

Purchasing Food with ESEA Funds

What the Federal Law, Regulations, and Guidance Says

Federal Statute

The Elementary and Secondary Education Act (ESEA) does not address purchasing food with federal funds. In the absence of a reference in law, states and districts must look to regulations, non-regulatory guidance and other communications from the U.S. Department of Education (ED) for direction.

Federal Regulations

All the administrative requirements for ED are found in the Education Department General Administrative Regulations (EDGAR), including Part 200 of Title 2 of the Code of Federal Regulations, commonly referred to as the Uniform Grants Guidance (UGG). The administrative rules and cost principles contained in Part 200 are applicable to all federal funding. This means that any use of federal funds, including the purchase of food, needs to meet the definitions of [reasonable](#), [necessary](#), and [allocable](#) as described in UGG.

Federal Guidance

Purchasing food with federal funds is very rarely allowable. In guidance provided by ED, they state the following: *“Generally, a grantee needs to substantiate with specificity the rationale for why paying for food and beverages with Department funds is necessary to meet the goals and objectives of a grant.”*

ED has published the following guidance related to purchasing food with federal funds:

[Frequently Asked Questions to Assist U.S. Department of Education Grantees to Appropriately Use Federal Funds for Conferences and Meetings](#)

Determining Allowability

Any food costs which are not necessary to accomplish the objectives of the grant program are unallowable. In making determinations about purchasing food with federal funds, districts must consider the cost principles described in UGG (necessary, reasonable, and allocable).

Districts are encouraged to reach out to their [assigned DEED Lead Program Manager](#) regarding the reasonableness of food purchases with grant funds.

Uniform Grant Guidance Cost Principles

Criteria	Guidance
Reasonable	A cost is reasonable if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost.
Necessary	To be considered necessary, the cost must be needed for the operation of the program.
Allocable	A cost is allocable if it benefits the program to which it is charged.

Using Federal Grant Funds to Pay for Food for Conferences and Meetings (from ED FAQs)

1. May a grantee use its U.S. Department of Education (ED) grant funds for food, beverages, or snacks at an event related to its grant?

All grant expenditures, including those for food, beverages, or snacks, must be reasonable, necessary, allocable to the grant, and allowable. (Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR §§ 200.403 through 200.405).

Generally, a grantee needs to substantiate with specificity the rationale for why paying for food and beverages with Department funds is necessary to meet the goals and objectives of a grant. When a grantee is hosting an event related to its ED grant, the grantee should first consider structuring the agenda for the meeting so that there is time for participants to bring or purchase their own food, beverages, and snacks. In addition, when planning a meeting, grantees may want to consider a location in which participants have easy access to food and beverages.

There may be limited circumstances under which providing food or beverages is reasonable and necessary to achieve the purpose of a particular grant. Because food and beverage costs are not of a type generally recognized as ordinary and necessary for the operation of the grantee or the proper and efficient performance of the Federal award (see 2 CFR § 200.404(a)), grantees must document their evidence and analysis that justify that the use of food or beverage is reasonable and necessary in each instance.

In determining reasonableness of a given cost, including those for food and drink, consideration must be given to:

- Whether the cost is generally recognized as ordinary and necessary for the grantee's operation or the proper and efficient performance of the Federal award;
- 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;
- Market prices for comparable costs for the geographic area;
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the recipient or grantee, its employees, its students or membership (if applicable), the public at large, and the Federal Government; and
- Whether the cost represents a deviation from the recipient or grantee's established written policies and procedures for incurring (2 CFR § 200.404).

2. Are there examples of when food costs might be considered reasonable and necessary to the performance of a particular grant?

The question of whether a food cost is reasonable and necessary to the performance of a grant will depend on the ED grant, including any program-specific rules or requirements that may apply to that grant, as well as the unique circumstances of the food cost. The following are some examples of situations when a food cost might be considered reasonable and necessary:

- **Food costs at a family engagement event:** For some ED programs, family engagement is a critical part of the purpose of the program or of the success of a project. In such a program, if a family meeting would occur during a typical mealtime, or if the grantee has evidence that attendance at the event would be affected by the absence of food or snacks, the grantee may be able to justify that it is reasonable and necessary to provide light refreshments or meals to participants.
- **Food costs for a working lunch at a day-long meeting:** A grantee may find that one critical component of its grant activities is hosting an onsite day-long training for professionals working in a field that is a central focus of the grant. If the grantee is able to demonstrate that the lunchtime session is necessary to achieve the goals of the project, attendance at the lunchtime session is necessary to achieve full participation by attendees, and the business carried out at the lunchtime session could not be carried out at another reasonable time, the grantee may be able to justify that it is reasonable and necessary to provide meals or a snack to attendees.
- **Light refreshments at a series of regular after-hours meetings:** A grantee may find that an important part of its grant activities is hosting meetings after the traditional working day so that professionals from within the field but across different employers have an opportunity to collaborate on focused topics. If the grantee can demonstrate that the sessions have planned agendas that are central to the grant, that engaging this group of people is necessary to achieve the purposes of the grant, and that there is evidence that attendance at the meetings would be affected by the absence of food, the grantee may be able to justify that it is reasonable and necessary to provide light refreshments to participants.
- **Costs of light snacks at a day-long meeting:** To achieve the purposes of its grant, a grantee may find that it is necessary to host day-long meetings or training sessions so that involved individuals can collaborate. If the grantee has evidence that providing light snacks (e.g., granola bars and water) at the meeting will result in improved participation, such as more time spent on grant activities and less time needed for breaks during the sessions, the grantee may be able to justify that it is reasonable and necessary to provide light snacks to participants.

3. What are examples of situations when costs for food would not be considered reasonable and necessary?

There are some situations when food costs would not be considered reasonable and necessary to a grant or would otherwise be unallowable under the Uniform Guidance found at 2 CFR part 200.

- **Food costs at networking sessions:** In nearly all cases, using grant funds to pay for food and beverages for networking sessions with a purely social focus is not justified because participation in such activities is rarely necessary to achieve the purpose of the grant.

- **Food costs at regular staff meetings:** Food costs for recurring business meetings, staff meetings, or other day-to-day activities are generally not reasonable because participation in such activities is rarely necessary to achieve the purpose of the grant.
- **Food costs for remote meetings:** Food costs for meetings conducted remotely, such as sending food to individual meeting participants' locations, are generally not justified since participants' participation is less impacted by them attending the meeting remotely.
- **Entertainment:** Federal grant funds may not be used to pay for entertainment, which includes costs for amusement, diversion, and social activities, unless they have a specific and direct programmatic purpose and are included in the Federal award. 2 CFR § 200.438. Celebrations, receptions, banquets, and other social events generally are not events where purchasing food with ED grant funds is appropriate.
- **Alcohol:** In all cases, use of Federal funds for alcoholic beverages is unallowable. 2 CFR § 200.423

4. May a grantee contract with a hotel under which Federal grant funds will be used to provide meals, snacks, and beverages as part of the cost for meeting rooms and other allowable conference-related costs?

Federal grant funds may only be used for expenses that are reasonable and necessary. In planning a conference or meeting and negotiating with vendors for meeting space and other relevant goods and services, grantees may only pay for allowable costs. If a hotel vendor embeds food and beverage costs into a hotel contract for meeting space, the grantee should work with the hotel to have the food and beverage costs identified and “backed out” of the contract and have the price they are paying for meeting space appropriately adjusted to reflect the fact that food and beverages are not being purchased. The fact that food and beverages are embedded in a contract for meeting space does not mean that the food and beverages are being provided at no cost to the grantee.

5. What if a hotel or other venue provides “complimentary” beverages (e.g., coffee, tea) and there is no charge to the grantee hosting the meeting?

The grantee has an obligation, under these circumstances, to confirm that the beverages are truly complimentary and will not be reflected as a charge to the grant in another area. For example, many hotels provide complimentary beverages to all guests who attend a meeting at their facility without reflecting the costs of those beverages in other items that their guests or, in this case, the grantee purchases. As noted above, it would not be acceptable for a vendor to embed the cost of beverages in other costs, such as meeting space, without those costs being separately allowable.

6. May indirect cost funds be used to pay for food and beverages?

No. The cost of food and beverages, which are related to meetings that are easily associated with a specific cost and grant objectives, are more appropriately treated as direct costs rather than indirect costs. As noted above, Federal grant funds cannot be used to pay for food and beverages unless doing so is reasonable and necessary.

7. May a grantee use non-Federal resources (e.g., State or local resources) to pay for food or beverages at a meeting or conference that is being held to meet the goals and objectives of its grant?

Grantees should follow their own policies and procedures and State and local law for using non-Federal resources to pay for food or beverages, including its policies and procedures for accepting gifts or in-kind contributions from third parties. Grantees should be sure that any food and beverages provided with non-Federal funds are appropriate for the grantee event, and do not detract from the event's purpose. Please note that, in general, any funds that a grantee contributes to a project as part of the program's matching or cost-sharing requirement would be subject to the same rules that govern the Federal funds; therefore, the non-Federal funds used to pay for food and beverages for a meeting or conference could only be eligible for use in meeting cost-share.

8. May grantees provide meeting participants with the option of paying for food and beverages (e.g., could a grantee have boxed lunches provided at cost for participants)?

Yes. Grantees may offer meeting participants the option of paying for food (such as lunch, breakfast, or snacks) and beverages, and arrange for these items to be available at the meeting.

Using Federal Grant Funds to Pay for Food for Family Engagement

Federal grant funds may be used to pay for light refreshments to facilitate the attendance of family members at meetings to support student and school achievement, such as:

- Advisory councils
- Teacher conferences
- Capacity building activities for families
- Curriculum and assessment training for families

There may be cases in which the district feels there is a need to provide a meal, as opposed to light refreshments to facilitate attendance and connection. An appropriate use of federal funds to purchase food means, for example, that districts may want to limit the food offered to light refreshments, such as cupcakes, chips, salsa, cheese, crackers, and coffee. A school district may consider providing an inexpensive meal, such as pizza or spaghetti dinners, and justify using ESEA funds as necessary because the event takes place over the dinner hour. Because the overall spending on food should be minimal in comparison to the programmatic activities for family engagement, in these limited situations the per-person cost of a meal should be a reasonable amount. Additionally, federal grant funds may never be used to pay for alcohol.

Using Federal Grant Funds to Pay for Food for Students

Federal funds can also be used to support student learning, success and engagement. In general, all other resources must be exhausted prior to utilizing ESEA funds for food for students. The following are examples of when purchasing food is reasonable and necessary.

Title I-A & Title IV-A

- Nutritional snacks for students in extended day (after-school) and summer programs

- Nutritional snacks for children in childcare while parents are participating in capacity-building activities

Title I-A McKinney-Vento Set Aside

- Emergency food and bottled water for students experiencing houselessness purchased after other funds (i.e., school and summer meal programs, SNAP, EBT, P-EBT) are exhausted.

Title I-C

Per the [Migrant Education Program \(MEP\) Policy Questions and Answers](#) issued by the U.S. Department of Education Office of Migrant Education (OME), if no other funds are available Title I, Part C funds may be used for:

- Meals and snacks for migratory children during field trips
- Meals for migratory children participating in I-C funded night school or summer school programs

Services such as the provision of food as a stop-gap measure for eligible migratory families when other resources are not available should be provided by non-MEP local programs such as a community food bank. If such programs are not available, however, the Office of Migrant Education (OME) suggests using the factors listed below to consider the possibility of using MEP funds to provide food for eligible migratory children only so long as other programs are not able to provide this service.

- The activity or service aligns with the results of the State's Comprehensive Needs Assessment (CNA) and the strategies outlined in the State's Service Delivery Plan (SDP).
- MEP funds are first used to meet the identified needs of migratory children that result from their migratory lifestyle, and to permit these children to participate effectively in school.
- The activity or service meets the needs of migratory children that are not addressed by services available from other Federal or non-Federal programs.
- MEP funds are used to supplement, rather than supplant, the use of non-Federal funds.
- The costs of the service or activity must align with the cost principles described in the Uniform Guidance (Subpart E of 2 Code of Federal Regulations (CFR) Part 200). The cost principles require, among other things, that costs of the service or activity be reasonable, necessary, and be allocable (or chargeable) to the MEP relative to the benefit received.

Title III-A

If no supplanting occurs (Federal, State, and local public funds), no other funds are available, and only Title III-A eligible students are served, then in those instances, Title III-A funds could be used for:

- Meals and snacks for Title III-A funded after school programs
- Meals for students participating in Title III-A funded summer school program

21st Century Community Learning Centers (CCLC)

Subgrantees are encouraged to participate in the USDA Food and Nutrition Service programs that provide meals and snacks to students and families outside of the school day. However, there may be times when students and families are participating in 21st CCLC programs during normal meal or snack times and food is not otherwise available. For example, it may be necessary to provide dinner during a parent engagement activity that is scheduled during the early evening hours to encourage participation.

DEED Recommendations

Before deciding to use grant funds to attend or host a meeting or conference, a grantee should:

- **Honor culture** - Engaging with families over food is an excellent opportunity to explore and embrace the variety of cultures and traditions present in your school and district. Consider local organizations with which to partner to highlight culturally relevant food and customs.
- **Work with community partners** - Attempt to have all, or a portion, of any food costs paid through alternative sources such as sponsorships or donations from:
 - Local businesses,
 - Parent/Teacher organization,
 - Restaurants, Food trucks, and/or
 - Supermarkets.
- **Maintain documentation** - Because there is a high standard for using federal funds to provide food, districts should keep the following records and have them available for auditors:
 - Receipts for all food purchases,
 - Documentation of meetings and events,
 - Program plans, such as Title I-A schoolwide plans, that justify the expense, and
 - Provide justification for requested food purchases in budget items when completing applications for federal funds.
- **Coordinate with other programs to provide food** - When determining if the district should use ESEA funds to purchase food for students, they should first determine if there are other programs available that would provide the food. For example, districts should utilize the USDA Food and Nutrition Service programs that provide meals and snacks to students and families outside of the school day.
- **Food selection** - If a district believes that it is appropriate and allowable to purchase food with federal funds, it should, to the extent practicable, follow [USDA's Food and Nutrition Service Guidelines for Smart Snacks in Schools](#).