



Federal Grant Compliance Under ESSA: Food and Beverage Cost Allowability

Uniform Grant Guidance – Cost Principles (2 CFR Part 200)

All costs charged to federal funds must be necessary, reasonable, and allocable for the approved program in accordance with the Uniform Grant Guidance (2 CFR Part 200, Subpart E). Federal funds may not be used when other funding sources are available. Generally, a grantee must substantiate with specificity the rationale for why paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a grant. 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 the use of food or beverage as reasonable and necessary in each instance.

- **Necessary:** The cost is essential to program operation and directly related to achieving the program's objectives (2 CFR §200.403(a)).
- **Reasonable:** The cost does not exceed what a prudent person would incur under similar circumstances (2 CFR §200.404).
- **Allocable:** The cost can be assigned to the federal program in proportion to the benefit received (2 CFR §200.405).

Alcohol is never an allowable cost under federal grants (2 CFR §200.423).

Family and Community Engagement

Federal funds may be used for light refreshments to facilitate parent and family engagement activities required under ESEA Section 1116, when such costs are necessary to support meaningful participation and access, and if:

- 1) participants must be able to attend the session;
- 2) the session occurs during a typical mealtime;
- 3) every effort was made to schedule the session outside of mealtimes; however, mealtime was most convenient to maximize parent/family participation; and
- 4) the cost of light refreshments does not exceed 1% of the Title I, Part A budget or \$1,000, whichever is less.

Food for Students

Title I-A and Title IV-A funds may be used to provide nutritional snacks in after-school or summer programs when directly supporting student engagement and learning. **Nutritional snacks**, as defined by the USDA for schools, are foods that meet the [Smart Snacks in School nutrition standards](#), which require snacks to contain wholesome ingredients such as whole grains, fruits, vegetables, dairy, or protein foods, and to stay within limits for calories, fat, sodium, and sugar. Lunches for field trips during the regular school day are not allowable with these funds.

Title I-A Homeless Reserve

Food and refreshments may be purchased using Title I-A Homeless Reserve funds only as a last resort when all other funding sources have been exhausted or are unavailable, and such purchases are *necessary* to ensure students experiencing homelessness can participate in educational activities. Purchases must have a direct educational connection, meet the "reasonable and necessary" standard under federal cost principles (2 CFR § 200.404), and comply with ESEA Title I-A requirements (20 U.S.C. § 6314(b)(1)(A)) and McKinney-Vento provisions (42 U.S.C. § 11431 et seq.).

Title I-C (Migrant Education)

Food may be purchased only when no other funding sources are available, services align with the Migrant Comprehensive Needs Assessment (CAN) and Service Delivery Plan (SDP), and costs supplement rather than supplant other services.

Title III (English Learners/Multilingual Learners)

Food may be provided only when no supplanting occurs, no other funds are available, and only Title III-eligible students are served, consistent with ESEA Section 3115(g).

Food for Staff

Food for staff is generally not allowable. The only exception is per diem expenses for approved overnight travel associated with conferences or meetings (2 CFR §200.432).

Documentation Requirements

LEAs must retain itemized receipts, agendas, sign-in sheets, and program documentation demonstrating allowability, allocability, and alignment to program objectives.

Federal References

- 2 CFR Part 200, Subpart E – Cost Principles
- 2 CFR §200.403–405 – Allowable, Reasonable, and Allocable Costs
- 2 CFR §200.423 – Alcohol
- 2 CFR §200.432 – Conferences and Meetings
- ESEA Title I, Section 1116 – Parent and Family Engagement
- ESEA Section 3115(g) – Title III Supplement Not Supplant