

## CHAPTER 1- SCHOOL AGREEMENTS AND POLICY REQUIREMENTS

### PROGRAM ELIGIBILITY

Public and private non-profits School Food Authorities (SFA) can receive federal assistance for serving nutritious meals. SFAs can receive assistance for lunch, breakfast, afterschool snacks, and milk. Private schools and RCCIs apply with the Arkansas Department of Human Services (DHS), School Nutrition Programs (SNP). The contact number is 501-682-8869.

**This handbook is intended only for SFAs that contract with the School Nutrition Programs at DHS. Public SFAs must consult with SDE for guidance.**

To participate with DHS, SFAs must meet the following criteria:

- Must be a non-profit private school or RCCI
- Must have current 501(c)3 status
- RCCIs must be licensed as a residential child care institution by a State Agency Arkansas Code Annotated § 20-10-201
- Schools must be registered or recognized as a school by the Arkansas Department of Education as a school institute or with ANSAA.
- Must have a DUNS number. Register at <http://www.dnb.com/get-a-duns-number.html>
- Must agree to follow federal and state regulations

### EQUAL OPPORTUNITY FOR RELIGIOUS ORGANIZATIONS

Federal regulations 7 CFR Part 16 eliminates unwarranted barriers to the participation of faith-based organizations in USDA programs. Organizations are eligible to participate in USDA programs without regard to their religious character or affiliation. SNP cannot exclude SFAs from competition for direct USDA assistance simply because of religious affiliations. Religious organizations are eligible to compete for USDA assistance on the same basis, and under the same eligibility requirements as all other non-profit organizations. USDA, as well as State and local governments administering USDA programs, cannot discriminate against organizations on the basis of religion, religious belief, or religious character in the administration or distribution of USDA assistance, including grants and commodities.

### GETTING APPROVAL

The first step to participation is getting approval. SFA must complete a program application and sign an agreement with DHS. SNP staff will review the application and adopted policies prior to approving the SFA's participation in a program. Once approved, SFAs are required to renew program participation annually in order to remain in the program and attend annual NSLP training.

To get approval:

- Read the handbook and contact DHS for technical assistance and clarification
- Implement required policies
- Complete the application process by completing forms for participation and submit to DHS. You must contact SNP to get application forms.
- Request an onsite visit for review of policies prior to filing a reimbursement claim

## OVERVIEW OF FORMS FOR PARTICIPATION

Annually, SFAs must renew their application and supporting documentation. SFAs must keep these records on file along with annual updates and any revisions made to the procedures and policy statements listed in this section.

Below are documents required during the initial application process. For participation, these forms must be approved by the SNP office. Contact SNP for forms.

- School Nutrition Programs Agreement.
- Application for Participation (renewed annually)
- Civil Rights Pre-award
- Free and Reduced Price Policy Statement (for pricing schools), or the Nonpricing Policy Statement (for nonpricing schools and RCCIs)
- Meal counting and Collection Procedures
- Nonprofit Statement (501(c)3
- Letter of Accreditation (for private schools), or DHS Residential Child Care Institution License or license from recognized State Agency(for RCCIs)
- Attestation to follow meal patterns
- After School Snack Program Application (if applicable)
- Special Milk Program Application and policy statement (if applicable)

### Description of Forms

**School Nutrition Programs Agreement:** This agreement lists federal and state requirements for each program administered by the School Nutrition Programs. By signing, SFAs agree to comply with federal requirements set forth by USDA, Child Nutrition Programs. This is not an all-inclusive contract and SFAs may be required to follow additional program requirements set forth by federal and state law.

**Application for Participation:** The application gathers specific information regarding the SFA's school foodservice program and local school data. Because school data changes periodically, SFAs must complete this form annually.

**Civil Rights Pre-award:** The pre-award gathers information about student eligibility for free and reduced price lunches according to ethnicity and race. It also determines whether any discrimination issues exist prior to participation in the School Nutrition Programs.

**Free and Reduced Price Policy Statement or the Nonpricing Policy Statement:** The policy statement lists the requirements for administering meals to children eligible for free and reduced priced meals. This policy demonstrates the integrity of the program to feed children without discrimination and without improper use of program funds. SFAs that charge students for meals must complete the Free and Reduced Policy Statement. SFAs with that do not charge students for their meals must complete Non-Pricing Policy Statement.

**Meal Counting and Collection Procedures:** This form gathers information regarding the school's meal counting procedures and type of service. The data collected includes age of students participating in the meal service; type of meal service; point of service procedures; and counting procedures.

**Nonprofit Statement (501 (c) 3):** SFAs must have a 501 (c) (3) letter from the IRS granting the entity nonprofit status. In addition, SFAs are required to administer a nonprofit food service program. The nonprofit status must be current.

**Letter of Accreditation (for private schools) or ARDHS Residential Child Care Institution License:** Private schools must submit a current copy of their Accreditation Certificate or submit a letter of recognition provided by the Arkansas Department of Education; not all private schools are eligible to participate. RCCIs must be licensed either by ARDHS or another State Agency that is recognized by the School Nutrition Program. Call ARDHS for eligibility requirements.

**Attestation for New Meal Patterns:** Beginning with Program year 2012-2013, SFAs must attest to compliance with the new meal pattern requirements as required by the Healthy Hunger-Free Kids Act of 2010. Special meal patterns are required to ensure that children are receiving healthy and balanced meals. See Chapter 2.

**After School Snack Program Application:** SFAs participating in the National School Lunch Program can receive additional assistance when participating in the After School Snack Program. SFAs must serve snacks to children during an afterschool program. The program must provide children with regularly scheduled activities in a structured organized and supervised environment. The program must include educational or enrichment activities (e.g., mentoring or tutoring programs). Competitive interscholastic sports are not an eligible afterschool activity. However, programs that include supervised athletic activity along with education or enrichment activities may participate. SFAs must also provide nutritious snacks in compliance with the federal requirements. See Chapter 12.

**Special Milk Program Application:** SFAs can participate in the Special Milk Program upon request, provided that students participating in the milk program do not participate in the National School Lunch Program (NSLP) or School Breakfast Program (SBP). This includes schools that participate in the NSLP, but do not offer it to the children attending split-session kindergarten programs. SFAs participating in the Special Milk Program may elect to serve milk: at a paid price; not charge for the price of milk; or charge for milk and serve it free to children eligible for free milk. See Chapter 13

#### **ADDITIONAL POLICY AND PROCEDURES**

In addition to the forms listed above, SFAs are required to develop and implement other program policies and procedures, prior to approval. Descriptions of these policies are addressed in the chapters of the handbook. The SA will send out addition information through email as policy updates and reminders.

- Civil Rights Policy
- Local Wellness Policy
- HACCP Plan
- Menus that comply with federal requirements

- 6 cents excel sheet sent in.
- Procurement procedures
- Resource Management
- All other policies as required by USDA

## **Descriptions of Additional Policies**

**Civil Rights Policy** is found in Chapter 3. This policy is specific to school food service and cannot be adopted as part of a grievance policy. This is the policy to allow children to file a complaint if they feel discriminated against in the food service program. The complaint process must go directly to USDA or to the DHS office and cannot be held up by the SFA.

**Local Wellness Policy** is adopted by the school and must contain all required goals set forth by USDA. For each goal, the school must create objectives in order to achieve each goal. There must a development and review committee who assists in the creation of the policy and policy updates. A designated official must be assigned to monitor and evaluated the program and the public and committee members must be notified of policy and evaluations. Contact ARDHS for sample policy.

**HACCP plan** is the food safety food that must be implemented by each food service site. The plan follows the HACCP procedures to determine critical control points in the production and cooking processes. The plan must also have standard operating procedures for addressing food safety. The plan must be available to food service staff and procedures must be reviewed monthly. Contact ARDHS for prototype.

### **Menus that complete with federal government**

Prior to filing a first claim for reimbursement of meals, SFAs must demonstrate compliance with the meal patterns (see Chapter 2). SFAs must submit a 4 week menu to SNP for review and complete the computerized menu assessment and dietary specification form to determine if the meals comply with menu requirements.

**Procurement Procedures** are found in Chapter 7. SFAs must set up a system for the procurement of food, products, and equipment. The process must comply with federal requirements. SFAs must compare prices and buy the lowest and best. SFA must practice Buy American.

**Resource Management** procedures are found in Chapter 4. SFAs must maintain a separate nonprofit account from other agency funds. All funds are to be used directly for school food service program. Specific requirements affect how the money may be spent on nonprogram foods and other items directly or indirectly related to the school food service account.

### **All other policies as required by USDA**

SFAs should be aware that policies and federal requirements routinely change. When an SFA signs the program agreement, the organization agrees to comply with all federal requirements. The SA will keep agencies updated on changes and provide technical assistance and training as needed.

## **RECORDKEEPING REQUIREMENTS**

Both the SFA level and the school level must keep accurate records pertaining to the school food service program activities. Accurate records serve as a basis for filing a claim for reimbursement and demonstrate program compliance. Failure to retain documentation that supports claim reimbursement, eligible students, and reimbursable meals can result in the withholding of program funds or fiscal action.

All records, including free and reduced price applications, meal counts (POS), production records, and other required program documentation must be retained for five years, plus the current year, from the day that the SFA's final allowable payment under the contract has been recorded. When contracts such as program agreement, procurement contract, and Food Service Management contracts are renewed, the three years does not begin until the end of the final renewal or final payment is recorded. Protests, litigations, audits may result in an extension of this three year record retention period, until all actions and resolutions are complete.

There are some exceptions to the record-keeping requirement, which require SFAs and schools to keep paperwork for an extended period of time. Agreements, policies, and program update information should be placed in a permanent file (see list of records on pages 1-2 and 1-3) and not destroyed unless those records have been replaced with new agreements and policies.

In addition to retaining paperwork, SFAs are responsible for submitting monthly claims, annual and periodical reports, and additional information as requested by the State Agency. Our office recommends that SFAs create a system for completing and tracking paperwork. For a list of required records, see *School Nutrition Programs Summary of Reporting Dates and Recordkeeping Requirements* (page 1-8 of this chapter).

## **POLICY CHANGES**

SFAs must follow the policies as approved by the SA. SNP will review these policies during administrative reviews and reporting deadlines. SFA must demonstrate compliance with approved policies. At times, SFAs need to change existing policies to changes at the school level. When this occurs, SFAs must also notify the School Nutrition Programs Unit to request modifications to required forms and approved policies. There are times when changes won't comply with federal regulations, or there is a requirement for the SA to have on file, therefore approval must be granted. To change the policy agreements, seek consultation and approval from SNP.

## **ORGANIZATIONAL AND ADDRESS CHANGES**

If personnel, organizational name, or the address changes during the year, SFAs must complete forms to update current and correct information. For personnel changes, complete the certificate of authority form. If the organization's name or address changes, SFAs must make changes in the SNP maintenance page. Contact SNP for required forms not located in this handbook.

## **PUBLIC NOTIFICATION AND OUTREACH**

SFAs are required to inform households and the public that it is providing reimbursable meal to students. Program notification can be posted on websites and bulletin boards, allowing all low-income children access to free or reduced price meals. To notify families, SFAs may use telephone and email notification systems. Additionally, SFAs with pricing

programs must submit a press release annually to the local media, grassroots organizations unemployment offices, and church affiliations.

SFAs participating in the SBP must inform families of the availability of breakfasts. A notification of the availability of breakfast must be relayed just prior to or at the beginning of the school year in the informational packets that are sent to each household with free and reduced price meal applications for the new school year. In addition, SFAs should send reminders regarding the availability of the SBP multiple times throughout the school year. Schools can provide reminders to children through their public address systems in schools or through means normally used to communicate with the households of enrolled children. Other acceptable outreach activities may include developing or disseminating printed or electronic material to families and school children.

Other notifications include the notice and posting of the local wellness plan and changes, and health inspections. Agency websites and bulletins are good resources for public postings.

### **NOTE TO THE ADMINSTRATOR (CEO, DIRECTOR, SUPERINTENDENT)**

To have a successful school food service program, staff must ensure they have the support of the agency administrators and other school staff.

For this program, the administrator is known as the SFA official. This official is usually the person who can make decisions for the organization, not just the food service program. It may be the Superintendent, a principal, the financial officer, pastor, or board member. This person often has authority to sign contracts and agreements. This person makes the decision to implement the program and then assigns duties to staff members responsible for each aspect of the program.

Prior to participating in SNP, the administrator needs to make informed decisions regarding the program, implementation. The administrator needs to understand how the program may affect other school requirements and affect staff in the food service program, the office staff, and faculty. Although food service staff implements program requirements, the administrator is ultimately responsible for the program. In many cases, the program requirements may conflict with other school procedures. If you are receiving federal funding for SNP, federal regulations supersede all other requirements.

SNPs has concluded from past experience that if the administrator is not involved in the program or does not ensure oversight, compliance in the program will not be successful. In many situations, school food service staff wants to comply with program requirements but has little support to implement program requirements effectively. Noncompliance can result in added paperwork and corrective action, loss of funds, repayment of funds, or termination of the program.

One observation seen over the years is that the administrator will often make decisions for the school food service staff without consideration of program requirements. Again, noncompliance can result in fiscal action. Gaining an understanding of the program requirements can ensure compliance.

### Things to remember:

- This is a federal program. Federal programs have rules and regulations that supersede state and local policies.
- Documentation is required to support compliance and reimbursement claims. Participating agencies receive funding for following program requirements; therefore, paperwork must support compliance.
- When a rule doesn't make sense, call SNP to discuss the requirement rather than disregard it.
- SNP provides funding to the schools for following procedures. Failure to comply with regulations may result in a loss of funding or repayment of funds already spent.

In some agencies, the food service manager and staff can't do it all. They either do not have the time, experience or the authority to get it completed.

### Often outside the scope of food service

- Application process/intake records- food service staff may not have time to review applications and update intake or master list. Front office may have the data or means.
- Local Wellness- food service staff may not have authority over education and physical education programs, and may not have the time to review/evaluate these programs for compliance.
- Resource management- although food service staff may collect money on the service line, it may have the experience or time to keep financial records for the school food service account.
- Procurement- depending on the size of the agency, staff may not have the responsibility of ordering food, products, and equipment for the food service program. Procurement officers need to work with food service staff to order products that comply with food service program. Procurement offices also need to understand federal requirements.

## SCHOOL NUTRITION PROGRAMS

### Summary of Reporting Dates and Recordkeeping Requirements

#### REPORTS TO MAINTAIN AT LOCAL AGENCY or SFA:

##### DAILY

- Point of Service (meal rosters, scan cards and tickets)
- Edit Checks
- Food Production Records
- Temperature logs
- Rosters or Master Lists

##### MONTHLY

- Revenue/Expenditure Records, including income cost and income from nonprogram foods.
- Menus and standardized recipes and supporting documentation
- Food Safety Checklist
- Food Service Program Receipts

##### ROUTINELY

- Benefit Issuance Document (Application for Free and Reduced Price Meals or Free and Reduced Price Eligibility Document for RCCIs)
- Direct certification
- Master List ( for schools)
- Health inspection (min.2x year)
- Nutrition Facts Labels
- CN Labels and Product Information Sheets
- Training Documentation- keep log of participants and material
- Purchasing Bids/Quotations
- Accountability Procedures
- Public and family notification for Civil rights, free and reduced price programs and local wellness, and breakfast program
- Afterschool Snack checklist- if applicable, must be complete first 4 weeks of school year and 2<sup>nd</sup> half of the end year.
- Local Wellness and HACCP plans: must be available, followed and updated

##### ANNUALLY (review and revise as necessary)

- Food Safety Plan (HACCP)- staff training
- Local Wellness Plan- local wellness official to evaluate and update
- Procurement Policy and documentation
- Civil Rights Policy- annual training required
- Civil Rights worksheet
- Income Applications
- Verification (complete by November 15th)-both schools and RCCIs
- Multiple Site Reviews of Counting and Claiming Procedures (for multiple sites)
- Public Release to media- agencies that provide household applications- prior to school year
- Contract, policies, and agreements

**REPORTS TO SUBMIT TO ARDHS (always keep a copy):**MONTHLY

- Reimbursement Claim

ANNUALLY

- Program Application or Information Update forms (due June 1)
- FSMC Contract or Addendum, Catering/Vendor Contract (if applicable)
- Verification Reports (Complete by Nov 15, due by Nov 30) for both RCCIs and Schools
- Multiple Site Review for SFAs with multiple school sites (due Feb.15)
- Health Inspections report (Sept 1)
- Attendance Factor Calculation Sheet (November 30)
- Price Equity Worksheet (November 30)

AS NEEDED

- Corrective Action Plan as a response to CRE, SMI and other administrative findings.
- FSMC Invitation to Bid/Request or Request for Proposal (if applicable)
- Modifications School Nutrition Program policies and procedures as stated in application packet
- Direct certification for SFAs that accept lunch applications (due July 30, Oct 30, Jan 30)
- All other information as requested by USDA or ARDHS
- Change of personnel and organizational changes
- Forms for on-line claiming

REVIEWS AND ON-SITE VISITS

- All paperwork requested for Administrative Reviews