




STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Sponsors of the National School Lunch Program (NSLP) and School Breakfast Program (SBP)

FROM: John D. Frassinelli, Division Director 
School Health, Nutrition and Family Services

DATE: February 17, 2023

SUBJECT: Operational Memorandum No. 06-23
School Meals Assistance Revenue for Transition (SMART) Funds 2.0
Opt-in Survey Due February 24, 2023

Pursuant to House Bill (HB) 6671, an additional \$60 million of federal American Rescue Plan Act (ARPA) funds was allocated to the Connecticut State Department of Education (CSDE) for the Free School Meals for Children grant. Beginning March 1, 2023, the additional funding will allow eligible school food authorities (SFAs) operating the NSLP and SBP to offer meals at no cost to students for the remainder of school year (SY) 2022-23.

For purposes of this grant, the funds will be referred to as School Meals Assistance Revenue for Transition (SMART) funds 2.0. SMART funds 2.0 will require participating SFAs to provide breakfast and/or lunch meals at no cost to all students in schools that are approved to participate in the NSLP and SBP in SY 2022-23. The SMART funds will reimburse SFAs the difference between the federal reimbursement rate for free meals and the federal reimbursement rate for reduced-price and paid meals. SFAs must continue to determine free and reduced-price meal eligibility for each individual student through the free and reduced-price meal application and direct certification process as breakfast and lunch meals will be claimed and reimbursed with SMART funds based on a student’s approved eligibility (free, reduced-price, or paid).

Lunch meal category	Federal per meal reimbursement for Non-Severe Need	Federal per meal reimbursement for Severe Need	SMART funds lunch reimbursement rate Non-severe Need and Severe Need
Free meals	\$4.33	\$4.35	\$0.00
Reduced-price meals	\$3.93	\$3.95	\$0.40
Paid meals	\$0.77	\$0.79	\$3.56

Breakfast meal category	Federal per meal reimbursement for breakfast Non-Severe Need	SMART funds breakfast reimbursement rate Non-Severe Need	Federal per meal reimbursement for breakfast Severe Need	SMART funds breakfast reimbursement rate Severe Need
Free meals	\$2.26	\$0.00	\$2.67	\$0.00
Reduced-price meals	\$1.96	\$0.30	\$2.37	\$0.30
Paid meals	\$0.50	\$1.76	\$0.50	\$2.17

Eligible SFAs

SFAs that received the first allocation of SMART funds are eligible to receive additional funding from SMART funds 2.0.

How to Opt-In to SMART Funds 2.0

For the purposes of distributing SMART funds 2.0, SFAs that have already signed and submitted the CSDE’s *School Meals Assistance for Transition Funds Attestation Statement* as part of accepting the first SMART funds allocation are not required to sign another statement to receive additional funds. In lieu of the attestation statement, SFAs electing to receive these funds must notify the CSDE of their intent to accept these funds by completing the [SMART Funds 2.0 Opt-In Survey](#) by February 24, 2023. The survey must be completed by the SFA’s authorized signer 1 or 2, as approved on the ED-099 Agreement for Child Nutrition Programs (not the food services director or representative from the food service management company).

If a SFA declines, there will **not** be another opportunity to opt in and accept the SMART funds 2.0.

Payments

Using the same process as implemented in the initial SMART funds program (1.0), after the CSDE processes the monthly claims for reimbursement, a report of the number of meals eligible for SMART funds 2.0 will be generated to determine each SFA’s SMART funds 2.0 monthly reimbursement payment. The SFA’s SMART funds 2.0 reimbursement will be paid utilizing the same process already in place to pay the SFA’s monthly claims for reimbursement in the CSDE’s Online Application and Claiming System for Child Nutrition Programs (CNP System). Once the SMART funds 2.0 payment is made, the amount of the SFA’s SMART funds 2.0 payment will appear in the CNP System’s Disbursement of Funds (DOF) module. Please note, that unlike SMART funds 1.0, SFAs will not have a predetermined allocation listed in the DOF module.

Instead, the amount distributed by monthly reimbursement will be displayed in the DOF module as “SMART funds 2.0.”

Use of Funds

SMART funds 2.0 may only be used by SFAs to provide school breakfast and lunch meals at no cost to all students enrolled in SBP and NSLP eligible sites. SMART funds 2.0 cannot be used at schools that do not participate in the NSLP or for other expenses in participating schools. For additional guidance on the proper use of SMART funds 2.0, refer to *Attachment 1: School Meals Assistance Revenue for Transition (SMART) Funds 2.0: Questions and Answers for School Food Authorities*.

CSDE Monitoring

The CSDE will monitor each SFA’s use of SMART funds 2.0 to ensure compliance with the ARPA and SMART funds 2.0 requirements pursuant to 2 CFR §200.332, and consistent with other school nutrition programs funds, through the Administrative Review process for school nutrition programs. SMART funds 2.0 may be subject to future external audit activity under standard auditing practices.

Questions may be directed to your [school nutrition team member](#).

JDF:saa

Attachment

Important: This is a numbered Connecticut State Department of Education (CSDE) operational memorandum that contains important program information. Please read carefully and retain for future reference. All CSDE operational memoranda are posted on the CSDE’s [Operational Memoranda for School Nutrition Programs](#) webpage.

School Meals Assistance Revenue for Transition (SMART) Funds 2.0 Question and Answers for School Food Authorities

This document includes questions and answers regarding Connecticut’s SMART funds 2.0 for school food authorities (SFAs) that operate the National School Lunch Program (NSLP) and School Breakfast Program (SBP). For more information, refer to the Connecticut State Department of Education’s (CSDE) [Operational Memorandum No. 06-23: School Meals Assistance Revenue for Transition \(SMART\) Funds 2.0](#).

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SMART Funds 2.0 Question and Answers for SFAs

General Questions

- 1. Are SMART funds 2.0 an extension of the U.S. Department of Agriculture's (USDA) nationwide waiver allowing SFAs to participate in the Seamless Summer Option (SSO) of the NSLP?** No. The USDA's nationwide waiver allowing SFAs to participate in the SSO of the NSLP expired on June 30, 2022. This is a State of Connecticut program established through House Bill (H.B.) 6671 and funded through the American Rescue Plan Act (ARPA) 2021 to assist SFAs with providing USDA NSLP and SBP meals at no cost to all students from March 1, 2023, through the remainder of school year (SY) 2022-23.
- 2. How will the CSDE allocate the \$60 million additional ARPA funds Connecticut has earmarked for school meals in H.B. 6671?** Unlike SMART funds 1.0, there will not be predetermined allocations of SMART funds 2.0 in the Disbursement of Funds (DOF) module in the Child Nutrition Programs Online Application and Claiming System (CNP System). Instead, the CSDE will provide the SMART funds 2.0 reimbursements to districts with their SBP and NSLP claims for reimbursement and upload their earned amount in the DOF module each month.
- 3. Who is eligible to receive SMART funds 2.0?** SFAs that participated in SMART funds 1.0 for SY 2022-23 are eligible for SMART funds 2.0.
- 4. Are private schools and endowed academies eligible to receive SMART funds 2.0?** Yes. Private schools and endowed academies participating as a sponsor or through an interschool agreement in NSLP and/or the SBP during SY 2022-23, and who participated in SMART funds 1.0, are eligible to receive SMART funds 2.0.
- 5. Are residential child care institutions (RCCIs) eligible to receive SMART funds 2.0?** RCCIs that are strictly residential programs are not eligible for SMART funds. However, RCCIs that 1) operate programs with day students, and 2) participated in SMART funds 1.0 are eligible for SMART funds 2.0 to serve meals at no cost to day students.
- 6. Are CEP schools eligible for SMART funds 2.0?** No. While schools participating in CEP are not eligible, non-CEP schools are eligible for SMART funds 2.0.
- 7. Are schools that are not participating in NSLP/SBP eligible to receive SMART funds 2.0?** No.

SMART Funds 2.0 Question and Answers for SFAs

8. What needs to be included in the communication/notice to households regarding the start of SMART Funds 2.0?

The notice to households must be sent to all students' households and include the following elements at minimum:

- March 1, 2023, is the date that school breakfast and lunch meals will be offered at no cost to all students through the end of the SY 2022-23;
- that one school breakfast and one school lunch meal per school day will be provided at no cost;
 - If applicable; the price of an additional meal;
 - If applicable; if a la carte items are available for purchase;
- The importance of submitting the USDA free and reduced-price meal application and how to receive one or where it is available online;
- Parent Video: [How to Fill Out the Application for Free and Reduced-price Meals or Free Milk](#)
- [Addendum C: Information on the Supplemental Nutrition Assistance Program \(SNAP\)](#); and
- the [USDA Nondiscrimination Statement](#).

9. What if the SFA still has funds in the initial allocation from SMART funds 1.0?

The CSDE recommends that the SFA opt in to SMART funds 2.0 while continuing to spend down the SMART funds 1.0. The CSDE will coordinate the SFAs transition from 1.0 to 2.0 for the SFA and the SFA will not need any further actions on SMART funds 1.0.

10. Can a representative of a food service management company submit the Opt-In to SMART funds 2.0 Survey on behalf of the SFA to accept or decline the funds? No. One of the authorized signers of the CNP Permanent Agreement must complete, sign, and submit the [SMART Funds 2.0 Opt-In Survey](#).

11. Can SFAs opt in to receive the SMART funds 2.0 at any time? No. All eligible SFAs must choose to elect or decline participation in SMART funds 2.0 by February 24, 2023. If a SFA declines participation in SMART funds 2.0, there will be no additional opportunities to opt in.

12. Can SFAs opt in at a later date to receive SMART funds 2.0 even though the SFA previously declined acceptance of the funds? No. Once an SFA “opts out,” the SMART funds 2.0 will no longer be available to the SFA.

13. How long are SMART funds 2.0 projected to last? SMART funds 2.0 are projected to last from March 1, 2023, through the remainder of each SFAs last official school day of SY 2022-23 and not past June 30, 2023.

SMART Funds 2.0 Question and Answers for SFAs

14. **How will SFAs receive the SMART funds 2.0?** SMART funds 2.0 will be transmitted to SFAs in the same way as federal claims for reimbursement. These funds must be maintained and accounted for separately in the nonprofit school food service account.

15. **What Child Nutrition Programs can SMART funds 2.0 be used for?** SMART funds 2.0 may only be used to support serving NSLP and SBP meals at no cost to all enrolled students. Funds cannot be used for the Afterschool Snack Program (ASP), Fresh Fruit and Vegetable Program (FFVP), Special Milk Program (SMP), Summer Food Service Program, (SFSP), Seamless Summer Option (SSO) of the NSLP, a la carte, the Child and Adult Care Food Program (CACFP) At-Risk Afterschool Meals Program, or any other programs.

16. **Will accepting SMART funds 2.0 impact School Breakfast Grant funds, Healthy Food Certification funds, or State Match funds?** No.

SMART Funds 2.0 Question and Answers for SFAs

Use of Funds and Reporting

17. **Will SMART funds be allocated annually?** Currently No. SMART funds 1.0 and 2.0 were made possible by the Connecticut General Assembly and Governor Lamont through one-time ARPA allocations for SY 2022-23.
18. **Will there be any SMART fund 2.0 reporting requirements in addition to the USDA reporting requirements?** The supporting documentation kept for the monthly claims for reimbursement will be used for reporting purposes and must be used in accordance with program regulations and documentation kept on file. Additional reporting requirements may be issued at a later date.
19. **Does the SFA have to take point of service meal counts?** Yes. Point of service meal counts are required. For more information regarding point of service meal counts, refer to the CSDE's [*Overview of Meal Counting and Claiming Process for Connecticut School Nutrition Programs*](#).
20. **Can SFAs still sell a la carte items if the SFA accepts SMART funds 2.0?** Yes. However, SMART funds 2.0 cannot be used for covering any costs associated with a la carte items and can be only used to support providing USDA reimbursable meals through the NSLP and SBP.
21. **Can SFAs receive partial payment from students eligible for paid or reduced-price meals?** No. By opting in to receive SMART funds 2.0, SFAs cannot charge any cost to households for reimbursable NSLP and SBP meals.
22. **Can SFAs use SMART funds 2.0 to pay down student debt for charges from meal debt or a la carte charges?** No. Student debt for meals or a la carte items are unallowable costs to the nonprofit school food service account. Funds from the nonprofit school food service account cannot be used to cover costs related to the bad debt, such as continued legal and collection costs.
23. **Can SFAs use SMART funds 2.0 to cover only reduced-price meals?** No. SMART funds 2.0 must be used to cover the cost of all reimbursable paid and reduced-price lunches and breakfasts in all the SFA's SMART funds participating schools.
24. **If an SFA accepts SMART funds 2.0, can funds be used for some NSLP sites and not all? What if all the schools in the district do not participate in NSLP?** Once a SFA opts in to the SMART funds 2.0, they must provide all NSLP and SBP meals at no cost at all NSLP and SBP participating sites. SMART funds 2.0 cannot be used at schools that do not participate in the NSLP.

SMART Funds 2.0 Question and Answers for SFAs

25. **Are there any restrictions on the usage of funds?** Expenses must comply with ARPA requirements and the cost principles of 2 CFR Part 200 Subpart E. Costs charged to the nonprofit school food service account must be necessary, reasonable, allocable (direct or indirect), and consistently treated as direct or indirect.
26. **Can SFAs use SMART funds 2.0 to provide second meals?** No. SMART funds 2.0 cannot be used to provide second meals to students eligible for free, reduced-price, or paid meals.
27. **Can SMART funds 2.0 be used for catering or a la carte items?** No. SMART funds 2.0 may only be used to support the costs of serving reimbursable meals through the NSLP and SBP.
28. **Can SFAs use SMART funds 2.0 to make adult meals free or no cost?** No. SMART funds 2.0 may only be used to support providing NSLP and SBP meals at no cost to all enrolled students.
29. **Will use of SMART funds 2.0 impact a SFA's federal severe need eligibility for lunch and breakfast?** No. Because lunch and breakfast meals will still be claimed by individual student eligibility (free, reduced-price, and paid), use of SMART funds 2.0 to provide meals at no cost to students will not impact severe need eligibility. Schools are eligible for the federal severe need breakfast reimbursement rate if 40 percent or more of NSLP lunches served to students at school during the second preceding school year were at the free or reduced-price rate (42 U.S.C. 1773(d) and 7 CFR 220.9(d)). SFAs are eligible for severe need lunch reimbursement rates if 60 percent or more of the NSLP lunches served in the second preceding school year were at the free or reduced-price rate (42 U.S.C. 1753(b)(2)).
30. **Can SFAs accept SMART funds 2.0 if the SFA has funds in excess of the 3 months' average operating costs?** Yes. To maintain the SFA's nonprofit status, sections 7 CFR 210.14(b) and 7 CFR 210.19(a)(1) of the NSLP regulations require that the fund balance (net cash resources) of the nonprofit school food service account cannot exceed three months' average expenditures as of June 30 of each year. SFAs that exceed three months' average expenditures must submit the [*Plan for Reducing Excess Operating Balance*](#) to the CSDE to indicate how the excess balance will be spent to maintain the SFA's nonprofit status. Expenditures must make improvements to the USDA school nutrition programs such as improving food quality and replacing or purchasing necessary equipment.

SMART Funds 2.0 Question and Answers for SFAs

31. **If the SFA used excess funds from the nonprofit school food service account to continue to provide meals at no cost beyond the conclusion of SMART funds 1.0, will the SFA receive reimbursement of those spent excess funds through SMART funds 2.0?** No. SFAs must maintain the nonprofit status of the nonprofit school food service account. If the SFA had excess funds and used those funds to maintain compliance with sections 7 CFR 210.14(b) and 7 CFR 210.19(a)(1) of the NSLP regulations, then providing reimbursement for already spent excess funds would put the SFA at risk of noncompliance with the above regulations.
32. **Do SFAs have to account for SMART funds 2.0 separately?** Yes. The funds must be deposited in the nonprofit school foodservice account and funds must be tracked separately from other revenue sources. The DOF module in the CNP System will help SFAs with tracking.
33. **Can the SFA use excess funds or SMART funds 2.0 in the nonprofit school food service account to eliminate unpaid student meal charges with the remaining fund?** No. All SMART funds 2.0 must be deposited into the nonprofit school food service account and funds in the nonprofit school food service account cannot be used to pay for unpaid student meal charges.
34. **Will SMART funds 2.0 be audited?** SMART funds 2.0 may be audited as part of the annual single-town audit process that is conducted with certain SFAs. Additionally, the funds may be audited as part of a CSDE administrative review of the school Child Nutrition Programs.
35. **What fiscal year are SMART funds 2.0 attributed to?** SMART funds 2.0 will be attributed to Fiscal Year (FY) 2023.
36. **What is the SMART funds 2.0 Period of Performance?** The SMART funds 2.0 Period of Performance is FY 2023.

SMART Funds 2.0 Question and Answers for SFAs

Claiming

37. **Do SFAs claim all meals as free?** No. While all students will be receiving lunch and breakfast meals at no cost, meals must be claimed based on a student's approved eligibility (free, reduced-price, or paid).
38. **What rate will the meals be reimbursed?** The SMART funds 2.0 will reimburse the SFA the difference between the federal reimbursements rates for free meals and the reduced-price and paid reimbursement rate established for SY 2022-23. Reimbursement will reflect the SFAs federal severe need eligibility for lunch and/or breakfast if applicable.
39. **What reimbursement rates do SMART funds 2.0 use?** SMART funds 2.0 are based on the current authorized School Breakfast Program (SBP) and National School Lunch Program (NSLP) reimbursement rates. These rates include severe need, the 2-cent differential, and the increased reimbursement rates (\$0.15 per breakfast and \$0.40 per lunch) for meals served. Refer to [CSDE Operational Memorandum No. 16-22](#).
40. **What happens if the SFA's monthly claim for reimbursement is late?** If the SFA has missed the monthly claiming deadline established by the [annual schedule for submitting online reimbursement claim data](#), the SFA is at risk of not receiving SMART funds 2.0 reimbursement for that month in accordance with the same schedule. Final claims, including revisions, must be submitted no later than 60 days following the last day of the month covered by the claim.
41. **What if a SFA requests and is approved to use a one-time exception to pay a monthly claim for reimbursement?** If the CSDE approves a SFA's use of a one-time exception to pay a monthly claim for reimbursement, the SFA will also be eligible to receive the SMART funds 2.0 reimbursement for that claim.
42. **What if a SFA has missed the 60-day claiming deadline and is not eligible to request a one-time exception?** SFAs that miss the 60-day claiming deadline and are not eligible to request a one-time exception will not be eligible to receive either the federal or SMART fund 2.0 reimbursements for that month.
43. **What are the risks of not filing my claim within the 60-day deadline?** Claims not filed or corrected within the 60-day deadline are at risk of not being paid and will delay a SFA's SMART funds 2.0 payment for that month.

SMART Funds 2.0 Question and Answers for SFAs

44. **What if a SFA has a revision to a monthly claim resulting in an upward adjustment of claims?** Final claims, including upward adjustments, must be submitted no later than 60 days following the last day of the month covered by the claim. If an upward claim adjustment is processed within this timeframe, SMART fund 2.0 reimbursements will be paid. Note that claims that require an upward adjustment are subject to CSDE prior approval and an audit of the data will be conducted. Contact your [school nutrition team member](#) with questions.
45. **What if the SFA has a revision to a monthly claim resulting in a downward adjustment of claims?** A downward adjustment to a monthly claim can be made at any time. If a downward adjustment is made to the monthly claim for reimbursement, the SMART funds 2.0 payment will be adjusted, and the difference deducted from the SFAs next SMART fund 2.0 payment.

SMART Funds 2.0 Question and Answers for SFAs

Free and Reduced-price Eligibility

46. **Are SFAs participating in SMART funds 2.0 required to check the direct certification list?** Yes. The direct certification contact must check the list weekly to see if a match was conducted. This will help to ensure that all eligible children are directly certified for free or reduced-price meals.
47. **Should a SFA still collect free and reduced-price applications SY 2022-23?** Yes. It is critical that SFAs participating in the SMART funds 2.0 collect free and reduced-price school meal applications. SFAs should increase efforts to engage families regarding the importance of completing the free and reduced-price school meal applications and of the opportunities to apply for SNAP.
48. **Should SFAs encourage households that do not think they qualify for free or reduced-price school meals to submit the application anyway?** Yes. Households may not realize that they qualify for free or reduced-priced school meals and should be encouraged to submit an application. The CSDE recommends making the parent video, [How to Fill Out the Application for Free and Reduced-price Meals or Free Milk](#), widely available to households, including posting it on the SFA's website.
49. **Are there any special considerations with SMART funds 2.0 for the Public School Information System (PSIS) reporting to the Connecticut State Department of Education (CSDE)?** As in prior years, please continue updating the local educational agency's data system to a student's most current free or reduced-price meal eligibility to ensure accurate reporting during the designated PSIS collection timeframes.

SMART Funds 2.0 Question and Answers for SFAs

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1. mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
2. fax: (833) 256-1665 or (202) 690-7442; or
3. email: program.intake@usda.gov

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