligibles must be allowable in accordance with Office of Management and Budget (OMB) circulars on Federal grant programs such as the FSP. While OMB circulars spell out what is allowable under Federal grants, costs that may be covered by the FSP must meet a “reasonable and necessary” test as well.

- The “reasonable cost” test includes the following criteria:
 - Provides a program benefit generally commensurate with costs incurred
 - Is in proportion to other program costs
 - Is a priority expenditure relative to other demands

- The “necessary cost” test includes the following criteria:
 - Is incurred to carry out essential functions
 - Cannot be avoided without adversely affecting operations
 - Does not duplicate existing efforts

In addition to reasonable and necessary tests, State agencies are required by the Guidance to assess available materials to determine if lower cost alternatives would serve the educational purpose they wish to achieve.

FNS Regional Offices should provide technical assistance, if needed, to State agencies regarding these issues, and encourage States to share this information with sub-grantees.



Karen J. Walker
Director
Program Accountability Division

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Cc: Alice Lockett
Judy Wilson
Colleen Bray
Mavia Fletcher
Richard Burley
Paige Aker
Cathy Young
Joni Garcia

Melissa Walker
Charlie Okal
Marisa Cheung
Linda Melcher
Brenda Kuykendall
Brian McCall
Gaydra Chapulis
Martha Cavanaugh