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**Oklahoma State Department of Education (OSDE) Child Nutrition Programs (CNP)**

**Summer Food Service Program (SFSP) State Agency (SA)**

**Agreement & Procedures**

**Definitions & Acronyms**

The following words and terms when used shall have the following meaning unless the context clearly indicates otherwise.

**“Administrative costs”** means costs incurred by a sponsor related to planning, organizing, and managing

a food service under the Program, and excluding interest costs and operating costs.

**"Administrative Review (AR)"** means a program compliance evaluation process using forms provided by

the State agency.

**“Advance payments”** means financial assistance made available to a sponsor for its operating costs

and/or administrative costs prior to the end of the month in which such costs will be incurred.

**"Agreement Number"** means the number, identified by county, assigned to each sponsor once approved to operate the SFSP.

**"Application"** means the State Department of Education Child Nutrition Programs' established procedure for determining eligibility of sponsors in the SFSP.

**"Approval Visit"** means the technical assistance visit used by the State Agency to complete the approval process for participation in the CACFP.

**"CACFP"** means Child and Adult Care Food Program.

**“Camps”** means residential summer camps and nonresidential day camps which offer a regularly

scheduled food service as part of an organized program for enrolled children. Nonresidential camp

sites shall offer a continuous schedule of organized cultural or recreational programs for enrolled children between meal services.

**“Children”** means: (1) Persons 18 years of age and under; and (2) Persons over 18 years of age who are

determined by a State educational agency or a local public educational agency of a State to be mentally or physically disabled and who participate in a public or nonprofit private school program established for the mentally or physically disabled.

**“Claim Validation”** means a process of submitting records to the State agency for a claim that was flagged

for being high risk.

**“Closed enrolled site”** means a site which is open only to enrolled children, as opposed to the community at large, and in which at least 50 percent of the enrolled children at the site are eligible for free or reduced-price school meals under the National School Lunch Program and the School Breakfast Program, as determined by approval of applications in accordance with [§ 225.15(f)](https://www.ecfr.gov/current/title-7/section-225.15#p-225.15(f)), or on the basis of documentation that the site meets paragraph (1), (2), or (3) of the definition of “Areas in which poor economic conditions exist” as provided in this section.

**"CNP"** means Child Nutrition Programs.

**“Conditional non-congregate site”** means a site which qualifies for Program participation because it conducts a non-congregate meal service for eligible children in an area that does not meet the definition of “areas in which poor economic conditions exist” and is not a “Camp,” as defined in this section.

**“Congregate meal service”** means a food service at which meals that are provided to children are consumed on site in a supervised setting.

**“Continuous school calendar”** means a situation in which all or part of the student body of a school is (a) on a vacation for periods of 15 continuous school days or more during the period October through April and (b) in attendance at regularly scheduled classes during most of the period May through September.

**"Compliance"** means having met the contractual requirements of the SFSP.

**"Component"** means a required food group as specified by the USDA. The five food components are milk, meat/meat alternates, fruits, vegetables, and grains.

**"Corrective Action Plan (CAP)"** means a written plan to address deficiencies and identify actions and time frames to be taken for the deficiencies found in an administrative review or audit.

**"Cycle Menus"** means a set of carefully planned menus that will be rotated according to a definite pattern. Cycle menus contain all required food components.

**"DHS"** refers to the Oklahoma Human Services, formerly known as Department of Human Services.

**"EFT"** means electronic funds transfer.

**“Excess funds”** means the difference between any advance funding and reimbursement funding, when advance funds received by a sponsor are greater than the reimbursement amount earned by a sponsor.

**“Experienced site”** means a site which, as determined by the State agency, has successfully participated in the Program in the prior year.

**“Experienced sponsor”** means a sponsor which, as determined by the State agency, has successfully participated in the Program in the prior year.

**“Family”** means a group of related or nonrelated individuals who are not residents of an institution or boarding house but who are living as one economic unit.

**"Family Size and Income Application (FSIA)"** means the document used to determine the eligibility status of an enrolled child obtained each fiscal year.

**“Fiscal Year (FY)”** means October 1 to September 30 of each year.

**“FSMC”** means Food Service Management Company

**“Household”** means “family,” as defined in this section.

**“Income accruing to the program**” means all funds used by a sponsor in its food service program, including but not limited to all monies, other than program payments, received from Federal, State and local governments, from food sales to adults, and from any other source including cash donations or grants. Income accruing to the Program will be deducted from combined operating and administrative costs.

**"Inventory"** means a visual counting and recording of all unopened food, milk and food-related supplies

on hand for use in the CACFP.

**"Meal limit"** means the maximum number of meals a child can be claimed for. Food service sites other

than camps and sites that primarily serve migrant children may serve either one meal each day, a breakfast, a lunch, or snack; or two meals each day, if one is a lunch and the other is a breakfast or a snack. Each day a camp may serve up to three meals or two meals and one snack.

**"Meal service time"** means the time established by the sponsor at a site in which meals will be served.

**"Minimum Meal Patterns Requirements"** means the required food components and quantities as set forth by USDA for the CACFP in 7 CFR 226.20 of CACFP regulations.

**"Multi-sited Institution"** means an institution which has more than one childcare facility under an agreement number. Also referred to as a Sponsoring Organization (SO).

**“National Disqualified List (NDL)”** means the USDA list that institutions/sponsors/ responsible

principals and individuals are placed on when terminated from the CACFP.

**“New site**” means a site which did not participate in the Program in the prior year, an experienced site that is proposing to operate a non-congregate meal service for the first time, or, as determined by the State agency, a site which has experienced significant staff turnover from the prior year.

**“New sponsor”** means a sponsor which did not participate in the Program in the prior year, or, as determined by the State agency, a sponsor which has experienced significant staff turnover from the prior year.

**“Non-congregate meal service”** means a food service at which meals are provided for children to consume all of the components off site. Non-congregate meal service must only be operated at sites designated as “Rural” with no “Congregate meal service,” as determined in [§ 225.6(h)(3)](https://www.ecfr.gov/current/title-7/section-225.6#p-225.6(h)(3)) and [(4)](https://www.ecfr.gov/current/title-7/section-225.6#p-225.6(h)(4)).

**“Nonclaimable”** means meals that cannot be claimed for reimbursement.

**“Nonprofit food service”** means all food service operations conducted by the sponsor principally for the benefit of children, all of the revenue from which is used solely for the operation or improvement of such food services.

**“Nonprofit food service account”** means the restricted account in which all of the revenue from all food service operations conducted by the sponsor principally for the benefit of children is retained and used only for the operation or improvement of the nonprofit food service. This account must include, as appropriate, non-Federal funds used to support program operations, and proceeds from non-program foods.

**“NYSP”** means the National Youth Sports Program administered by the National Collegiate Athletic Association.

**“NYSP feeding site”** means a site at which all of the children receiving Program meals are enrolled in the NYSP and which qualifies for Program participation on the basis of documentation that the site meets the definition of “areas in which poor economic conditions exist” as provided in this section.

**“OMES”** means Office of Management and Enterprise Services

**“Open site”** means a site at which meals are made available to all children in the area and which is located in an area in which at least 50 percent of the children are from households that would be eligible for free or reduced price school meals under the National School Lunch Program and the School Breakfast Program, as determined in accordance with paragraph (1), (2), or (3) of the definition of “Areas in which poor economic conditions exist.”

**"OSDE"** means the Oklahoma State Department of Education.

**"Organization-wide Audit"** means an independent audit of all funds received by an organization, inclusive of federal, state, local, and private funds. The audit requirement applies to CACFP institutions receiving total federal financial assistance that is equal to, or in excess of, $750,000 and is designed to satisfy the needs of all funding sources. The audit must include a random sampling of all federal funds the institution receives and must also be conducted by an independent auditor.

**“Parent/Guardian”** means a birth or adoptive parent, legal guardian, or someone who has primary responsibility for the care of a child, or legal custody of, a child.

**“Permanent Agreement”** means, per 7 CFR 225.6(i), the written consent of obligations between the Oklahoma State Department of Education (OSDE) Child Nutrition Programs (CNP) and the Summer Food Service Program (SFSP) applicant.

**"Point of Service Count"** means the point in the food service operation where a determination can accurately be made that a reimbursable meal has been served. This must be done as a meal is served.

**“Private nonprofit”** means organization described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of that Code.

**“Program funds**” means Federal financial assistance made available to State agencies for the purpose of making Program payments.

**“Program payments”** means financial assistance in the form of start-up payments, advance payments, or reimbursement paid to sponsors for operating and administrative costs.

**"Quantity"** means the amount of any food item served. Quantities are specified by USDA in CACFP minimum meal pattern requirements.

**"Regional Child Nutrition Program Specialist"** means an official employee of the OSDE that provides consultative, technical, and managerial assistance to CACFP programs. These employees also conduct approval visits and administrative reviews of program participants. Referred to as Specialist in this document.

**"RPI"** means responsible principal and/or individual.

**“Restricted open site”** means a site which is initially open to broad community participation, but at which the sponsor restricts or limits attendance for reasons of security, safety or control. Site eligibility for a restricted open site shall be documented in accordance with paragraph (1), (2), or (3) of the definition of “Areas in which poor economic conditions exist.”

**"Review Month"** means the most recent month for which a claim for reimbursement was submitted, provided that such claim covers at least 10 operating days. The review month is examined during an administrative review and other months may be reviewed as well.

**“Rural”** means: (1) Any area in a county which is not a part of a Metropolitan Statistical Area based on the Office of Management and Budget's Delineations of Metropolitan Statistical Areas; (2) Any area in a county classified as a non-metropolitan area based on USDA Economic Research Service's Rural-Urban Continuum Codes and Urban Influence Codes; (3) Any census tract classified as a non-metropolitan area based on USDA Economic Research Service's Rural-Urban Commuting Area codes; (4) Any area of a Metropolitan Statistical Area which is not part of a Census Bureau-defined urban area; (5) Any area of a State which is not part of an urban area as determined by the Secretary; (6) Any subsequent substitution or update of the aforementioned classification schemes that Federal governing bodies create; or (7) Any “pocket” within a Metropolitan Statistical Area which, at the option of the State agency and with FNSRO approval, is determined to be rural in character based on other data source.

**“School food authority”** means the governing body which is responsible for the administration of one or more schools and which has the legal authority to operate a lunch program in those schools. In addition, for the purpose of determining the applicability of food service management company registration and bid procedure requirements, “school food authority” also means any college or university which participates in the Program.

**“Self-preparation site”** means a site that prepares the majority of meals that will be served at its site or receives meals that are prepared at its sponsor's central kitchen. The site does not contract with a food service management company for unitized meals, with or without milk, or for management services.

**“Self-preparation sponsor”** means a sponsor which prepares the meals that will be served at its site(s) and does not contract with a food service management company for unitized meals, with or without milk, or for management services.

**"Seriously Deficient (SD)”** means grounds for disapproval of applications and for termination.

**“Session”** means a specified period of time during which an enrolled group of children attend camp.

**“Site** means the place where a child receives a program meal. A site may be the indoor or outdoor location where congregate meals are served, a stop on a delivery route of a mobile congregate meal service, or the distribution location or route for a non-congregate meal service. However, a child's residence is not considered a non-congregate meal site for Program monitoring purposes.

**“Site supervisor”** means the individual who has been trained by the sponsor and is responsible for all administrative and management activities at the site, including, but not limited to: maintaining documentation of meal deliveries, ensuring that all meals served are safe, and maintaining accurate point of service meal counts. Except for non-congregate meal service sites using delivery services, the individual is on site for the duration of the food service.

**“Sponsor”** means a public or private nonprofit school food authority, 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 NYSP, or a private nonprofit organization which develops a special summer or other school vacation program providing food service similar to that made available to children during the school year under the National School Lunch and School Breakfast Programs and which is approved to participate in the Program. Sponsors are referred to in the Act as “service institutions”.

**“Start-up payments”** means financial assistance made available to a sponsor for administrative costs to enable it to effectively plan a summer food service, and to establish effective management procedures for such a service. These payments shall be deducted from subsequent administrative cost payments.

**“SFSP”** means Summer Food Service Program.

**“SA”** means State Agency

**“TA”** means technical assistance. TA is provided to an institution either upon request or when the need is seen.

**“Termination for convenience”** means: (1) Termination of a State agency's participation in the Program in whole, or in part, when FNS and the State agency agree that the continuation of the Program would not produce beneficial results commensurate with the further expenditure of funds; or (2) Termination of a permanent operating agreement by a State agency or sponsor due to considerations unrelated to either party's performance of Program responsibilities under the agreement.

**“Unaffiliated site”** means a site that is legally distinct from the sponsor.

**“Unanticipated school closure”** means any period from October through April (or any time of the year in an area with a continuous school calendar) during which children who are not in school due to a natural disaster, building repair, court order, labor-management disputes, or, when approved by the State agency, similar cause, may be served meals at non-school sites through the Summer Food Service Program.

**"USDA"** means the United States Department of Agriculture.

**“Vended site”** means a site that serves unitized meals, with or without milk, that are procured through a formal agreement or contract with: (1) Public agencies or entities, such as a school food authority; (2) Private, nonprofit organizations; or (3) Private, for-profit companies, such as a commercial food distributor or food service management company.

**“Vended sponsor”** means a sponsor which purchases from a food service management company the unitized meals, with or without milk, which it will serve at its site(s), or a sponsor which purchases management services, subject to the limitations set forth in [§ 225.15](https://www.ecfr.gov/current/title-7/section-225.15), from a food service management company.

**“VCA”** means Financial **V**iability, Administrative **C**apability, and Program **A**ccountability per regulation 7 CFR 225.6(d).

**State agency Permanent Agreement**

The State agency agrees that it shall:

1. Reimburse the sponsor in connection with meals served to at approved sites listed on the application during the period hereinafter stated. Reimbursement is paid for valid claims only. During the period covered by this Agreement, the amount of reimbursement for meals served shall not exceed an amount equal to the number of meals, by type, served to eligible children multiplied by the applicable rates of reimbursement.
2. Provide advance payments to the sponsor to assist in meeting program costs. Procedures for advance payments will be in accordance with 7 CFR 225.9(c).
3. Per USDA, disallow payment to the sponsor submitting a claim or an amended upward adjusted (reimbursement owed to the sponsor) amended claim 60 days after the month which is being covered by the claim.
4. Always process downward adjusted (reimbursement owed to the State agency) amended claims.
5. Have the right, along with USDA and other state and federal officials, to make unannounced reviews of any sponsor’s or site’s operation during. Anyone making such reviews must show photo identification that demonstrates that they are employees of one of these entities. All reviews must include the required review elements.
6. Terminate any sponsor, site, and any responsible principals and individuals for serious deficiencies when corrective action is not implemented. Any sponsor or site’s agreement that is terminated shall be done so in accordance with USDA regulations 7 CFR 225.11(c) and 7 CFR 225.11(c).
7. Assess interest on any overclaim not paid in full within 30 days established against the institution during a review or audit according to the repayment schedule set by the State agency.
8. Per 7 CFR 225.7(d), conduct pre-approval visits of sponsors and sites to assess the applicant sponsor's or site's potential for successful Program operations and to verify information provided in the application.
9. Per 7 CFR 225.7(e)(4)(i-v), conduct an administrative review of a new sponsor at least once the first year of operation, annually review every sponsor that experienced significant operational problems in the prior year, review each sponsor at least once every 3 years, review more frequently those sponsors that, in the determination of the State agency, require additional technical assistance, and conduct reviews of at least 10 percent of each reviewed sponsor's sites, or one site, whichever number is greater.
10. Require all public and private non-profit sponsors expending $100,000,000 or more in total federal funds in the previous fiscal year submit to the State agency an organization-wide audit. Audits are due within nine (9) months of the end of the sponsor’s fiscal year.
11. Require that for the purpose of this agreement, the minimum meal patterns as set forth in 7 CFR 225.16 must be followed.
12. Require sponsors to maintain production records to ensure meal pattern requirements have been met.
13. Require a beginning and an ending time of meal service. Meals claimed for reimbursement must be served during that meal service time.
14. Require that in the operation of the SFSP, the sponsor designates an authorized representative who may act for the governing body/institution in preparing and signing documents, reports and claims for reimbursement pertaining to the installation and operation of the Program. The authorized representative accepts responsibility for the monthly claim for reimbursement and will receive all correspondence from the State Agency (Examples: program coordinator, superintendent, executive director). Sponsor shall not delegate this authority to a contracted individual or business.
15. Per 7 CFR 225.15(d)(3), require sponsors to visit each of their sites at least once during the first two weeks of program operations and must promptly take such actions as are necessary to correct any deficiencies. Sponsors must conduct these visits for:

(1) Pre-operational visits for new sites, sites that experienced operational problems the previous year, and existing sites that are new to non-congregate meal service, to determine that the sites have the capacity to provide meal service for the anticipated number of children in attendance and the capability to conduct the proposed meal service;

(2) All new sites;

(3) All existing sites that are new to providing non-congregate meal service;

(4) All sites that have been determined by the sponsor to need a visit based on criteria established by the State agency pertaining to operational problems noted in the prior year;

(5) Any other sites that the State agency has determined need a visit.

1. Per 7 CFR 225.15(d)(3), require sponsors to conduct a full review of food service operations at each site at least once during the first four weeks of Program operations, and thereafter must maintain a reasonable level of site monitoring. Sponsors must complete a monitoring form developed by the State agency during the conduct of these reviews. Sponsors may conduct a full review of food service operations at the same time they are conducting a site visit.
2. Require that each sponsor conduct training for its administrative and site personnel prior to performing Program duties and not allow a site to operate until personnel have attended training. Documentation must be maintained on all training conducted. Training of site personnel must, at a minimum, include: the purpose of the Program; site eligibility; recordkeeping; site operations, including both congregate and non-congregate meal services; meal pattern requirements; and the duties of a monitor.
3. Mail all correspondence regarding reviews and appeals certified mail, return receipt requested.
4. Obtain a criminal background report of RPI(s) of private non-profit institutions. The report will be at the expense of the institution.
5. Require all applicants (new and renewing) demonstrate VCA and compliance with performance standards as set forth in 7 CFR 225.6(d).
6. May terminate and disqualify of any sponsor who has an unpaid debt from fiscal action assessed during an administrative review after the fiscal year has ended.

The sponsor agrees that it shall:

1. Operate a nonprofit food service during the period specified, as follows:
2. From May through September for children on school vacation or at some other time or times during the year for children on school vacation;
3. At any time of the year, in the case of sponsors administering the Program under a continuous school calendar system; or
4. During the period from October through April, if it serves an area affected by an unanticipated school closure due to a natural disaster, major building repairs, court orders relating to school safety or other issues, labor-management disputes, or, when approved by the State agency, a similar cause.
5. Serve meals that meet the requirements and provisions set forth in Section 225.16 during a period designated as the meal service period by the sponsor and serve the same meal to all children.
6. Serve meals without cost to all children, except that camps may charge for meals served to children who are not served meals under the Program.
7. Issue a policy statement in accordance with Section 225.6 of Program regulations.
8. Meet the training requirements for its administrative and site personnel as required under Section 225.15(d)(1) of Program regulations.
9. Claim reimbursement only for the type of meals specified in this Agreement and served without charge to children at approved site(s) during the approved meal service period, except that camps shall claim reimbursement only for the type or types of meals specified in the Agreement and served without charge to children who are eligible for free or reduced-price school meals; serve meals within the specified approved site caps of meal service for the sponsor’s site(s) for which approved site caps have been established as required in Section 225.6(d)(2) of Program regulations. Sponsor shall request an adjustment in site cap, upwards or downward, via email to the State agency before additional meals are served in order for the meals to be reimbursable.
10. Submit claims for reimbursement in accordance with procedures established by the State Agency and those stated in Section 225.9 of Program regulations.
11. In the storage, preparation, and service of food, maintain proper sanitation and health standards in conformance with all applicable state and local laws and regulations.
12. Accept and use, in quantities that may be efficiently utilized in the Program, such foods as may be offered as a donation by the United States Department of Agriculture (USDA).
13. Have access to facilities necessary for storing, preparing, and serving food.
14. Maintain a financial management system as prescribed by the State Agency.
15. Maintain on file documentation of site visits and reviews in accordance with Section 225.15(d)(2) and (3).
16. Upon request, make all accounts and records pertaining to the Program available to state, federal, or other authorized officials for audit or administrative review at a reasonable time and location. These 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.
17. Maintain children on-site while meals are consumed.
18. Retain final financial and administrative responsibility of its Program.
19. Provide audits as outlined in Section 225.10 of Program regulations and in accordance with 2 CFR 200.501. Any sponsor who expends more than $1,000,000 in total federal funds in the prior fiscal year will be asked to submit a Program-specific audit. If a sponsor fails to submit an organization wide audit to the State Agency, their claim for reimbursement will not be processed.

The state agency and sponsor mutually agree that:

1. Summer Food Service Program sites may be deleted or added to this application as the need arises PROVIDED, however, that no site may be added until the State Agency issues written notice of approval.
2. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend this Agreement if made with a corporation for its benefit.
3. The terms used in this Agreement have the same meaning as set forth in Section 225.2 of Program regulations.
4. The Healthy, Hunger-Free Kids Act of 2010 requires that the agreement between the State agency and SFSP sponsor be permanent. This means that once the State agency and SFSP sponsor enters into an agreement it does not need to be renewed. SFSP sponsors now operating under a permanent agreement must submit an annual budget for administrative costs that must be approved by the State agency. It is important to understand that describing the agreement as "permanent" is means only that the agreement has no predetermined expiration date. Under certain circumstances, these agreements may be amended or cancelled, and this feature of the agreement does not create contractual obligations beyond those described in the SFSP regulations.

**Advance Payments**

At the sponsors request, the SA my grant advance payments to sponsors which have executed Program agreements in order to assist these sponsors in meeting operating costs and administrative expenses. For sponsors operating under a continuous school calendar, all advance payments shall be forwarded on the first day of each month of operation. Advance payments shall be made by the dates specified in (b) of this section for all other sponsors whose requests are received at least 30 days prior to those dates. Requests received less than 30 days prior to those dates shall be acted upon within 30 days of receipt.

The State agency will adhere to the following procedures when calculating advances to be given to sponsors when requested. To be considered, sponsors must make a formal written request for advance payments.

1. Payments-
   * + 1. Operating Costs-

The SA may grant advance payments for operating costs by June 1, July 15, and August 15. Except for school food authorities, sponsors must conduct training sessions before receiving the second advance payment. Training sessions must cover Program duties and responsibilities for the sponsor's staff and for site personnel. A sponsor shall not receive advance operating cost payments for any month in which it will participate in the Program for less than ten days.

1. To determine the amount of the advance payment to any sponsor, the State agency shall employ whichever of the following methods will result in the larger payment:

* The total operating costs paid to the sponsor for the same calendar month in the preceding year; or
* For vended sponsors, 50 percent of the amount determined by the State agency to be needed that month for meals, and, for self-preparation sponsors, 65 percent of the amount determined by the State agency to be needed that month for meals.

(2) Administrative costs-

State agencies must approve advance payments for administrative costs by June 1 and July 15. To be eligible for the second advance payment, the sponsor must certify that it is operating the number of sites for which the administrative budget was approved and that its projected administrative costs do not differ significantly from the approved budget. A sponsor shall not receive advance administrative costs payments for any month in which it will participate in the Program for less than 10 days. However, if a sponsor operates for less than 10 days in June but for at least 10 days in August, the second advance administrative costs payment shall be made by August 15.

1. Each payment shall equal one-third of the total amount which the State agency determines the sponsor will need to administer its program. For sponsors which will operate for 10 or more days in only one month and, therefore, will qualify for only one advance administrative costs payment, the payment shall be no less than one-half, and no more than two thirds, of the total amount which the State agency determines the sponsor will need to administer its program.
2. Advance payment estimates-

When determining the amount of advance payments payable to the sponsor, the SA will make the best possible estimate based on the sponsor's request and any other available data. Under no circumstances may the amount of the advance payment for operating or administrative costs exceed the amount estimated by the SA to be needed by the sponsor to meet operating or administrative costs, respectively.

1. Limit-

The sum of the advance operating and administrative costs payments to a sponsor for any one month shall not exceed $40,000 unless the SA determines that a larger payment is necessary for the effective operation of the Program and the sponsor demonstrates sufficient administrative and managerial capability to justify a larger payment.

1. Deductions from advance payments-

The SA shall deduct from either advance operating payments or advance administrative payments theamount of any previous payment which is under dispute, or which is part of a demand for recovery under §225 .12.

1. Withholding of advance payments- If the SA has reason to believe that a sponsor will not be able to submit a valid claim for reimbursement covering the month for which advance payments have already been made, the subsequent month's advance payment shall be withheld until a valid claim is received.
2. Repayment of excess advance payments- 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.

**Start-up Payments**

Sponsors may request financial assistance for administrative costs from the State agency to enable the sponsor to effectively plan a summer food service and establish effective management procedures for the service. To be considered, sponsors must make a formal written request for start-up payments.

1. The SA can only grant start-up payments to sponsors which have executed Program agreements.
2. Start-up payments will not be sooner than two months before the sponsor is scheduled to begin food service operations and shall not exceed 20 percent of the sponsor's approved administrative budget.
3. The amount of the start-up payment shall be deducted from the first advance payment or, if the sponsor does not receive advance payments, from the first reimbursement.

**Determining areas in which poor economic conditions exist (including rural pocket and conditional non-congregate)**

1. Area-Eligibility- The attendance area of a school in which at least 50 percent of the enrolled children have been determined eligible for free or reduced-price school meals under the National School Lunch Program and the School Breakfast Program
   1. The SA will verify school eligibility by:
      1. Determining the school attendance area of the sponsor/site(s) location by using school attendance area maps or other online applications.
      2. Once the school attendance area has been determined, the SA will utilize the most current low-income report from the National School Lunch Program, which is made available annually on or before February 15.
2. A geographic area where, based on the most recent census data available or information provided from a department of welfare or zoning commission (or other approved sources), where at least 50 percent of the children residing in that area are eligible for free or reduced-price school meals under the National School Lunch Program and the School Breakfast Program
   1. The SA will verify geographic area-eligibility by:
      1. Using online search engines or mappers, such as the USDA Area Eligibility mapper or FRAC mapper, to determine if the sponsor/site(s) are in a area- eligible areas.
3. A closed enrolled site in which at least 50 percent of the enrolled children at the site are eligible for free or reduced-price school meals under the National School Lunch Program and the School Breakfast Program, as determined by approval of applications in accordance with [§ 225.15(f)](https://www.ecfr.gov/current/title-7/section-225.15#p-225.15(f)).
   1. The SA will verify eligibility by:
      1. Providing the Family Size and Income Application to sponsors, along with instructions on how to properly complete and approve, so that sponsor may disperse to their enrolled children. The Sponsor is responsible for approval of the applications and ensuring accuracy.

* For applications based on household income, the household member completing the application on behalf of the child enrolled in the Program must provide the following information:
  + The names of all children for whom application is made;
  + The names of all other household members;
  + The last four digits of the social security number of the adult household member who signs the application or an indication that the household member does not have a social security number;
  + The income received by each household member identified by source of income;
  + The signature of an adult household member;
  + The date the application is completed and signed.
* For applications based on household’s receipt of SNAP, FDPIR, or TANF benefits, the household member completing the application on behalf of the child enrolled in the Program must provide the following information:
  + The name(s) and SNAP, FDPIR, or TANF case number(s) of the child(ren) who are enrolled in the Program; and
  + The signature of an adult household member.

1. Once eligibility has been determined by any of these sources, sponsors may participate and claim reimbursement for eligible children.

**Specification of Mealtimes**

1. Meal service times must be established and recorded in the application by the sponsor for each site.
2. Meal service times must have a beginning and an ending time.
3. The meal time length is determined and agreed upon by the sponsor and site, however, it must be reasonable.
4. Meal service times must be approved by the State agency prior to beginning of meal service.
5. Except for non-congregate meal service, breakfast meals must be served at or close to the beginning of a child's day. Three component meals served after a lunch or supper meal service are not eligible for reimbursement as a breakfast.
6. At all sites except residential camps and non-congregate meal service, meal services must start at least one hour after the end of the previous meal or snack.
7. Meals served outside the approved meal service time are not eligible for reimbursement.
8. Meals served outside of the approved meal service time my be approved for reimbursement by the State agency only if an unanticipated event, outside of the sponsor's control, occurs. The State agency may request documentation to support approval of meals claimed when an unanticipated event occurs.
9. The State agency must approve any permanent or planned changes in meal service time.
10. If congregate meals are not prepared on site, meal deliveries must arrive before the approved meal service time and meals must be delivered within one hour of the start of the meal service if the site does not have adequate storage to hold hot or cold meals at the temperatures required by State or local health regulations.
11. Non-congregate meal service times and lengths of duration must be approved by the State agency prior to meal service. Multiple days’ worth of meals may be distributed during the same meal service time but must be approved by the State agency.

**Cycle Menus**

1. The SA requires a cycle menu to be submitted upon application and used during operation. A minimum of thirty days of menus must be submitted, however, meals may be repeated within those thirty days.

**Recordkeeping**

The sponsor must keep full and accurate records respecting its food service to serve as a basis for the claim for reimbursement and for audit and review purposes. Records must include the following:

1. Records that document eligibility for the Summer Food Service Program
2. Records that support the number of meals served to children
3. Records that support food service costs
4. Records that support administrative costs
5. Records to support funds accruing to the Program
6. Other records include: agreement with schools to furnish meals; contract with a food service management company; bid procedures used; records and inventories of USDA donated foods; monitor’s reports of site visits and reviews; records of training conducted; menu records; receipts, invoices, and bills for all rented or purchased items and services; bank statements and deposit slips; accounting ledgers; and sanitation and health reports.
7. Additionally, records that document eligibility for the SFSP such as the application to participate in the SFSP and the signed agreement with the State agency must be maintained.
8. The SA shall require daily food production records be maintained as well as daily meal counts and menus. These production records must reflect actual quantities served, detailing the following: date; total number served; including program and nonprogram adults; menu; components served for each meal, including crediting information.
9. The SA shall require that an accurate physical count at the point of service (at the time the meal is served) be made of all meals and supplements served to participants. A record of meal counts must be posted after each meal service on the meal count worksheet to support claims for reimbursement.
10. The SA shall require that an inventory of unopened SFSP-purchased foods and milk be maintained monthly.
11. All records to support the claim shall be retained for a period of three (3) years after the date of submission of the final claim for the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the end of the three-year period or as long as may be required for the resolution of the issues raised by the audit. All accounts and records pertaining to the Program shall be made available, upon request, to representatives of the SA.
12. Per USDA SFSP regulation 7 CFR 225.9(d)(5), Claims for reimbursement shall report information in accordance with the financial management system established by the State agency, and in sufficient detail to justify the reimbursement claimed and to enable the State agency to provide the Reports of Summer Food Service Program Operations required under § 225.8(b). In submitting a claim for reimbursement, each sponsor shall certify that the claim is correct and that records are available to support this claim. Failure to maintain such records may be grounds for denial of reimbursement for meals claimed during the period covered by the records in question. The costs of meals to adults performing necessary food service labor may be included in the claim. Under no circumstances may a sponsor claim the cost of any disallowed meals as operating costs.
13. SFSP records which support claims for reimbursement include the following documents:
14. Pre-operational site visit forms (1st week if needed and 4th week)
15. Letter of engagement of CPA firm or independent accountant, or State or local government accountant and management letter (if applicable)
16. Records that support the number of meals served to children and adults

Daily Meal Count Form

Adult meal sold to Non-program adults (if applicable) \*adult meals cannot be claimed

1. Records that support food service costs:

Purchase receipts – Food, Milk, and CACFP related supplies

Food inventories

Delivery receipts for vended meals

Payroll and time-and-attendance records for site personnel

1. Records that support administrative costs:

Payroll and daily time-and-attendance records for administrative personnel

Rental agreements for office equipment or space (if in budget)

Receipts, invoices, and bills for all rented or purchased items and services

Mileage records (if in budget)

1. Records to support funds accruing to the Program:

Site records of cash collected

Copies of receipts given for cash donations

Records of any other funds received for the Summer Food Service Program

1. Record Keeping:

Consolidated meal counts for all sites (if applicable)

Menu as Served/Production records

1. Other records:

. . . And Justice For All poster displayed in a prominent location

Records of training conducted including Civil Rights for frontline staff

Sanitation and health inspection reports

Procurement/Bid procedures used

Records and inventories of USDA-donated foods

Monitor's reports of site visits and reviews

Bank statements and deposit slips

Accounting ledgers/OCAS reports (Project 766-Program 700)

Beneficiary Data Form

Nondiscrimination statement and procedure for filing a complaint included with SFSP information to parents

Any waivers sponsor has received approval for from SA

Note: (A systems or forms equal to or better than forms provided by the SA may be utilized if approved by the SA).

(e)    The SA shall require that all Program records be maintained at the address listed on the application

(f) The SA shall require that records be maintained and immediately available at all times. Records not produced within one hour of Regional Child Nutrition Program Specialist arrival will result in fiscal action for all months claimed that records cannot be produced.

(g)   The SA shall require that the sponsor have thoroughly itemized receipts (name of food item, number of units purchased, unit size, unit cost, total cost, correct date, and place of purchase) which is signed by the purchaser, the cash register receipt, and the food purchasing form grand total must agree.

(h)    When applicable, the SA shall require that a properly approved Family-size and Income Application be dated and signed by the approving official. Failure to properly approve this application will result in it being classified as "not eligible" (Family-size and Income Applications must be obtained each fiscal year regardless of previous enrollment). The fiscal year begins October 1 each year and ends September 30. Applications will be reviewed during an Administrative Review.

* + 1. The SA shall require that documentation to ensure that no meals are claimed over the meal limit per child be maintained on the Daily Meal Count form or equal record system.
  1. The SA shall require that all meals served to children be reported on the claim for reimbursement as either Program meals or nonclaimable meals. Nonclaimable meals are those served where meals are missing components, etc. Income must be reported for nonclaimable children or adult meal.
  2. The SA can ask for any records needed to validate a claim submitted and paid with Federal Funds including financial documentation such as bank statements.
  3. The SA shall ensure that the food recorded in the production records is the food that was purchased.

**Financial Viability, Administrative Capability, Program Accountability (VCA)**

As stated in the United States Department of Agriculture (USDA) regulation 7 CFR 225.6(d) for new institutions and renewing institutions, to be approved for program participation, an institution is required to comply with three Performance Standards:

1. To demonstrate financial viability and financial management, the sponsor's management plan must:
   1. Describe the community's need for summer meals and the sponsor's recruitment strategy:
      * Explain how the sponsor's participation will help ensure the delivery of Program benefits to otherwise unserved sites or children; and
      * Describe how the sponsor will recruit sites, consistent with any State agency requirements.
   2. Describe the sponsor's financial resources and financial history:

* Show that the sponsor has adequate sources of funds available to operate the Program, pay employees and suppliers during periods of temporary interruptions in Program payments, and pay debts if fiscal claims are assessed against the sponsor; and
* Provide audit documents, financial statements, and other documentation that demonstrate financial viability.
  1. Ensure that all costs in the sponsor's budget are necessary, reasonable, allowable, and appropriately documented.

1. To demonstrate administrative capability, the sponsor must:
   1. Have an adequate number and type of qualified staff to ensure the operation of the Program, consistent with this part; and
   2. Have written policies and procedures that assign Program responsibilities and duties and ensure compliance with civil rights requirements.
2. To demonstrate Program accountability, the sponsor must:
   1. Demonstrate that the sponsor has a financial system with management controls specified in written operational policies that will ensure that:

* All funds and property received are handled with fiscal integrity and accountability;
* All expenses are incurred with integrity and accountability;
* Claims will be processed accurately, and in a timely manner;
* Funds and property are properly safeguarded and used, and expenses incurred, for authorized Program purposes; and
* A system of safeguards and controls is in place to prevent and detect improper financial activities by employees.
  1. Maintain appropriate records to document compliance with Program requirements, including budgets, approved budget amendments, accounting records, management plans, and site operations.

**Determination of Viability, Capability, and Accountability**

1. Public School Districts- District audits are collected and reviewed annually. All public schools that currently participate in any other Child Nutrition Program (CNP) and are in a good standing will not be required to provide any additional financial information for VCA. However, upon review of the district audit, if any areas of noncompliance are found that concern the operation of any Child Nutrition Program (CNP), a follow-up review is conducted by CNP staff for further investigation. However, the VCA checklist must still be completed.
2. New non-profit and public sponsors will be required to complete the VCA checklist and submit supporting documentation to substantiate the information provided in the checklist. When applicable, an organizational or financial audit can be submitted in lieu of other supporting documentation. The audit must be of the institution’s prior fiscal year.
3. Any sponsors who have significant management issues or serious deficiencies in the prior year will also be required to complete the VCA checklist.

**SFSP Application Approval Procedures**

1. Initial application inquiry for new sponsors:
2. The institution applies for the SFSP by contacting the SA.
3. Applicant is contacted by the SFSP Specialist to request documentation from the applicant so that the type of entity can be identified and verified. These documents may include:
4. Proof of eligibility, such as a 501c3
5. Certificate of Authority
6. UEI registration documentation
7. Proof of good standing with the Oklahoma Secretary of State
8. OMES vendor form (for People Soft payment system)
9. Once the documentation is received and has been verified, accounts will be updated in the SFSP application system, however user account information is not given until VCA has been approved later in the application process.
10. Vendor approval is completed by OMES. Once approved, OMES will assign a supplier ID and location number.
11. Training:
12. For new sponsors, training must be attended in-person at the CNP office at the OSDE. This class will go over the SFSP requirements in detail. Experienced sponsors have the option to take training virtually.
13. Additional training may be required, topics may vary. Training is available online and are self-paced courses that require a short quiz to successfully complete. The potential training courses are below but may change as the need arises:

* Application training (this is a virtual class required after approval of VCA)
* Procurement 101
* Food Buying Guide
* Civil Rights

1. When required training has been successfully completed, certificates or transcript must be submitted to proceed to the next step.
2. VCA- Required for new applicants and sponsors who were declared seriously deficient in the prior fiscal year:
3. VCA checklist and other related documents are given to the applicant along with instructions on how to complete. The VCA must be submitted (along with all required documentation). Examples of required documents:
4. Organizational chart
5. List of personnel who will have CACFP responsibilities
6. Board minutes (if applicable)
7. Financial documentation (such as audit or bank statements)
8. Procurement plan
9. Criminal background report (if required)
10. Once the VCA has been approved, the SFSP Specialist will grant access of the CACFP application to the authorized representative(s). If the VCA is denied, a letter of denial and appeal rights will be sent certified mail, return receipt requested.
11. Online SFSP Application:
12. Application training and completion of online SFSP application- A virtual, hands-on training is conducted to walk applicants through the online application and assist with any questions. Once a complete and correct Application and Agreement to participate in the SFSP is received from the sponsor, final application approval process begins. The submission many times includes additional documentation to be submitted and reviewed such as:
13. Agreement to furnish foods
14. Contract with FSMC
15. Eligibility documentation, as needed
16. Public Release
17. EFT
18. Once the SA receives a complete and correct Application, the assigned office staff have 30 days to review and approve the application. A log will be completed on the Application, outlining what items are complete or incomplete. If there are corrections needed, the applicant is emailed or called for needed corrections, the steps above are repeated until the State Agency determines that the Application is complete and correct. This could take longer than 30 days if corrections continue to be needed by the institution, however, the application will be reviewed within 30 days of each re-submission.
    1. If an incomplete application is received, the State agency shall so notify the applicant within 15 days and shall provide technical assistance for the purpose of completing the application.
19. When the Application is determined to be complete and correct, the assigned Specialist is informed that a pre-approval visit is required.
20. While awaiting the approval, the SFSP Specialist must request EFT and supporting banking information from the institution. Once received, it must be emailed to OMES for the payment account to be updated and approved.
21. On-site pre-approval:
22. The Specialist conducts the pre-approval visit and instructs the sponsor on the requirements of the SFSP. All forms and requirements are discussed.
23. The Specialist must complete a Pre-approval Visit Form, which is signed by a representative of the sponsor indicating that they understand the requirements and will begin claiming meals for reimbursement on the specified date. A copy of the Approval Visit Form is left with the Sponsor. The form is then submitted to the State agency by the Specialist.
24. When the SA receives the Pre-approval Visit Form from the Specialist, final approval is completed the SFSP system, a file is created to maintain documentation, the sponsor is assigned an Agreement Number and an approval letter is sent to the sponsor.
25. OSDE staff will utilize application approval procedures (which will be updated annually) for guidance during the approval process.
26. The process will be tracked using a log and a checklist to ensure all the required steps have been completed in a timely manner.

**Approving application updates after approval**

1. Application forms must be re-approved anytime an update is made and the form is re-submitted. When a sponsor re-submits a form OSDE must re-approve.
2. After review of the re-submitted form if clarification is needed, the sponsor will be contacted, and further information will be requested.
3. Certain updates or changes may require supporting documentation before approval can be given. Examples of changes are:
4. Meal Time Changes – additional explanation may be needed if a change to the meal service is made, i.e. meal time, meal cap, days operating.
5. Budget Revision- additional supporting documentation may be requested if clarification is needed.
6. Authorized Representative or sponsor contact information.
7. Changes to the application, budget, or management plan will be processed as quickly as possible. Approval will be given if no further corrections or documentation is needed, or once additional documentation or clarification is received. If the changes are not approved, or denied, the application cannot be re-approved and appeal rights will be given.

**Pre-approval Visits**

1. The SA must conduct pre-approval visits of sponsors and sites to assess the applicant sponsor's or site's potential for successful Program operations and to verify information provided in the application.
   1. The SA will visit, prior to approval:
2. All applicant sponsors that did not participate in the program in the prior year
3. All applicant sponsors that had operational problems noted in the prior year
4. All sites that the State agency has determined need a pre-approval visit.
5. Sites that did not participate in the program in the prior year
6. Existing sites that are new to non-congregate meal service
7. Existing sites that exhibited operational problems in the prior year
8. If a sponsor is a school food authority or Child and Adult Care Food Program institution and was reviewed by the SA under their respective programs during the preceding 12 months, and had no significant deficiencies noted in that review, a pre-approval visit may be conducted at the discretion of the SA.

**Contracting with outside entities**

1. If contracting with an outside entity to provide the sponsor must have a completed and approved Agreement to Furnish Food Service or a food service management company (FSMC) contract on file with the State Agency between the SFSP sponsor and outside entity providing the meals. The procedures used by the SFSP sponsor to document meals delivered and the procedure used to claim meals for SFSP reimbursement will vary, depending on the type of outside entity providing the meal.
2. If contracting with an outside entity to provide SFSP managerial services to, the sponsor must have a state-agency approved contract written by the institution, not the contractor. This contract must be procured according to Federal Regulations per FNS 792-2 Rev. 4
3. Sponsors must accept responsibility for the fulfillment of the terms of the Agreement and enter into a written contract in accordance with the Federal Regulations if the institution contracts with a food service management company for the preparation of unitized meals (with or without milk), and if total reimbursement under this Agreement exceeds $150,000, follow the bid procedures specified in the Federal Regulations.
4. Sponsors are required to use the prototype agreement or contract created by the SA.
5. Agreements/contracts must be submitted to the SA prior to going into effect.
6. Once received, OSDE staff assigned to the institution will review the contract for accuracy, using checklists and instructions that are updated annually, to ensure they are approved correctly and contain all the requirements set forth in USDA regulations.
7. Applications will only be approved for the months that the current contract covers.

**Criminal Background Checks**

All private, nonprofit applicants in the CACFP and SFSP programs must undergo a criminal background check as a part of the preliminary application approval process. This policy was developed to eliminate the potential of approving institutions to participate in CACFP or SFSP who have a criminal history indicating a lack of business integrity, and to ensure all applicants are eligible to participate in the food program based on the results of a criminal background check. This policy is implemented under the authority given to the states in its implementation of CACFP and SFSP by 7 C.F.R. §§ 225 and 226.6(b)(1)(xiv)(A) and 226.6(b)(2)(iv)(a). This policy has been reviewed and approved by the USDA Food and Nutrition Service (FNS) Southwest Regional Office, as required by 7 C.F.R. §§ 225.18(f) and 226.25(b).

1. Background Check Requirement
2. Every private nonprofit CACFP and SFSP applicant (new or renewing) must consent to and pass a background check as part of the application process. This includes all institution principals.
3. The background check will occur upon initial application for new applicants and for all existing applicants at the time of application renewal. Any new responsible principal/individual would also need one prior to program participation.
4. Criminal convictions that occurred within seven (7) years preceding the date of the background check will be considered in the application review.
5. Offenses That Will Result in Denial of the Application

Any applicant found to have a criminal conviction in the seven (7) years preceding the date of the background check that indicate a lack of business integrity is not eligible to participate in the food programs and their application will be denied. Such convictions include, but are not limited to:

* 1. Fraud
  2. Anti-trust violations
  3. Embezzlement
  4. Theft
  5. Forgery
  6. Bribery
  7. Falsification or destruction of records
  8. Making false statements
  9. Receiving stolen property
  10. Making false claims
  11. Obstruction of justice

Any applicant found to have a criminal conviction in the seven (7) years preceding the date of the background check for a violent crime as defined by 57 O.S. § 571(2) is not eligible to participate in the food programs and their application will be denied. Such convictions include, but are not limited to:

1. Child abuse
2. Child pornography
3. Lewd or indecent proposition or acts with a child
4. Abuse of a vulnerable adult
5. Assault
6. Battery
7. Domestic abuse
8. Applicant Responsibilities
   1. Applicants must provide color copies of government-issued identification for all institution principals.
   2. The criminal background check required will be paid for at the applicant’s expense. The cost is $16 per individual, payable by cashier’s check or money order made out to Oklahoma State Department of Education Office of Child Nutrition Programs.
9. CNP Responsibilities
   1. CNP will determine if the criminal background check results permit applicants to participate or be excluded during the application approval process.
   2. If an application is denied based on the results of the background check, CNP will inform the applicant in writing that they may remove that person as a responsible principal/individual and/or be provided with details of any appeal rights.

**Budgeting and tracking SFSP expenditures**

1. Approved budget amounts will be based on the projected amounts requested by the sponsor. If the requested projections appear reasonable, necessary, and consistent with the previous year’s expenditures when applicable, the projected amounts will be approved. If not, staff will request additional documentation to support the projected amounts or request the sponsor to adjust the amount.
2. Sponsors are required to track all SFSP expenditures (including administrative expenses) monthly, using the SA supplied form. Alternate forms may be used; however, they must be equal to or better than the SA form and must be approved prior to use.
3. All sponsors are required to submit an annual end of year report. This report should reflect the sponsors most recently completed fiscal year and is a reconciliation of all SFSP related expenditures and revenue. The purpose of this report is to ensure that SFSP funds are expended on only allowable costs and that the institution is in a non-profit status as required by USDA regulations.
4. The report is due within 10 days of closure date.
5. The SA must review the net cash resources of the nonprofit food service of each sponsor participating in the Program and ensure that the net cash resources do not exceed one months' average expenditures for sponsors operating only during the summer months and three months' average expenditure for sponsors operating Child Nutrition Programs throughout the year.
6. OSDE is required to approve net cash resources in excess of requirements. The sponsor is required to report on the end of year report how the excess funds will be used. Sponsors may choose to:
   1. Forward the balance to next year’s SFSP operation,
   2. Forward the balance to another Child Nutrition Program,
   3. Return the funds to the State agency.

**Assessing Linguistic Needs**

Upon initial application and annual renewal, the SA will evaluate the need for resources and materials to be made available in other languages each fiscal year. Sponsors are encouraged to reach out to the SA if a need for resources in other languages arise at any time throughout the year.

1. Sponsors must respond to two questions concerning linguistic needs on the Civil Rights Compliance form in the online application.
2. “Please indicate the language(s) spoken by SFSP participants or potentially eligible participants in your institution.”
3. “Are you or anyone who participates in the SFSP in need of any form of linguistic resources in order to successfully gain a better, more in depth understanding of the SFSP? Examples of such resources would be (but are not limited to) material being made available in other languages or interpreters being provided when necessary.”
4. Once renewal application approvals have been completed each year, the SA will generate a list of all responses to the questions above. If any needs are identified, the SA will contact the institution and provide the necessary resources or materials.

**Claiming and Payments**

1. Sponsors must submit claims for reimbursement by the 10th day of the month following the month covered by the claim.
2. Sponsors are required to obtain approval from the SA for claims and/or revised claims with upward adjustments submitted 60 days after the claiming month(s) (claims will not be processed without SA approval).
3. Sponsors may request a one-time exception for a late claim. Approval of the request is at the discretion of the SA.
4. OSDE will follow the USDA Guidance for Local and State Agencies on 60-Day Claim Submission which can be found in the USDA policy memo CACFP 14-2018 with attached guidance.
5. Sponsors shall not be eligible for meal reimbursements unless they have executed an agreement with the State agency. All reimbursements shall be in accordance with the terms of this agreement. Reimbursements shall not be paid for meals served at a site before the sponsor has received written notification that the site has been approved for participation in the Program.
6. Meals should not be claimed:
7. If meals do not meet minimum meal pattern requirements.
8. For more than the meal limit per child daily.
9. Until the sponsor certifies that it operated all sites for which it is approved and that there has been no significant change in its projected expenses since its preceding claim and, for a sponsor receiving an advance payment for only one month, that there has been no significant change in its projected expenses since its initial advance payment.
10. Claims are processed every week, except for the last full week of the month. If at any time the schedule payment will not be made or is delayed, the SA will make every effort to notify the institutions.
11. Sponsors are required to have payments made by electronic transfer, unless there is a reasonable explanation for why a paper warrant is needed instead.
12. Sponsors may make any revisions to claims that are not yet passed the 60-day deadline.
13. To request a claim revision, the sponsor must contact the SA.
14. OSDE staff will insert the adjusted claim and advise the institution the claim is available for the revision to be made.

**Updating banking information**

1. Banking information is no longer collected or maintained at the OSDE.
2. If an institution needs to update or change banking information, the OMES EFT form must be completed and faxed to the Office of State Treasurer.

**Administrative Reviews (AR)**

1. The State agency shall require that the Oklahoma State Department of Education (OSDE) Child Nutrition Programs (CNP) use the USDA administrative review forms to assess compliance with USDA Regulations and the OSDE/CNP Policies. An exit conference is always conducted, and a copy of the review is left with the sponsor.
2. At a minimum a review of any current SFSP program must be conducted once every three years or more often if problems are identified. These reviews may be conducted announced or unannounced. The Specialist will go to the location of where records are maintained per the SFSP Application and Agreement between the institution/sponsor and the OSDE/CNP. A meal service must be observed during this review.
3. The review is conducted, and the sponsor is found compliant, noncompliant, seriously deficient, or terminated from the SFSP.
4. Compliant – No areas of the administrative review were found to be deficient, and the review is closed.
5. Non-compliant – There were areas found to be noncompliant but did not rise to the level of being seriously deficient. These areas are noted in the review and documentation/corrective action may be requested to ensure items were corrected and/or they will be reviewed during the next review. An overclaim could result from a non-compliant review. Any amount owed is deducted from future claims. Any unpaid amount must be paid in full by the end of that FY. Interest is assessed on any balance not paid in full within 30 days of notification of an overclaim. A follow-up may be conducted. If a corrective action plan is required, the review will not be closed until the required documentation has been submitted within the required time.
6. Seriously Deficient – When one or more areas of the administrative review exceed the 25% error rate or an area that USDA deems SD the institution/sponsor is found seriously deficient (SD). A Corrective Action Plan (CAP) must be submitted addressing each SD area individually answering the following questions: What, Who, When, Where, and How. An overclaim could result from an SD review. Any amount owed is deducted from future claims. Any unpaid overclaim must be paid in full by the end of the FY. Interest is assessed on any balance not paid in full within 30 days of notification of an overclaim.
7. Termination- When a review is conducted in another FY after an SD from a prior SD review and the same areas are still out of compliance the SA may terminate the sponsor. Appeal rights are given be with the Notice of Termination.
8. Per USDA regulation, 7 CFR 225.18(k)(7), interest will be assessed on balances not paid in full. Interest rates are determined by the US Department of Treasury, Bureau of Fiscal Services and generally calculated on an annual, calendar year basis, however, quarterly adjustments are made to the rate if needed. <https://www.fiscal.treasury.gov/reports-statements/cvfr/>
9. The CNP Regional Specialist must submit the completed AR, along with all supporting documentation to the SA office within two (2) weeks of the exit conference.
10. The AR and documentation may be submitted by:

(i) Mail

(ii) Email

(iii) Secure file upload

(e) Once the SA office has received the completed, signed AR and documentation, a desk review is completed by office staff. This process is done to ensure that the review is fully completed and consistent with the AR procedures. If any found, the Specialist will be notified that corrections are needed.

(f) When the desk review is complete and all required documentation has been submitted, a letter will be sent with the results of the AR. Any correspondence that contains appealable actions will be mailed certified with return receipt requested.

(g) The AR and documentation will be placed in a secure file on the SA’s network.

1. The AR will be logged on the tracking spreadsheet.
2. SA staff will assist with collection of any follow-up documentation or repayment of overclaim assessed.

**Meal Disallowance(s)**

In accordance with the United States Department of Agriculture (USDA) Summer Food Service Program regulations 7 CFR Part 225.11(e)(2), "If the State agency observes meal service violations during the conduct of a site review, the State agency shall disallow as meals served to children all of the meals observed to be in violation".

1. Meals may be disallowed for the reasons listed below, but are not limited to:
2. Excess meals, which are a result of failure to plan and prepare, or order and adjust, meal orders with the objective of providing only one meal per child at each meal service
3. Allowing meals to be eaten off-site
4. Failure to serve meals as a unit
5. Claiming meals served to adults
6. Serving meals outside the approved timeframes
7. Serving meals in excess of approved levels
8. Food service management company disallowances 7 CFR 225.6(h)(2)
   1. Delivering meals that are not unitized;
   2. Delivering meals that are wholly or partially spoiled;
   3. Delivering meals outside the designated delivery times;
   4. Delivering meals with components that are less than the required size or weight;
   5. Delivering meals that are missing components; and
   6. Changing menus or substituting components without the sponsor's prior approval
9. The Oklahoma Department of Education uses the following procedures for meal disallowance:
10. Inform the Site Supervisor and Sponsor of the violation.
11. Disallow the meals that were in violation (complete the Notification of Disallowed Meals/Fiscal Action).
12. Inform the Site Supervisor and Sponsor to not claim those meals on the Daily Meal Count.
13. Enter the violation in the operational weaknesses on the review instrument.
14. Complete the Notification of Findings that Require a Corrective Action Plan.
15. Provide the Appeal Rights to the Sponsor.

**Commodities-**

1. All SFSP Sponsors who have sites that are self-prep are eligible to receive USDA food, distributed through the Department of Human Service (DHS}, Commodity Division.
2. A list of those sites that are eligible for commodities is generated no later than June 1 of each year and sent to the appropriate agency personnel.
3. The list will have the past year's total meals served and the anticipated ADP for the current year. The DHS personnel will review this list, send a letter to the Sponsors with an application and the Sponsor will complete and send to DHS the application if they wish to receive these commodities.

**Corrective Action Plans (CAP) and termination of sites**

1. Whenever the State agency observes violations during the course of a sponsor or site review, it shall require the sponsor to take corrective action. If the State agency finds a high level of meal service violations, the State agency shall require a specific immediate corrective action plan to be followed by the sponsor and shall either conduct a follow-up visit or in some other manner verify that the specified corrective action has been taken.
2. An acceptable CAP must address each NC or SD area individually answering the following questions:
3. What are the serious deficiency(ies) AND the procedures that will be implemented to address the serious deficiency(ies)?
4. Who will address the serious deficiency(ies)? List the personnel responsible for this task.
5. When will the procedure for addressing the serious deficiency be implemented? Provide a timeline for implementing the procedure (i.e., will the procedure be done daily, weekly, monthly, or annually, and when will it begin, an actual date?)?
6. Where will the CAP documentation be retained? They must state the actual location at the center where this documentation will be maintained.
7. How will the staff and facilities or providers be informed of the new policies and procedures (e.g., Handbook, training, website, etc.)
8. A CAP must be submitted on the form provided by the Specialist at the exit conference.
9. An acceptable CAP must fully and permanently correct the areas of NC or SD, if it does not, an opportunity to make further corrections may be given.
10. The State agency shall terminate the participation of a sponsor's site if the sponsor fails to take action to correct the Program violations noted in a State agency review report within the timeframes established by the corrective action plan.
11. A copy of an approved CAP will be placed in the sponsors file and will be referred to during future reviews.
12. If a vended site is immediately terminated due to an imminent threat, the State agency will notify the sponsor and FSMC by telephone or email and certified mail, within 48 hours.

**$****100 Disregard**

1. Per 7 CFR 225.10(c), the State agency may disregard an overclaim if the overclaim does not exceed $100. OSDE will disregard any overclaim from a review if it is $100 or less.
2. This does not mean that if the overclaim is over $100 we subtract the $100 from the overclaim, once the overclaim amount reaches or exceeds $100, the amount is due in full.

**Unrecovered funds/ Overclaims assessed from an Administrative Review**

1. The OSDE does not allow payment plans for any funds owed back to the Agency. If a sponsor terminates the SFSP and owes the SA funds due to an overclaim, the sponsor must submit the balance in full in the form of a cashier’s check or money order.
2. If the overclaim is based on a review, funds may be taken back from future reimbursements.
3. If a balance remains at the end of the FY, the full amount is due by October 15 of that FY. If the balance of the overclaim is not paid by October 15 of the FY it pertains to, the sponsor will be terminated.
4. 7 CFR 225.18(k)(7), interest will be assessed on balances not paid in full. Interest rates are determined by the US Department of Treasury, Bureau of Fiscal Services and generally calculated on an annual, calendar year basis, however, quarterly adjustments are made to the rate if needed. <https://www.fiscal.treasury.gov/reports-statements/cvfr/>

**Collection Procedures for Unpaid Overclaims**

1. After the required demand letters are issued, if the sponsor has an unpaid debt owed to the SFSP, the file will be copied by the Child Nutrition office and mailed to the Attorney General’s office. A cover memo will explain that this file is an uncollected debt for the Summer Food Service Program.
2. The Attorney General’s office will follow its procedures for collecting the outstanding debt.
3. When a payment is made to the Attorney General’s office for any outstanding balance, the information will be forwarded to the SA. The outstanding amount will be adjusted and when paid in full, the debt will be reported on the NDL as paid in full.

**Serious Deficiency Procedures**

1. In accordance with the United States Department of Agricultures (USDA) SFSP regulations at 7 CFR Part 225.11, the Department of Education uses the following procedures for serious deficiency.
   * 1. A notice of action is sent via certified mail, return receipt requested, which clearly identifies the serious deficiencies [7 CFR Part 225.11 (c)], found by the State agency regarding the SFSP sponsor’s operation of the program.
     2. The notice of action advises the sponsor of the required corrective action needed to prevent the recurrence of the deficiencies, of if the State agency is terminating the sponsor, the notice of action specifies that the SFSP sponsor has failed to implement corrective action. If actions subject to appeal are included in the letter, appeal rights (7 CFR Part 225.13) are included in the notice of action.
     3. When an SFSP sponsor has been determined as seriously deficient in it operation of the SFSP, the sponsor and its responsible principals are included on the State agency log of Seriously Deficient Institutions/Sponsors/Responsible Principals.
2. Serious deficiencies which are grounds for disapproval of applications and for termination include, but are not limited to, any of the following:
   1. Noncompliance with the applicable bid procedures and contract requirements of Federal child nutrition program regulations;
   2. The submission of false information to the State agency;
   3. Failure to return to the State agency any start-up or advance payments which exceeded the amount earned for serving meals in accordance with this part, or failure to submit all claims for reimbursement in any prior year, provided that failure to return any advance payments for months for which claims for reimbursement are under dispute for any prior year shall not be grounds for disapproval in accordance with the paragraph. 7 CFR 225.11 (c) (3).
   4. Program violations at a significant proportion of the sponsor’s sites. Such violations include, but are not limited to the following:
      1. Noncompliance with the meal service time restrictions CFR 225.16 (c)
      2. Failure to maintain adequate records
      3. Failure to adjust meal orders to conform to variations in the number of participating children;
      4. The simultaneous service of more than one meal to any child;
      5. The claiming of Program payments for meals not served to participating children;
      6. Service of a significant number of meals which did not include required quantities of all meal components;
      7. Excessive instances of off-site meal consumption; and
      8. Continued use of food service management companies that are in violation of health codes; and
   5. A history of administrative or financial mismanagement identifiable through its

corporate organization, officers, employees, or otherwise, as an institution which participated in any Federal child nutrition program and was seriously deficient in its operation of any such program.

**Denial, Termination, and Appeal Procedures**

1. Grounds for denial of application or termination of program participation include, but are not limited to, any of the following:
2. Noncompliance with applicable bid procedures and contract requirements of federal CNP regulations
3. Submission of false information to the State Agency
4. Failure to return to the State agency any advance payments which exceed the amount earned for serving eligible meals
5. Program violations at a significant proportion of the sponsor's sites. Such violations include, but are not limited to, the following:
   * 1. Failure to comply with the meal service time restrictions
     2. Failure to maintain adequate records
     3. Failure to adjust meal orders to conform to variations in the number of participating children
     4. Simultaneous service of more than one meal to any child
     5. Claiming of Program payments for meals not served to participating children
     6. Service of a significant number of meals which did not include the required quantities of all meal components
     7. Excessive instances of off-site meal consumption
     8. Continued use of food service management companies (FSMCs) that are in violation of health codes
6. A history of administrative or financial mismanagement in any federal CNP
7. Violation of any Oklahoma SFSP policies
8. Sponsor grounds for appeal include:
   1. Denial of application for participation
   2. Denial of sponsor's application for a site
   3. Denial of an advance payment
   4. Denial of all or part of a claim for reimbursement, except for late submission under 225.9(d)(5) of program regulation.
   5. Any State agency action affecting participation in the program or payment of reimbursement
   6. Termination of the participation of a sponsor or site
   7. Demand for remittance of an overpayment
   8. Denial of an FSMC’s application for registration or the revocation of an FMSC’s registration
   9. A State agency’s refusal to forward to FNS an exception request by the sponsor for payment of a late claim or a request for an upward adjustment to a claim
9. Appeal Procedures:
   1. The Appellant will be notified in writing by certified mail, return receipt requested, of the grounds upon which the Oklahoma State Department of Education (OSDE) based its action. The notice must inform the Appellant of its right to appeal. Two methods for appeal are authorized.
10. The Appellant may request a review of the records. Upon receipt of such a request, the SOE must contract with an administrative law judge to conduct the review

**OR**

1. The Appellant may request a hearing in addition to, or in lieu of, a request for a review of documents. Upon receipt of a request for a hearing, the OSDE must contract with an administrative law judge to conduct the hearing.
   1. The written request for a review of records or for a hearing must be filed by the Appellant no more than seven calendar days from the date the Appellant receives the notice of the action. A hearing must be held by the review official in addition to, or in lieu of, a review of written information only if the Appellant so specified in the letter requesting the appeal. Therefore, the written request must specify which type of appeal is requested. Mail written request to the Oklahoma State Department of Education, Child Nutrition Programs, Suite 310, 2500 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105-4599.
   2. The Appellant may refute the information contained in the notice of action in person or by written documentation presented to the review official. In order to be con­sidered, written documentation must be filed with the review official within seven calendar days of submitting the appeal; it must clearly identify the State agency action being appealed and must include a photocopy of the notice of action issued by the OSDE. The Appellant is allowed the opportunity to review any information upon which the action was based. The Appellant may be represented by legal counsel or another person.

The following applies to the two methods for the appeal process:

1. Review of Records

• Upon receipt of an appeal requesting a review of records, the review official must notify the Appellant of the timelines for submission of documents.

• Records submitted that were not available during the review or audit shall not be considered unless documentation is accepted by the review official.

• Failure to submit written documentation to refute the action taken by the SOE within the seven-day time period must constitute the Appellant's waiver of the appeal, resulting in the action taken by the SOE being upheld.

• The review official shall be an independent and impartial administrative law judge.

1. Hearing

• Upon receipt of an appeal requesting a hearing, the review official must notify the Appellant of the timeline for submission of documents.

• Written documentation submitted after the seven-day time period will not be considered at any point during the appeal process, including the hearing.

• If the Appellant chooses to be represented by legal counsel, the Appellant will notify the review official of the counsel's name and address.

• The Appellant and SOE will be notified by certified mail, return receipt re­quested, of the time, date, and place of the hearing. The notice must be provided at least five calendar days prior to the hearing.

• Failure of the Appellant or its representative(s) to appear at a scheduled hear­ing will constitute the Appellant's waiver of the right to a personal appearance before the review official, unless the review official agrees to reschedule the hearing.

• A representative of the SOE shall be allowed to attend the hearing to respond to the Appellant's testimony and written information and to answer questions from the review official.

• The review official will be an independent and impartial administrative law judge.

1. The hearing will be held within 14 days of the date of the receipt of the request for review but, where applicable, not before the Appellant's written documentation is received.
2. Documents and information relating to the Appellant and the action taken will be available for inspection and duplication pursuant to the Open Records Fee Schedule at the Office of Child Nutrition Programs (CNP).
3. The review official must make a determination based on information provided by the OSDE, the Appellant, and the laws and regulations governing the SFSP.
4. Within five working days after the Appellant's hearing, or within five working days after receipt of the written documentation if no hearing is held, the review official must make a determination and inform the Appellant and the SOE of the determi­nation of the review by certified mail, return receipt requested.
5. The State Agency's action remains in effect during the appeal process. However, participating Appellants and sites may continue to operate the program during an appeal of termination and if the appeal results in overturning the State Agency's decision, reimbursement shall be paid for meals served during the appeal process. However, such continued program operation shall not be allowed if the State Agency's action is based on imminent dangers to the health or welfare of children. If the Appellant or site has been terminated for this reason, the State Agency shall so specify in its notice of action. The State agency will immediately terminate the participate of a sponsor’s site if during a review it determines that the health or safety of participating children or the public is imminently threatened. The sponsor will also be notified by certified mail and appeal rights will be provided.
6. The determination of the review official is the final administrative determination to be afforded the Appellant.
7. Pursuant to federal regulations, appeals will not be allowed on decisions made by the Food and Nutrition Service (FNS) on requests for exceptions to the claims submission deadlines or requests for upward adjustments to claims.

**Prior Year Review and Serious Deficiencies**

1. If a sponsor is SD during a review, they will receive a follow up review during the next FY. This review will focus on only the areas of serious deficiency found in the prior FY AR.
2. If during that review the areas of serious deficiency are found to remain fully and permanently corrected, the review will be closed and the institution will be considered to be in compliance. This review does not count as regular administrative review and the institution must be reviewed within three (3) years of the last regular administrative review (which was likely conducted in the prior FY).
3. If during that review the same areas are found to be deficient, then the review will be completed, an overclaim assessed, if needed, and the sponsor may be terminated. This action is appealable.

**Training**

1. New sponsors must complete training. The training will consist of at least the topics required by USDA regulations. Additional training may be required, this could vary depending on the type of entity that is applying to participate. Failure to comply may result in the denial of the application.
2. Annual training is required for all renewing sponsors. The training will consist of topics required by USDA regulations. Additional training may be required, this may vary depending on the type of institution. (i.e., public school, non-profit). Failure to comply may result in the denial of the renewal application.
3. All key staff must have training on the required topics each year. Examples of key staff are the cook, individuals who serve plan or serve meals, or individuals who are responsible for administrative duties.
4. Training topics and efficacy will be evaluated periodically through surveys and discussions with participants after trainings have concluded. Areas of noncompliance observed throughout the fiscal year will be tracked to aid in determining future training topics the SA will develop or enhance.

**Delinquent Organization-Wide Audits**

A sponsor will be declared seriously deficient if the required audit is not received by the due date. (The due date is nine (9) months after the end of each institution’s fiscal year)

1. An initial letter will be mailed to the sponsor advising of their obligation to comply with the audit requirements and will be reminded of the deadline for which the audit must be submitted to the SA.
2. If the audit has not been received by the deadline, a Notice of Serious Deficiency will be mailed, certified return receipt requested, stating the audit must be received within fifteen (15) days of receipt of the letter or the institution and all responsible principal(s) will be declared seriously deficient in the operation of the SFSP. The letter will state that both the audit and an acceptable corrective action plan (CAP), which must address how the serious deficiency will be fully and permanently corrected, must be submitted to the SA within the normal timeframe. A copy of this letter will be forwarded to OSDE legal and USDA.
3. If the audit or the CAP is not submitted by the deadline, a second letter will be mailed, certified with return receipt requested, notifying the sponsor and responsible principal(s) of their terminations from the SFSP. Appeal rights will be provided with the letter. A copy of this letter will be forwarded to OSDE legal and USDA.

Note: With adequate justification, the SA may consider extending CAP or audit deadlines, on a case-by-case situation.

1. If an appeal is not requested by the institution before the deadline the sponsor will be terminated and no further action is required by the sponsor.

**C****ontingency Plan for Sites under a Sponsor that Closes or is Terminated from the Program**

1. The SA will provide a list of sponsors contact information to the sites, so they may look for possible sponsorship, should they wish to continue operating.
2. The SA may also reach out to sponsors to facilitate in finding sites a new sponsorship.

**Cessation of Participation in SFSP**

1. Sponsors choosing to no longer participate in the SFSP must notify OSDE, in writing, of their intent to terminate their agreement and supply a closure date.
2. Sponsors will be required to provide documentation to the SA before they closeout their application and agreement.

**Records Retention**

1. All records are maintained/stored for the current year plus three (3) prior fiscal years. These records contain the following information, but are not limited to:
2. Original program approval information
3. VCA documentation
4. Administrative reviews for the last 3 years, unless the review was SD, which it is retained as long as the institution is participating in SFSP
5. SD follow-up and CAP information from SD AR
6. Supporting documentation for administrative reviews
7. Per the state auditors, the SA is required to obtain copies of all documentation that is reviewed during an administrative review. This information is collected at the time of the review and placed in a secure file on the SA’s network at the conclusion of the review.
8. Sponsors are offered the following ways to submit documentation:

(i) Paper copies (hand delivery)

(ii) Scanned/electronic

(iii) Secure file upload

1. Beginning FY 2023, records are stored electronically in a secure file in the SA’s network. Only authorized OSDE staff are granted access to the file.

**Complaints**

1. All complaints that are submitted, whether by email, phone, or through the online complaint system, Awareity, are first reviewed by the Program Director.
2. The Program Director will assign the appropriate CNP staff member to conduct necessary investigation of the complaint.
3. CNP staff will assess the situation to determine if further action is needed. If necessary, an administrative review will be conducted.
4. If necessary, the SA will follow-up with the complainant.

**Claim Validations**

1. Claim data will be pulled 3 times each fiscal year by the CACFP/SFSP Manager or SFSP Specialist. Data can be pulled by developers.
2. Population defined: The total population subject to the claim validation process is the SFSP claims that were processed during the reference period being analyzed (see schedule below).

|  |  |  |
| --- | --- | --- |
|  | **Month data pulled** | **Months to be analyzed** |
| 1st batch | July | May/June |
| 2nd batch | September | July/August |

1. Scoring of claims: The CACFP/SFSP Manager or SFSP Specialist will score each claim based on certain criteria. That score will then be compared to the highest score possible to determine which claims are highest risk.

|  |  |
| --- | --- |
| **Risk Indicator** | **Score** |
| Claiming same ADP as approved on application | 1 |
| Block claiming (same number of meals claimed for each meal type) | 1 |
| Breakfast max claimed (claiming max number allowed (days x ADP) | 1 |
| Lunch max claimed (claiming max number allowed (days x ADP) | 1 |
| Supper max claimed (claiming max number allowed (days x ADP) | 1 |
| Operated at least one weekend day | 1 |
| Claiming every day of the month | 2 |
| Sponsor operates another Child Nutrition Program (CACFP, NSLP/SBP) | 2 |
| Non-congregate site | 2 |
| Severe non-compliances in prior fiscal year | 2 |
| **Highest possible score** | **14** |

* + 1. Each risk indicator will result in a score of 1 or 2. After all claims have been scored, the scores will be totaled for each sponsor. (Note: if a sponsor has more than one site, scores for each site will be combined for a grand total)
    2. Calculate percentage of risk.
* By dividing the total score by the highest score possible, then multiplying by 100, you can determine the risk percentage.
* Example for one month:

Total score – 10

Highest score possible – 14

10/14= 0.71 X 100 = 71%

1. Make final selections of the highest risk claims.

* Sort list of highest percentage to lowest
* Select a maximum of 3 different sponsors (that are not up for review in the current fiscal year)
* Try to select a variation of different program types:
  + Non-profit
  + Public School District
  + Faith-based
  + Tribe

1. Once the highest risk claims have been selected, the CACFP/SFSP Manager or SFSP Specialist will notify each sponsor that they have been selected for a claim validation.

Sponsors Notified:

1. The CACFP/SFSP Manager or SFSP Specialist is responsible for contacting the sponsors and tracking when documentation is received and filing accordingly.
2. Notification will be sent to sponsor in the form of an email, as well as a certified letter. Attached to each will be a “Notification of Claim Validation” (see attached). Each sponsor will be given 3 business days to submit all requested documentation for the most recent claim in which they have submitted for reimbursement.
3. Alternative methods of submission will be offered if requested by the sponsor. OSDE has multiple ways to receive secure files electronically, which will be offered as the need arises or if requested by the sponsor.

Receipt of Documentation:

The CACFP/SFSP Manager or SFSP Specialist is responsible for this process unless otherwise indicated. A Claim Validation Checklist should be used to record the status of documentation submission.

1. The CACFP/SFSP Manager or SFSP Specialist is responsible for collecting, tracking, and placing received documentation in the appropriate folders.
2. Upon receipt, documentation is to be date stamped with the date received. If documents are received via email or by other electronic methods, all documents must be printed or saved in a secure file, along with a copy of the email in which the documents were sent.
3. Compare the documents received to the documents requested to ensure all required documentation was received.
4. Review records to ensure they are legible. For receipts, make sure that the entire receipt is intact and legible. If any of the documentation received are not legible or complete, contact the sponsor to request that a complete and legible copy of the documentation be provided.
5. Once a complete set of documents is received, place the documentation in a file and prepare for the claim validation process.
6. If documentation was not received by the deadline, claims access for the sponsor will be removed and a second notice will be sent. Claims access will not be restored until the documentation has been received. If documentation is ultimately not received, OSDE will initiate the SD process due to records not being readily available.

Claim Testing:

1. Once a sponsor has submitted all required documentation and the file is ready for validation, locate and use the Claim Validation Checklist and Claim Validation Testing Instructions to test and verify the accuracy of the claim.

* If deemed necessary at any time during the claim testing, claims access will be removed.

1. The following information should be reviewed and/or completed (additional details can be found on the Claim Validation Testing Instructions):
   * 1. Ensure the Claim Validation Checklist is completed.
     2. Ensure all required documentation was submitted by the sponsor under review.
     3. Make sure all documentation is legitimate and legible.
     4. Spot check that all invoices, receipts, etc. to ensure that the amounts of food and milk are properly documented on the food purchasing forms and expenditure worksheet.
     5. Review production records to ensure that minimum meal patterns were met for the month.
     6. Ensure that meal counts are supported by attendance records.
     7. Verify that the total meals recorded for the month is equal to the total meals claimed in the SFSP system.
2. If SFSP staff other than the CACFP/SFSP Manager has completed the claim testing/verification, the folder is given to the CACFP/SFSP Manager for review.

* Note: If any errors found upon review, the file will be returned to the SFSP staff so that necessary changes can be made

1. Once complete, the sponsor and findings must be logged in the Claim Validation spreadsheet.

Findings:

Claim Passed Validation-

* If applicable, claims access will be restored.
* Notice will be sent to the sponsor that the claim has passed the validation process.
* Sponsor will not be selected for another validation for the remainder of the fiscal year.

Overclaim-

* If the invoices and other supporting documentation provided do not support the purchase of sufficient quantities of food and/or milk or other paperwork is insufficient and does not support claim, an adjusted claim is required. The overclaim must be paid by money order or cashier’s check.
* The CACFP/SFSP Manager or SFSP Specialist will manually adjust the claim according to the correct numbers determined during the claim validation process.
* In the event the error rate is 25% or more, the sponsor will be found Seriously Deficient (SD) and provided with opportunity to submit a Corrective Action Plan (CAP).
* Formal notice of the overclaim will be sent to the sponsor via email and certified mail.
* If applicable, a Notice of Serious Deficiency Letter will be sent to the sponsor, along with a request for a CAP. Requirements and deadline for the CAP will be detailed in the letter.
* Submission of supporting documentation for future claims is required until OSDE has determined the SD has been fully and permanently corrected.
* Supporting documentation for the claims resulting from the CAP will be mailed or emailed to OSDE for testing prior to claim submission.
* Appeal rights will be included in the letter.
* Letter will be sent via email and certified mail.
* A copy of the letter will be placed in the sponsor file and a copy will be sent to OSDE Legal as well as USDA.
* A Termination notice may be sent if any problems found during the claim validation process are repeat violations of previous SD noncompliance’s that have been addressed by the sponsor in a CAP. Areas of SD must be fully and permanently corrected.

False or Altered Documents-

* If false or altered documents are found during the claim validation process, the sponsor will be declared Seriously Deficient, provided with an opportunity to submit a CAP, and OSDE will propose to suspend the sponsor.
* When false or altered documents are submitted to support a claim, the entire claim will be considered an invalid claim. Invalid claims will be reclaimed.
* A letter will be sent to the sponsor notifying them of the claim validation findings, the SD, and the proposed suspension. Requirements and deadline for the CAP will be detailed in the letter.
* Submission of supporting documentation for future claims will be required until OSDE has determined the SD has been fully and permanently corrected.
* Supporting documentation for the claims resulting from the CAP will be mailed or emailed to OSDE for testing prior to claim submission.
* Appeal rights will be included in the letter.
* Letter will be sent via email and certified mail.
* A copy of the letter will be placed in the sponsor file and a copy will be sent to OSDE Legal as well as USDA.
* Once a false or altered document is received by OSDE in support of a claim, the sponsor may continue to operate, however, OSDE will not pay valid claims until one of the following occurs:
* Decision by the ALJ has been rendered to overturn OSDEs decision to suspend the sponsor.
* Corrective Action Plan is accepted by OSDE to ensure the issues have been fully and permanently corrected.

Review and Results of Corrective Action Plan (CAP)-

* A CAP that is requested to address areas of noncompliance found during the claim validation process will be reviewed by the CACFP/SFSP Manager within 15 days of receipt.
* In the event the CACFP/SFSP Manager or SFSP Specialist is unable to review the CAP, the Executive Director will review it.
* A letter regarding the approval or rejection of the CAP will be sent to the responsible person listed on the sponsors application. The letter will be sent via email, as well as certified mail.
* If the CAP is deemed unacceptable, a new deadline will be given for the submission of a corrected CAP.
* An SD will not become temporarily deferred until an acceptable CAP has been received. If a sponsor fails to submit an acceptable CAP, a Termination Notice will be sent.