



## Nutrition Services Incentive Program (NSIP) of the Older Americans Act (OAA) Guidance

### **FY2022 ACL Title III Program, Reporting, And Fiscal Updates**

*From the Office of Nutrition and Health Promotion Programs  
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ACL anticipates that the COVID-19 pandemic may continue to cause skewing of traditional meal service and NSIP meal counts. ACL held harmless federal fiscal year (FFY) 2021 and FFY2022 NSIP grant allocations; this process will be continued into Title III FFY2023 NSIP grant allocations.

Specifically, ACL will continue to hold harmless NSIP meal counts from FY2019 and apply them to FFY2023 NSIP grant award allocations. This will alleviate the requirement to count and report FFY2022 NSIP meals for purposes of FFY2023 NSIP funding.

The information below provides detailed guidance regarding the program and policy, the State Performance Report (SPR)/Older Americans Act Performance System (OAAPS), and financial implications.

### **Background**

The NSIP is authorized by Section 311 of the [OAA](#). NSIP provides grants to states, territories, and eligible tribal organizations to support the OAA Congregate and Home-Delivered Nutrition Programs by providing an incentive to serve more meals. Grantees can choose to receive their grant as cash, commodities (food) from the United States Department of Agriculture (USDA), or a combination of cash and commodities. If a program chooses to use commodities, USDA assesses an administrative fee that is taken from the grant.

In March 2020, ACL issued guidance indicating that meal counts from FY2019 were held harmless through FY2021 and FY2022. In addition, throughout the Public Health Emergency, ACL has issued [fiscal, reporting, and programmatic guidance documents](#).

The National Resource Center on Nutrition and Aging's COVID-19 section also provides a summary of [Title III C Program Management Resources](#) which include tips, guides, funding and reporting guidelines.

### **Program and Policy Implementation**

The requirements for NSIP are stated in Section 311 of the OAA. There are no other requirements by any other federal agency. NSIP allocations are available to states and territories that provide nutrition services in adherence to the requirements of the OAA which include:

- Serving meals to an individual who is eligible to receive services under the OAA.
- Serving meals to an individual who has not been means-tested to receive services.

- Serving meals that meet the requirements of the OAA including meals that meet the Dietary Guidelines for Americans (DGAs) and Dietary Reference Intakes (DRIs) as indicated in OAA Section 339.
- Serving meals to individuals who have been provided the opportunity to contribute to the cost of service.
- Meals are served by an eligible agency, i.e. an agency that has a grant or contract with a State Unit on Aging (SUA) or Area Agency on Aging (AAA).

ACL does not have the legal authority to waive these requirements. The OAA requirements that may be waived are listed in OAA Section 316. Section 316 does not list the NSIP requirements in Section 311 or the nutrition requirements in Section 339.

States/territories may wish to consider whether their policies requiring FFY2022 documentation or reporting of NSIP meals require revision, based on their knowledge of local food, staffing, and supply situations, the ability of nutrition programs to provide and report NSIP meals, as well as the information submitted within their State Plan.

## SPR/OAAPS Reporting

States and territories are required to collect and report their NSIP meals in the SPR/OAAPS on NSIP meals for FFY2023, which starts 10/1/2022.

States/territories are not required to report NSIP meals for FFY2022. NSIP meal criteria are concisely listed earlier in this document as well as in [SPR Appendix A: Data Element Definitions](#) under "NSIP qualified meal - Congregate" and "NSIP qualified meal - Home-Delivered."

NSIP meal counts may be reported in SPR/OAAPS for FFY2022. Reporting NSIP meals may benefit states/territories by enhancing the awareness of meals which meet NSIP eligibility, for example meals that meet 1/3 DRI and the DGAs. ACL encourages Title III C providers to serve [meals that meet the nutrition standards](#). Please note that during FFY2022, while NSIP meal reporting is not required, all other reporting requirements are in effect.

## Fiscal Reporting and Allocations

NSIP is funded by a Congressional appropriation to ACL. States/territories receive OAA allocations for nutrition services for Title III C1 (congregate), Title III C2 (home-delivered), and NSIP. Of these allocations, NSIP is about 16% of total OAA nutrition services funding before transfers among Titles III B and C occur.

The NSIP statute requires a state to distribute funds promptly and equitably. All nutrition providers (congregate meal and home-delivered) should be considered in the equitable distribution of funding. Additionally, the state should ensure that the distribution of the funding is justifiable to the current needs and, if available, use more recent data on meal counts.

NSIP allocations may only be used to purchase domestically produced food such as milk, fruit, vegetables, or protein products, that are part of a meal.

NSIP allocations may not be used to pay for administration, indirect costs, or other nutrition services such as education, counseling, oral nutrition supplements, groceries, specialized utensils, etc. NSIP allocations may not be used to buy bags of groceries (food boxes, etc.) for program participants, as these do not constitute a meal.

Examples of how to expend NSIP funds include:

- Purchase of domestically produced protein sources such as milk and/or meat.
- Allocation of a percentage of funds from NSIP to pay for a portion of the cost of a meal.
- Payment for a larger portion of previously served meals.
- Purchase of domestically produced food to supplement a partial meal which on its own does not meet OAA nutrition requirements (e.g., some shelf-stable meals) to ensure that it makes a complete meal which meets OAA nutrition requirements. For example, if a meal lacks a dairy component or insufficient vegetables or fruit, NSIP funding might be used to add a carton of milk, a packet of non-fat dry milk, or a domestically produced piece of fresh fruit in order to meet the OAA NSIP meal requirements and be reported as an NSIP meal.

In all cases, it is important to ensure documentation that verifies the food purchases meet NSIP requirements (i.e., domestically produced food such as milk, fruit, vegetables, or protein products that are used in a meal).

- For FFY2023, ACL will allocate NSIP grant awards to states and territories based on the number of NSIP meals reported in the SPR in FFY2019.
- For FFY2024, ACL will allocate NSIP grant awards to states and territories based on the number of NSIP meals reported in the SPR/OAAPS in FFY2023. States and territories are required to collect and report in the SPR/OAAPS on NSIP meals for FFY2023, which starts 10/1/2022.
- The state/territory determines how to distribute the funding at a sub-state level, as indicated in their State Plan on Aging.

[View historic and pandemic NSIP funding levels for Title III organizations](#)