### Purpose

School Food Authorities (SFAs) are now allowed to implement Provision 2 claiming percentages and Provision 3 calculations on an SFA-wide basis. This policy alert is intended for SFAs who may want to consider implementing Provision 2 or Provision 3 on a SFA or SFA-subgroup basis in the current school year.

### Procedure

School food authorities (SFAs) now have the option to implement Provision 2 claiming percentages and Provision 3 calculations of federal cash and commodity assistance on a SFA-wide basis. SFAs may extend this option either for all schools or for a subgroup of schools within a SFA. Therefore, it is not necessary that all schools in a SFA participate in Provision 2 or 3 in order for a SFA to have a comprehensive claiming percentage or a Provision 3 reimbursement.

SFAs may implement this new option on a:
- School by school basis;
- For all schools in a SFA; or
- For a subgroup of schools within a SFA.

<table>
<thead>
<tr>
<th>If All Schools in a Group of the SFA are ...</th>
<th>Then SFAs Participating in ...</th>
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<tbody>
<tr>
<td>Currently operating under normal claiming procedures, then a base year must be established.</td>
<td><strong>Provision 2</strong>&lt;br&gt;Will use the sum of the meal count by category for all schools in the group for the base year to develop the comprehensive claiming procedures. The common base year becomes the base year for the group.</td>
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<tr>
<td>Currently operating under the selected provisions.</td>
<td>Will use the sum of the prior year’s meal claims by category for all schools in the group to develop the new claiming percentages.</td>
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**Procedure continued**

Under both Provisions, a common base year may be established for the group. If all the schools in the group have the same base year, that year is the base year for the group.

**Schools with Different Base Years**
The SFA may determine how many of the schools in the group would be required to have a new base year in each of the next four years, beginning with the first year in which the group is established. The year with the largest number of schools due for a new base year can become the new base year for the group.

**Maintaining Individual Base Years**
SFAs may also maintain individual base years for schools and recalculate the group claiming percentages when a new claiming percentage is established for one of the schools in the group using the calculations described in the table above.

**Renewing Base Year on Socio-Economic Factors**
If group claiming percentages or reimbursement levels have already been established by combining data from participating schools and the SFA wishes to base renewal for the group as a whole on socio-economic factors rather than a regular or modified base year, then the SFA will need to contact their area program office for further assistance.

**Adding Schools to Provision**
If schools are currently operating under the selected Provision and the SFA wants to add other schools to the group, then the new schools will have to conduct a base year. The calculation of claiming percentages or reimbursement and enrollment is the same as if you are combining schools currently operating under the Provisions with different base years. Alternatively, a new base year may be conducted for all schools in the group.

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**Authority**
Section 113, Child Nutrition and WIC Reauthorization Act of 2004

**Contact**
If you have any questions regarding this Policy Alert please contact your Area Program Office.