only approve requests for a waiver that are submitted by a State agency and comply with the requirements at section 12(1)(1) and the limitations at section 12(1)(4), including that FNS may not grant a waiver that increases Federal costs.

- (2)(i) A State agency may submit a request for a waiver under paragraph (f)(1) of this section in accordance with section 12(1)(2) and the provisions of this part.
- (ii) A State agency may submit a request to waive specific statutory or regulatory requirements on behalf of eligible service providers that operate in the State. Any waiver where the State concurs must be submitted to the appropriate FNSRO.
- (3)(i) An eligible service provider may submit a request for a waiver under paragraph (e)(1) of this section in accordance with section 12(1) and the provisions of this part. Any waiver request submitted by an eligible service provider must be submitted to the State agency for review. A State agency must act promptly on such a waiver request and must deny or concur with a request submitted by an eligible service provider.
- (ii) If a State agency concurs with a request from an eligible service provider, the State agency must promptly forward to the appropriate FNSRO the request and a rationale, consistent with section 12(1)(2), supporting the request. By forwarding the request to the FNSRO, the State agency affirms:
- (A) The request meets all requirements for waiver submissions; and,
- (B) The State agency will conduct all monitoring requirements related to regular Program operations and the implementation of the waiver.
- (iii) If the State agency denies the request, the State agency must notify the requesting eligible service provider and state the reason for denying the request in writing within 30 calendar days of the State agency's receipt of the request. The State agency response

is final and may not be appealed to FNS.

(Sec. 804, 816 and 817, Pub. L. 97–35, 95 Stat. 521-535 (42 U.S.C. 1753, 1756, 1759, 1771 and 1785); 44 U.S.C. 3506)

[Amdt. 25, 41 FR 34759, Aug. 17, 1976, as amended at 47 FR 745, Jan. 7, 1982; Amdt. 42, 47 FR 14133, Apr. 2, 1982; Amdt. 56, 54 FR 2990, Jan. 23, 1989; 71 FR 39517, July 13, 2006; 72 FR 63792, Nov. 13, 2007; 81 FR 66491, Sept. 28, 2016; 87 FR 57354, Sept. 19, 2022]

## § 220.4 Payment of funds to States and FNSROs.

- (a) To the extent funds are available, the Secretary shall make breakfast assistance payments to each State agency for breakfasts served to children under the Program. Subject to §220.13(b)(2), the total of these payments for each State for any fiscal year shall be limited to the total amount of reimbursement payable to eligible schools within the State under this part for the fiscal year.
- (b) The Secretary shall prescribe by July 1 of each fiscal year annual adjustments to the nearest one-fourth cent in the national average per breakfast factors for all breakfasts and for free and reduced price breakfasts, that shall reflect changes in the cost of operating a breakfast program.
- (c) In addition to the funds made available under paragraph (a) of this section, funds shall be made available to the State agencies, and FNSROs where applicable, in such amounts as are needed to finance reimbursement rates assigned in accordance with the provisions of §220.9(c).

(Secs. 801, 803, 812; Pub. L. 97–35, 95 Stat. 521–535 (42 U.S.C. 1753, 1759(a), 1773, 1758); Pub. L. 97–370, 96 Stat. 1806)

[38 FR 35554, Dec. 28, 1973, as amended at 40 FR 30923, July 24, 1975; 46 FR 51367, Oct. 20, 1981; 48 FR 20896, May 10, 1983; Amdt. 49, 49 FR 18987, May 4, 1984]

## § 220.5 Method of payment to States.

Funds to be paid to any State for the School Breakfast Program shall be made available by means of Letters of Credit issued by FNS in favor of the State agency. The State agency shall:

(a) Obtain funds needed for reimbursement to School Food Authorities through presentation by designated State officials of a payment Voucher