



State of South Carolina
Department on Aging

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Director

PROGRAM INSTRUCTION FOR: NUTRITION SERVICES INCENTIVE PROGRAM (NSIP)

INFORMATION MEMORANDUM FOR: Area Agencies on Aging

SUBJECT: PROGRAM INSTRUCTION (PI) for NUTRITION SERVICES INCENTIVE PROGRAM (NSIP)

DATE: August 10, 2026

AAA COMPLIANCE DATE: July 1, 2027

NUTRITION SERVICES INCENTIVE PROGRAM (NSIP)	POLICY NUMBER
REFERENCE(S): OAA SEC 331, 45 CFR 1321.87 (d), 45 CFR 1321.3	
RELEASE DATE: July 1, 2026	AAA COMPLIANCE DATE: July 1, 2027

Definitions of terms:

Policy Statement

The Nutrition Services Incentive Program (NSIP) provides grants to states to support the OAA congregate and home-delivered nutrition programs by providing an incentive to serve more meals. In South Carolina, the Department on Aging has elected to receive NSIP grants as cash reimbursements rather than commodities. Consequently, AAAs must ensure that these funds are applied to the purchase of domestically produced foods used in meals served through the nutrition program.

NSIP is allocated to AAAs based on the number of NSIP-eligible meals served in the previous year in proportion to the total number of NSIP-eligible meals served by the AAAs as reported through the State Performance Report (SPR).

NSIP eligible meals must meet all of the following criteria:

- 1.)The meal is served to an individual who is eligible to receive services under the Act; Refer to SCDOA Service Eligibility and Funding Matrix – **link to internal policy reference**
- 2.)The meal is served to an individual who has not been means-tested to receive the meal;
- 3.)The meal is served to an individual who has been provided the opportunity to provide a voluntary contribution to the cost of service;
- 4.)The meal meets the other requirements of the Act, including that the meal meets the Dietary Guidelines for Americans and Dietary Reference Intakes; Refer to Nutrient Requirements for Meals – **link to internal policy reference**
- 5.)The meal is served by an agency that has a grant or contract with a State agency or area agency.

Meals that CANNOT be included in counts used to determine NSIP funding are:

- 1.)Medicaid waiver home-delivered meals.
- 2.)Medicaid adult day care meals.
- 3.)Medicaid adult day health meals.
- 4.)Adult day care or health meals for which Child and Adult Care Food Program (CACFP) funds have been claimed.
- 5.)Respite-funded adult day care or health meals.
- 6.)Meals funded by Title III-E or HCBS served to caregivers under age 60.
- 7.)Meals served to individuals under 60 who pay the full cost of the meal.

NSIP Fund Use:

- NSIP funds may only be used to purchase domestically produced foods used in a meal. Domestically produced foods are agricultural foods, beverages and other food ingredients which are a product of the United States, its Territories or possessions, the Commonwealth of Puerto Rico, or the Trust Territories of the Pacific Islands, except as may otherwise be required by law, and shall be considered to be such a product if is grown, processed, and otherwise prepared for sale or distribution exclusively in the United States except with respect to minor ingredients. Ingredients from nondomestic sources will be allowed to be utilized as a United States product if such ingredients are not otherwise; (1) Produced in the United States; and (2) Commercially available in the United States at fair and reasonable prices from domestic sources.

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- NSIP may only be applied to hot daily prepared, refrigerated, or frozen meals. NSIP will not be applied to shelf-stable meals due to the challenges in sourcing domestically produced foods for non-perishables.

Provider Contracts and NSIP:

AAA contractual arrangements for meals with food service management companies, caterers, restaurants or institutions, that provide hot daily prepared, refrigerated, or frozen meals, must contain domestically produced foods at least equal in value to \$1 per meal.

SUA Procedure

- During annual monitoring, the SUA will review a sample of AAA catering contracts to verify the required provision for the minimum dollar value from domestically produced foods.
- The SUA will review the AAA's provider monitoring procedures and related documentation to assess compliance with the domestically produced food component requirement.

AAA Procedure

- AAA will follow the South Carolina Department on Aging's **Minimum Meal Bid Specifications** when issuing RFPs, ensuring that solicitations explicitly require compliance with domestically produced food procurement standards.
- AAA will ensure that contractual arrangements with meal service providers include provisions for the minimum dollar value from the domestically produced portion of the meal.
- AAA policies and procedures to include the process utilized to monitor provider compliance to the domestically produced food component requirement.

See also:

[NSIP Domestically Produced Foods FAQ](#)



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