



Purchasing of Food and Snacks

GENERAL GUIDANCE

Under 2 CFR 300.202(b) The IDEA excess cost requirement prevents an LEA from using funds provided under Part B of the Act to pay for all of the costs directly attributable to the education of a child with a disability. Under the Uniform Grant Guidance, there is a very high burden of proof to show that paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a Federal grant. The Office of Special Education guidance states that food purchases such as candy/snacks for students are not allowed unless they are tied to an individual IEP.

General Food Purchasing Guidance with Federal Funds

Any food-related expense (including meals, snacks, light refreshments, etc.) charged to a federal award must satisfy BOTH criteria below:

1. Fit into one of the five Uniform Grant Guidance (UGG) as described in 2 CFR 200, direct cost categories or one of the two other circumstances listed below (and apply under a specific use of funds by grant, such as IDEA Part B, Migrant Education, etc.):

a. DIRECT COST CATEGORIES:

- i. Participant Support
- ii. Travel
- iii. Entertainment
- iv. Lobbying
- v. Conference

b. OTHER CIRCUMSTANCES: If a cost doesn't fit into one of the above five direct cost categories the food-related expense must:

- i. Be fundamental to the project and crucial, necessary and indispensable for carrying out the scope of work, or
- ii. Be specifically approved in writing by the Fiscal Accountability Office in response to a written prior approval request that was reviewed, approved and submitted to the SDE Funding and Accountability Coordinator.

2. Be allowable under:

- i) the UGG, (Uniform Grant Guidance)
- ii) the Federal award terms and conditions,
- iii) sponsor policy, and

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iv) any related IDAPA or Idaho State Department of Education policies.

Costs incurred that are associated will be allowable only if they are reasonable, necessary, and allocable to the grant, consistent with the Federal cost principles described in the OMB Uniform Guidance (2 C.F.R. 200.403, 200.404, and 200.405), adequately documented (2 C.F.R. 200.403(g)), and do not conflict with the applicable statute and regulations.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

(c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.

(d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

(e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.

(f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § 200.306(b).

(g) Be adequately documented. See also §§ 200.300 through 200.309 of this part.

(h) Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3).

DETERMINING REASONABLIENESS OF COSTS

The question of reasonableness is particularly important when the non-Federal entity is predominantly

Federally funded. In determining reasonableness of a given cost, consideration must be given to:

DETERMINING REASONABLIENESS OF COSTS

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.

(b) The restraints or requirements imposed by such factors as sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.

(c) Market prices for comparable goods or services for the geographic area.

(d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.