

SUMMER FOOD SERVICE PROGRAM

Viability, Capability, and Accountability Checklist

The Child Nutrition Programs (hereinafter referred to as the *State Agency*) require all **new** private nonprofit organizations, as well as returning private nonprofit organizations with a serious deficiency on their last administrative review (AR), who are applying to be sponsors in the Summer Food Service Program (SFSP) with the State Agency (SA) to complete the SFSP Viability, Capability, and Accountability (VCA) Checklist.

VCA is a requirement per SFSP regulations found in 7 Code of Federal Regulations (CFR), Part 225. The term *Program*, as used in this document, refers to the SFSP.

Private nonprofit organizations applying to be SFSP sponsors **must** submit all supporting documents required within this checklist. The SA will review the information submitted in this checklist and all supporting documentation to assess whether an organization's financial and administrative capability and viability is sufficient to participate in the SFSP as a sponsor.

Instructions: Read the following document carefully. Answer all questions completely. Add additional pages as needed. Submit all supporting documentation that is specified in this document. Submit legible copies of supporting documentation, **not originals**. If you already have an agreement number from the SA, please put that number on every page of supporting documentation you submit.

It may be helpful to reference the *United States Department of Agriculture (USDA) Administrative Guidance for Sponsors* and Food and Nutrition Service (FNS) Instruction 796-4, Rev 4, *Financial Management—Summer Food Service Program for Children*.

This checklist is a component of the SFSP application. Submission of this checklist and the required supporting documentation does not guarantee approval.

SECTION I—SPONSORING ORGANIZATION INFORMATION

Organization Contact Person: _____

Organization Name: _____

DBA Name: _____

Physical Address: _____

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Mailing Address: _____

Organization Telephone: _____

Organization Fax: _____

Organization E-Mail: _____

Federal ID Number: _____

Does the organization conduct business under any assumed names?

Yes _____ No _____

SECTION II—ORGANIZATION BACKGROUND AND ELIGIBILITY

7 CFR §225.2 defines a sponsor as *a public or nonprofit school food authority (SFA); a public or private nonprofit residential summer camp; a unit of local, municipal, county, or state government; a public or private nonprofit college or university currently participating in the National Youth Sports Program (NYSP); or a private nonprofit organization which develops a special summer or other school program providing food service similar to that made available to children during the school year under the National School Lunch Program (NSLP) and School Breakfast Program (SBP) and which is approved to participate in the Program.*

I. Check the box below which describes your organization:

- Private nonprofit SFA
- A private nonprofit college/university currently participating in the NSYP
- A private nonprofit residential summer camp
- Any other type of private nonprofit organization
- A church

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II. Organizations must attach copies of the following documentation:

- A. An exemption determination letter from the U.S. Internal Revenue Service (IRS) indicating that the organization is exempt pursuant to §501(c)(3) of the United States Tax Code. (Churches do not need to submit this letter.)
- B. All that apply:
 - 1. Certificate of Good Standing from state(s) in which organization operates, dated within 60 days of applying for the SFSP.
 - 2. Certificate of Good Standing from state of Oklahoma if organization has been operating in Oklahoma.

SECTION III—FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

7 CFR §225.14(d)(6)(iii) requires *if the sponsor is a private nonprofit organization, it must certify that it demonstrates that the organization has adequate management and fiscal capability to operate the Program.*

USDA FNS Instruction 796-4, Rev 4, *Financial Management—Summer Food Service Program for Children* states: *Financial management includes such activities as budgeting, accounting, costing standards, management of revenues, management of property, procurement standards, and fiscal audits. Records of these activities must be supported by source documents to accurately and completely disclose the sources and application of funds.*

- I. A private nonprofit organization must have adequate financial resources to operate the SFSP on a daily basis, have adequate sources of funds to withstand temporary interruptions in Program payments and/or fiscal claims against the organization, and must be able to document its financial viability.**

Submit one of the following:

NOTE: The SA may request additional documentation as needed to determine financial viability.

- A. Audited financial statements performed by a Certified Public Accountant (CPA) in an independent audit conducted within the last two fiscal years.

OR

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- B. Six months (if applicable) of comprehensive financial statements, to include a statement of financial position, statement of activities, statement of net assets, statement of cash flows, notes, **and** six months (if applicable) of all bank statements for all accounts in the name of the organization. If the organization has not been operating for a minimum of six months, the SA **will not** allow **sponsor** status, but rather **site** status, for the first year.

Refer to the Summer Feeding Policy and Handbooks page on www.summerfood.org for USDA FNS Instruction 796-4, Rev 4, *Financial Management—Summer Food Service Program for Children* and for the current *USDA Administrative Guidance for Sponsors*, which include definitions and explanations of allowable operating costs, allowable administrative costs, and unallowable costs.

II. A private nonprofit organization must have procedures that demonstrate the adequate management of financial operations to ensure fiscal integrity and accountability for all program funds.

Attach the organization's written procedures for all items A to B:

Procedures must contain, **at a minimum**, the following information:

1. Step-by-step instructions for each procedure
2. When the procedure is carried out (e.g., the date or frequency [such as daily, weekly, or monthly])
3. Position(s) responsible for performing tasks in the procedure
4. How staff will be trained on the procedure(s)
5. When staff will be trained on the procedure(s)
6. Position(s) responsible for ensuring compliance of the procedure
7. When monitoring/review of the procedures takes place (e.g., daily, weekly, bi-weekly, monthly)

A. Procedure that ensures the integrity and accountability of all Program expenses, by ensuring Program funds are used for allowable costs, ensuring all costs charged to the Program are approved by the SA prior to incurring the expense, and that expenses are supported by original source documents (e.g., receipts, invoices).

B. Procedure that ensures all funds or donations received to operate the SFSP are documented and credited to the nonprofit food service account.

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III. Attach a copy of the organization's policy for its financial management system. Ensure it contains, at a minimum, the following information.

NOTE: SFSP sponsors using cash as a method of payment will be required to retain thorough and detailed records to support all Program transactions. Failure to retain the documents required by the SA to fully support cash withdrawal transactions may result in adverse actions, including meal disallowances and/or declaration of serious deficiency.

- A. The current accounting method (e.g., accrual, cash basis, modified) used to track and manage financial information
- B. How the accounting method will clearly present information on:
 - 1. When a Program cost was incurred (i.e., the date)
 - 2. Where a Program cost was incurred (i.e., the name of business where purchase was made)
 - 3. What the Program cost was for and in what amount
- C. Accounting software used, if applicable
- D. Position(s) responsible for developing the budget
- E. Position(s) responsible for reviewing and comparing actual expenses against budgeted amount
- F. When reviews of actual expenses against budgeted amounts take place (e.g., daily, weekly, biweekly, monthly)
- G. Position(s) responsible for amending the budget, as needed

SECTION IV—ADMINISTRATIVE CAPABILITY

7 CFR §225.14(d)(6)(iii) requires that *if the sponsor is a private nonprofit organization, it must certify that it demonstrates that the organization has the **adequate management and fiscal capability to operate the Program.***

7 CFR §225.14(c)(1) states *no applicant sponsor shall be eligible to participate in the Program unless it demonstrates financial and **administrative capability for Program operations** and accepts final financial and administrative responsibility for total Program operations at all sites at which it proposes to conduct a food service.*

7 CFR §225.14(d)(3) requires that *sponsors which are private nonprofit organizations will only be approved to administer the Program at sites where they have **direct operational control.** Operational control means that the sponsor shall be responsible for managing site staff, including the hiring, terminating, and determining conditions of employment for site staff, and exercising management control over Program operations at sites throughout the period of Program participation by performing the functions specified in §225.15.*

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Refer to the *USDA Administrative Guidance for Sponsors* on information regarding personnel duties and descriptions of responsibilities.

I. Attach the following documents for all items A to D:

A. Organizational Chart which includes:

1. All positions/titles/board members/officers associated with the Program, including:
 - a. All management personnel
 - b. All site personnel and the sites they are designated for
 - c. All full legal names associated with the positions/titles
 - d. *If applicable*, list *Vacant* if personnel not hired yet. See *Hiring Plan* below.

NOTE: If the same personnel are designated for multiple sites, you must ensure they can perform their duties at their designated sites during the designated time frame(s). Site supervisors cannot be listed at more than one site unless there is adequate time for them to properly supervise the full meal service at each location, including travel time.

*NOTE: Your organizational chart **must** include an adequate number of site personnel to conduct proposed operations at each site.*

B. Job Descriptions

1. For each position with SFSP duties, excluding board members
2. Clearly describe the duties performed for the Program

C. Hiring Plan (required only for organizations that do not have all personnel hired yet)

1. Plan for hiring all personnel prior to the first day of service (for all positions listed as *Vacant* in the organizational chart)
2. Position(s) responsible for hiring personnel
3. When new personnel will receive training
4. Position(s) responsible for training new personnel

D. Organization's Compensation Policy for Program Personnel

1. Rate of pay for each position in the organizational chart
2. Hours of work, including breaks and meal periods

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II. List all board members and officers and their titles below. Provide each member's full legal name, a description of their Program duties, and disclose any relationship to other board members or staff of the organization. (Only 49 percent or less of members may be related.)

| Board Member/Officer Name | Birth Date | SFSP Duties | Relationship to Other Members or Staff of the Organization |
|---------------------------|------------|-------------|--|
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III. Describe how the governing board and/or organization's officers will have adequate oversight of the Program.
NOTE: The by-laws, or a similar document, must grant Program oversight responsibility to the governing board/officers.

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SECTION V—PROGRAM ACCOUNTABILITY

7 CFR §225.15(b)(3) states that *sponsors shall plan for and prepare or order meals on the basis of participation trends with the objective of providing only one meal per child at each meal service. The sponsor shall make the adjustments necessary to achieve this objective using the results from its monitoring of sites.*

7 CFR §225.15(c) states that *sponsors shall maintain accurate records which justify all costs and meals claimed. Failure to maintain such records may be grounds for denial of reimbursement for meals served and/or administrative costs claimed during the period covered by the records in question. The sponsor's records shall be available at all times for inspection and audit . . . for a period of three years following the date of submission of the final claim for reimbursement for the fiscal year.*

7 CFR §225.6(e)(14) states that *records shall be retained for a period of three years after the end of the fiscal year to which they pertain, unless audit or investigative findings have not been resolved, in which case the records shall be retained until all issues raised by the audit or investigation have been resolved.*

7 CFR §225.12(a) states that *the State Agency shall disallow any portion of a claim for reimbursement and recover any payment to a sponsor not properly payable under this part, except as provided for in §225.10(c). State agencies may consider claims from reimbursement not properly payable if a sponsor's records do not justify all costs and meals claimed. However, the State Agency shall notify the sponsor of the reasons for any disallowance or demand for repayment.*

7 CFR §225.9(c)(7) states that *upon demand of the State Agency, sponsors shall repay any advance Program payments in excess of the amount cited on a valid claim for reimbursement.*

I. **Attach the organization's procedures for all Items A to E.**

Procedures must contain, ***at a minimum***, the following information:

1. Step-by-step instructions for each procedure
2. When the procedure is carried out (e.g., the date or frequency [such as daily, weekly, or monthly])
3. Position(s) responsible for performing tasks in the procedure
4. How staff will be trained on the procedure(s)
5. When staff will be trained on the procedure(s)
6. Position(s) responsible for ensuring compliance of the procedure
7. When monitoring/review of the procedures takes place (e.g., daily, weekly, bi-weekly, monthly)

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- A. Procedure that ensures the number of meals prepared or ordered during the Program will be adjusted as needed to provide only one meal per child at each meal service.
 - B. Procedure that ensures complete and accurate records of original daily site meal counts are kept in an organized manner.
 - C. Procedure that ensures complete and accurate records of operating personnel time distribution reports are kept in an organized manner.
 - D. Procedure that ensures complete and accurate records of administrative personnel time distribution reports are kept in an organized manner.
 - E. *If organization has camp and/or closed-enrolled sites:* Procedure that ensures complete and accurate records of eligibility forms are kept in an organized manner.
 - F. Procurement Procedure: Procedure that ensures all local, state, and federal procurement guidelines are followed.
 - G. Procedure for ensuring all food served is creditable.
- II. **Attach a copy of your organization's written record retention policy which details how Program records are secured and stored to be available for review when needed. Ensure it contains, at a minimum, the following information:**
- A. Method to ensure original records are kept for three years after Program year end, or longer if required
 - B. Method to ensure original records are organized and available on-site for review when needed
 - C. Where original records will be secured and stored
 - D. Position(s) which have authorized access to original records
- III. **Attach a copy of your organization's plan to repay any dept owed to the SA. Ensure it contains, at a minimum, the following information:**

NOTE: Debt owed to the SA can occur due to organizations receiving advance payments greater than their reimbursement claims and/or review findings, resulting in fiscal action.

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NOTE: Noncollectable debts are turned over to the State Attorney General's office for collection.

- A. Step-by-step plan for repaying debt owed to the SA
- B. Position(s) responsible for repaying debt owed to the SA
- C. Funds to be used to repay debt owed to the SA

NOTE: Funds from other USDA CNP cannot be used for repayment of debt or unallowable costs.

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SECTION VI—CERTIFICATION

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information or the omission of any material fact may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise.

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Title

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