CACFP-686

Fiscal Year (FY) 2003 Management Evaluation (ME) Form for Child and Adult Care Food Program (CACFP)

To: STATE AGENCY DIRECTORS - Colorado DPHE, Iowa, Kansas, Missouri DH. (Special Nutrition Programs) Montana DPHHS, Nebraska, North Dakota South Dakota, Utah and Wyoming

Please find attached a copy of the CACFP ME form we will be using this year as we conduct FY 2003 CACFP MEs. The FY 2003 ME form was revised to reflect the Integrity Rule published on June 27, 2002.

As you know, we are planning to conduct MEs in Iowa, Utah, Kansas, Wyoming, and Nebraska. We have the following schedule and teams for these MEs:

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<th>State</th>
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<th>Team</th>
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<tr>
<td>Iowa</td>
<td>January 6-10, 2003</td>
<td>Holly Kuecks (lead), Felicia Gaither, and Christy Kennedy</td>
</tr>
<tr>
<td>Kansas</td>
<td>March 24-28, 2003</td>
<td>Jo Ellen Collin (lead), Holly Kuecks, and Felicia Gaither</td>
</tr>
<tr>
<td>Nebraska</td>
<td>May 5-9, 2003</td>
<td>Sharon Bevan (lead), Holly Kuecks, and Felicia Gaither</td>
</tr>
<tr>
<td>Utah</td>
<td>February 24-28, 2003</td>
<td>Jo Ellen Collin (lead) and Sharon Bevan</td>
</tr>
<tr>
<td>Wyoming</td>
<td>April 14-18, 2003</td>
<td>Jo Ellen Collin (lead), Sharon Bevan, and Barbara Smith from HQ</td>
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If you have any questions, please contact a member of the CACFP staff.

DARLENE SANCHEZ
Regional Director
Special Nutrition Programs

Attachment
# MANAGEMENT EVALUATION – FISCAL YEAR 2003
Child and Adult Care Food Program
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Fiscal Year 2003 Management Evaluation Form

A. GENERAL

State Agency Issues

1) Discuss with SA staff any unresolved issues, including issues from prior Management Evaluations and audits.

Staffing

2) Obtain a copy of the SA staff chart. Indicate what percentage of time various staff spends on CACFP. Compare current and prior FY CACFP participation data for the SA. Does the SA have sufficient consultative, technical, and managerial personnel to administer the Program, provide sufficient training and technical assistance to institutions and monitor performance to facilitate expansion and effective operation of the program? Is the SA meeting its responsibilities under 226.6(a)?
3) How many full-time equivalents are assigned to monitoring responsibilities for CACFP?

**Goals**

4) Does the SA establish goals and objectives for each fiscal year? How are goals communicated to appropriate persons? How is progress monitored? Are goals revised as needed?

**State Laws, Policy, Legislation**

5) Are there any recently approved state laws, policies, or pending legislation which might impact the SA’s operation of the CACFP?
B. APPLICATION APPROVAL/RENEWAL PROCESS

Types of Applications/Agreements

6) Does the SA have any multi-state agreements? If so, obtain sponsor file(s). Is there an indication that the budget was submitted to the RO for approval? Does the SA coordinate Program oversight/administration activities with the other SA(s) per FNS Instructions 788-5 and 788-16?

7) Does the SA have different requirements for new institution applications versus renewals? If yes, describe. [Refer to FNS Policy Memo, dated September 26, 1995.] (CACFP-450)

Development of Forms and Instructions

8) Obtain copies of SA application packet forms and instructions, e.g., the SA's budget
form, management plan guide, application/agreement form, etc. Does the SA have different forms for different types of facilities? Using the attached checklists, review forms for compliance with 7 CFR 226.6(b); 226.6(f)(1),(2) and (3); 226.15(b); 226.16(b); and 226.17(b). Verify that application requirements are met for each type of institution (centers, homeless programs, outside school hours centers, DCHI sponsors, afterschool, new, renewing, etc.).

9) Do the SA’s forms contain questions/elements that facilitate the collection of thorough, detailed information from the applicant institutions, in particular, the sponsor’s management plan and budget?

10) Does the SA include instructions for completion of the application? If yes, are they adequate? If no, are instructions needed or are the forms self-explanatory?
SA Application/Agreement Processing Procedures

11) How does the SA ensure that applications are approved/denied within 30 calendar days of receipt of a complete and correct application? [7 CFR 226.6(b)]

12) How does the SA ensure that no claim for reimbursement is processed retroactively for more than the month prior to the month the agreement is signed? [226.11(a)] Confirm timeliness in file review. Eligibility does not apply to institutions or individuals that were previously on the national disqualified list.

13) Is there sufficient staff to process the applications in a timely and efficient manner? (Is the SA flexible enough to handle increases in application caseloads?)
14) How does the SA document its review/evaluation of applications to ensure each application is complete?

15) How does the SA follow up on pending applications/agreements?

16) How does the SA document its assessment of an institution’s viability, capability, and accountability?

17) How does the SA document its determination that the institution and/or individuals associated with the institution are not included on the National Disqualified List (NDL)? [226.6(b)(12)]

18) How does the SA document its determination that new institutions will provide the program to currently unserved providers and children? [226.6(b)(11)]
19) How does the SA document its determination that individual facilities are eligible to participate in the Program as a sponsored facility?

20) Does the SA conduct pre-approval visits of all new private child care institutions per the Child Nutrition Reauthorization Act of 1998? Obtain a copy of the SA’s pre-approval review form and review for adequacy. [Reference FNS Memo, PreApproval Visits in CACFP, dated 7/14/99.] (CACFP-584)

**Denial of Applications**

21) How does the SA’s process prompt the reviewer to cross check applications with FNS’ NDL? Has the SA denied any applications submitted by institutions included on FNS’ NDL of ineligible institutions? Was the RO notified in accordance with the regulations? [7 CFR 226.6(c)(iii)(A)]
22) For the review year, how many applications did the SA receive? 
______ If any applications were denied, how many? ______ How many applications are still pending?

23) What are the SA’s policies for denial of applications? If written, obtain a copy and review for adequacy. (Compare the SA’s policies to the Management Improvement Guide Standards 1 and 2.) Has the SA denied any applications based on its policies? If so, review application to determine whether the SA’s decision was appropriate. Review any denied applications for proper documentation justifying the denial; documentation should include correspondence to the institution with procedures for requesting administrative reviews. [7 CFR 226.6(c)]
24) Are there any applications that have not been approved, but for which the SA has not issued a letter of denial? If so, explain.

25) Does the SA maintain a file of denied applications?

**Tracking of Licensing or Alternate Approval [7 CFR 226.6(d)]**

26) What types of institutions and facilities are required to be licensed/approved? Are any institutions/facilities license-exempt? Are institutions/facilities alternately approved? If so, describe the SA’s alternate approval process.

27) How does the SA ensure that all facilities comply with licensure or alternate approval or health and safety standards? Does the SA verify this status at least annually?
28) How does the SA track expired/revoked licenses during the year?

**Tracking of Duplicate Providers**

29) What is the SA’s method for ensuring that facilities participate with no more than one sponsoring organization? (e.g., Does the SA track by license number, name, SSN, etc.?)

**SA Policies Impacting Review of Applications**

Sponsored Facilities Applications (CACFP-647) Describe the SA’s system for approving facility application. How does the SA determine and communicate the effective date to sponsors of FDCHs and centers for each approved facility application?
FDCH Sponsors

30) Does the SA have a system to limit provider transfers to no more than one per year? [7 CFR 226.6(p)]

Budget

31) Does the SA require sponsors of centers to devote a certain amount of monthly reimbursement for food costs vs. administrative costs? If not, how does the SA monitor sponsor retention or accumulation of reimbursement for administrative costs? Have any budgets been approved at a higher rate than 15%? If so, is it properly documented? [7 CFR 226.6(f)(3)]

32) Describe the SA’s procedures for budget revisions (who, how, how often, etc.) [7 CFR 226.7(g)]
Tax Exempt Status

33) Does the SA have any policies that require institutions/facilities to clarify affiliation when tax-exemption is based on their association with a church or other organization? [CACFP 580-13]

34) How has the SA ensured that only institutions with tax-exempt status are approved for participation? (Moving towards tax-exempt status is no longer allowed.) [7 CFR 226.15(a), 226.17(b)(2), and 226.19(b)(2)]

Free and Reduced Price Policy

35) How often does the SA require the submission of Free and Reduced Price Policy Statements? Note: Annual submission of Policy Statements from all sponsors is not allowable. [7 CFR 226.15(b)(5) and 226.23(a)]
Commodities or Cash-in-Lieu

36) How does the SA ensure that institutional commodities preferences are communicated to the State Distributing Agency?

Budget Approval

37) Has the SA implemented FNS 796-2, Revision 3 in the budget approval process: If so, how? If not, when does it plan to implement?

38) Has the SA imposed any prior approval or specific prior written approval policies which are at their discretion? (See Attachment A)

39) Has the SA provided a budget form which is conducive to identifying specific cost items which require prior approval and
specific prior written approval by the SA and/or FNSRO?

40) Has the SA provided prior approval for those cost items requiring prior approval? (See Attachment A)

41) Has the SA provided specific prior written approval for those cost items requiring it? (See Attachment A)

42) Has the SA forwarded to FNSRO required requests for specific prior written approval for those items requiring it? (See Attachment A)
File Review

43) Select a sample of application/agreement files and review the files for completeness. Files should contain the following elements:

- Management Plan (for sponsoring organizations)
- Budget (usually included in the management plan)
- Tax Exempt Documentation
- Title XIX or XX Documentation (for proprietary institutions)
- Licensing or Alternate Approval Documentation
- Sponsor and Site Agreements (New Facility Applications)
- Food Service Management Contracts (when applicable)
- Civil Rights Information
- Free and Reduced Price Policy Statement
- Participation Data
- Enrollment information for sponsoring organizations
- Request for Advance Payments (when applicable)
• Institutional Preference for Commodities or Cash-in-Lieu
• Signed Agreement

C. TRAINING AND TECHNICAL ASSISTANCE

7 CFR 226.6(m) requires SAs to “provide technical and supervisory assistance to institutions and facilities to facilitate effective Program operations, monitor progress toward achieving Program goals, and ensure compliance with the Department’s nondiscrimination regulations…”

Training Plan

44) Does the SA have a written training plan for: SA staff? Sponsoring organizations? Centers? Adult Day Care Centers? If the SA does not have a written training plan, how is it determined what training will be conducted?
45) When developing the training plan, what does the SA consider (e.g., Phase II Training materials, Management Improvement Guidance, evaluations from previous trainings, audit and review findings, application/claim errors, etc.)?

46) Does the SA modify the training plan to address Program changes (e.g., Integrity Regulation, Expansion funds, At-Risk Snacks, etc.)? Did the content follow the plan?

47) Does the training plan include an evaluation component?

48) Is the plan adequate in addressing Program Integrity and Management Improvement issues?
Training of SA Staff

49) How is new SA staff trained?

50) How are SA staff, including out-stationed, contracted, and Appeal Officers, informed of new regulations, policies, procedures and guidance materials?

51) How does the SA address staff development/continuing education needs (e.g., computer skills, presentation/ training skills, etc.) for all employees and/or contracted personnel?

52) Does the SA staff attend National conferences (e.g., The Sponsor’s Assoc., National CACFP, Save the Children, etc.)? Does the SA send
appropriate staff to these conferences/meetings? How is information disseminated to other staff?

53) Do SA staff training needs appear to be met?

**SA Training of Institutions**

[To assess training by SAs, include observations of SA training sessions attended by ROs.]

54) Does the SA require institutions to attend annual training? How are non-attendees trained? [CACFP-588]

55) Does the SA have any policies as to who should attend the training? (Module 4—Training and Technical Assistance, CACFP National Management Improvement Training)
56) Does the SA require training prior to participation?

57) Who conducts training? Are they trained as trainers (e.g., content, adult learning theories, etc.)?

58) What materials/resources are they using to conduct training (e.g., FNS or SA developed materials, Extension Services, etc.)?

59) Does the training include an evaluation of the participants (pre- or post-test)? Do the participants evaluate the training?

60) Does the training appear to be adequate for Program needs?
**Institution Training**
Section 226.15(e)(13) ...Each institution shall establish procedures to collect and maintain all necessary Program records...information on training session date(s) and location(s), as well as topics presented and names of participants....

Section 226.16(d) ...Each sponsoring organization shall provide adequate supervisory and operational personnel for the effective management and monitoring of the program...(1) Preapproval visits...(2) staff training and...(3) additional training sessions...not less frequently than annually.

61) How does the SA evaluate training conducted by institutions (e.g., management plan, analysis of reviews, SA attendance of training, etc.)? How does the SA ensure training is conducted annually?

62) Does the SA require facilities to attend annual training?
63) Does the SA staff participate in training conducted by institutions?

64) Are there any specific training topics or materials that the SA requires? If yes, describe.

65) Does the SA provide training materials for institutions?

66) Does the SA develop a curriculum for the institutions to use? If yes, describe.

**General Technical Assistance**

67) Does the SA have a handbook for each type of institution? Is the handbook up-to-date? If not, when will it be updated?

68) Describe the SA policy for conducting technical assistance visits (e.g., as a
result of review findings, new institution follow-up, etc.)

69) How does the SA document day to day technical assistance (e.g., phone calls, e-mails, logs, etc.)? How does the SA ensure consistency of responses among staff?

Policy Implementation

70) Evaluate the SA’s system for disseminating new policies and procedures (e.g. memos, newsletters, etc.). Note: Last policy memo issued as of 12/12/02, CACFP –684)

71) Are policies disseminated in a timely manner? Do all similar institutions receive the same information?
72) Were all applicable policies issued by FNS during the ME review period transmitted to institutions?

73) Did the SA revise any policies? Were they revised correctly?

74) How has the SA implemented the provisions of the regulation CACFP Implementing Legislative Reforms to Strengthen Program Integrity; 7 CFR Part 226, published June 27, 2002. Provisions include:

- Institutions must not have been terminated for cause from any other public program;
- Sponsors required to restrict outside employment which interferes with CACFP duties;
• New sponsors must be bonded if required by SA law, regulation, or policy. If applicable, the bond must be provided to the FNS-RO;

• State agency must establish factors for determining the monitor to facility staffing ratio (average # of facilities per monitor FTE);

• Private non-profit institutions must have tax-exempt status (moving towards provision eliminated);

• New sponsors must propose to serve unserved facilities/children;

• Distribution of Program information to parents of enrolled children;

• 15% cap on center sponsors’ expenses;

• SA must have system to limit provider transfers to no more than one per year; and

• Ensure that FDH sponsors have established appeals procedures for providers.
75) Has the SA provided the Financial Management Instruction 796-2, Rev. 2 to Program participants? Or has the SA issued comparable guidance to Program participants?

**School Data** (For FDCH Sponsoring Organizations)

76) Review the SA procedure for obtaining and transmitting elementary school free and reduced price data used to make tiering determinations. [226.6(f)(9)]

77) Does the SA send a reminder memo to the SA that administers the NSLP (if applicable)?

78) On what date did the SA receive the school data? [210.9(b)(20)]
79) What month was used for school data? Was the same month used last year?

80) Does the SA review the school data for accuracy and completeness, prior to
transmitting to institutions?

81) Did the SA transmit the data to the institutions by February 15, or within
15 calendar days after receipt from the SA administering NSLP?

D. MONITORING

Staffing

82) How are reviews assigned to staff? (e.g., geographic area, experience,
rotation, team, expertise, etc.)
83) How is the monitor staff work evaluated to assure quality and consistency?

84) Does the review coordinator ever accompany review staff on reviews?

**Scheduling Reviews**

85) Has the SA been approved for any waivers relating to review requirements?

86) What kind of review cycle does the SA follow (every two, three or four years)? Does it comply with 226.6(m)(4)?
87) In addition to following the cycle, are there other special criteria for selecting institutions for review? What are the criteria (e.g., claiming patterns, new growth, staff turnover, complaints, etc.)?

88) Does the SA promptly investigate Programs when complaints are received or when irregularities in Program operations are noted? [226.6(n)]

89) What types of reviews are being conducted? Discuss follow-up, pre-op, TA visits, mock reviews, etc. Are different forms used depending on the type of review? Which of these counts toward meeting review requirements? [226.6(m)]

90) How does the SA track its progress in meeting review requirements?
91) Are there anticipated problems in meeting regulatory quantity requirements?

92) How does the SA ensure that new sponsors with 5 or more facilities are reviewed within the first 90 days of program operations? [226.6 (m)(4)(iii)]

93) Are other new institutions in the first 90 days of operations?

94) Are the number of facilities reviewed in compliance with 226.6(m)?

**Unannounced Visits** [(226.6(m)]

95) Is the SA conducting unannounced visits to homes? to sponsors? to centers? Describe the SA policy, including the definition of “unannounced visits” [226.6(m)].
96) How are sponsored facilities selected for review...e.g., number of meals claimed daily, repetitive claim pattern, holiday/weekend claiming, claiming over capacity, tiering type, location, size, claim data, etc.? Do sponsors help to select sites?

97) Is the SA requiring sponsors to conduct unannounced visits to homes or centers? Describe the SA policy, including the SA definition of "unannounced visits".

**Parental Contact**

98) Is the SA conducting parental contacts as part of its review?

99) Is the SA requiring sponsors of homes or centers to conduct parental contacts? If so, what guidelines are required? Under what circumstances?
Review Content

100) How does the SA prepare for a review? [(226.6(m)]
   • review management plan and budget
   • review prior reviews and audits
   • select sites
   • review past correspondence
   • discuss with other SA staff

101) Are there any barriers in preparing adequately for a review?

102) By evaluating the SA review forms/work papers, and/or by accompanying the SA on a local review, determine if the SA monitoring system includes elements from the following:

   • Family Day Care Home
     Sponsor - Sample review form:
     Management Improvement
     Guidance
• Family Day Care Home -
  Sample review form:
  Management Improvement
  Guidance.
• Independent Center and Center
  Sponsors - Sample review
  forms (Administrative Review
  Forms and Center Review
  Form): Management
  Improvement Guidance

103) Does the SA interview a variety of
    staff and/or members of the board in
    assessing overall program operations?

104) Has the SA identified any instances in
     which the health and safety of children
     was imminently threatened? If so, was
     the site terminated in accordance with
     226.6(o)? How are other licensing
     violations handled?
Review Reports

Review a sample of completed review files (e.g., review work papers, findings letter, follow-up documentation to verify adequate corrective action, including overclaim remittance and closure, etc.). Include in the sample reviews of each type of institution and review files from each SA consultant. Track the timeliness of issuing letters, obtaining responses, and closing the review process.

105) What is the SA policy on disallowing meals? What is the SA policy on disallowing administrative costs?

106) Does the SA have a policy specifying when a sponsor can collect overpayments from sponsored facilities?
107) Evaluate the quality of corrective action requests and responses. What kinds of findings warrant corrective action by the institution?

108) How does the SA handle repeated findings? Is more stringent corrective action required? What are the criteria for conducting a follow-up review?

E. INTERNAL CONTROLS

Audits

Resources:

- 226.8 and 226.4(h) CACFP-538; CACFP-553; CACFP 619
- Second Edition of Questions and Answers (Q and As) on OMB Circular A-133 [issued July 21, 1999, Grants Management Division] (CACFP-619)
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations [“Grants Management” at OMB's web site: http://whitehouse.gov/OMB/Grants]
• CFR Part 3052, Audits of States, Local Governments, and Non-Profit Organizations [USDA’s regulation implementing OMB Circular A-133]
• A-133 Compliance Supplement [“Grants Management” at OMB’s web site: http://www.whitehouse.gov/OMB] and Second Edition of Q and As on OMB Circular A-133, Question 65 (CACFP-619)
• Federal Audit Clearinghouse [Second Edition of Q and As on OMB Circular A-133, Questions 51-54; http://harvester.census.gov/sac; or “Grants Management” at OMB’s web site http://www.whitehouse.gov/OMB/Grants]
• AICPA Statements on Standards for Attestation Engagements No. 10 (Attestation Standards: Revision and Recodification) The AICPA has consolidated all its pronouncements on attestation services (of which agreed-upon procedures are one) into this one volume.
• General Accounting Office, Audits of Governmental Activities, Programs and Functions, 1994
• CACFP One and One-Half Percent Audit Funds, Policy Memorandum dated February 22, 1999; and CACFP Two Percent Audit Funds, Policy Memorandum dated July 1, 1994 (CACFP-403 & CACFP-569)
Audit Requirements

109) What is the SA policy for audits of Proprietary Title XIX and Title XX centers? Are the procedures for tracking, overseeing, and resolving audits of Proprietary Title XIX and Title XX centers consistent with procedures for audits of other institutions? Have the SA explain procedural differences between its handling of audits of for-profit institutions and other institutions. [7 CFR 3052.210(e); Second Edition of Q and As on OMB Circular A-133, Questions 17 - 20 and Policy Memorandum #2-98, dated August 13, 1998] (CACFP-553)

110) How does the SA determine which institutions covered under 7 CFR Part 3052.200 are required to obtain an audit? [3052.400(d)(4) and Second Edition of Q and As on OMB Circular A-133, Questions 2 and 63]
How were institutions notified that an audit is required?

Audit Tracking

111) Describe the SA’s procedures for tracking audits. Have all required audits been conducted? [Part 3052.400(d)(4)] What action is taken by the SA for an institution’s failure to obtain a required audit? [Second Edition of Q and As on OMB Circular A-133, Questions 63 and 25]

Report Submission

112) Are institutions submitting statements to the SA when an audit has been issued with no findings pertaining to the CACFP? [3052.320(e)] [Second Edition of Q and As on OMB Circular A-133, Question 57] Does the SA verify letters indicating no CACFP-
specific audit findings by accessing information from the Clearinghouse? Is it documented?

113) When there are no CACFP findings, does the SA access the Clearinghouse for evidence of organization-wide problems that could impact on CACFP administration?

114) Do institutions submit to the SA copies of audits that have findings? Are reports submitted within 9 months following the fiscal year being audited? [Second Edition of Q and As on OMB Circular A-133, 7 CFR Part 3052.320(a) and (e)]

Oversight

115) How does the SA review audits? Who reviews? What training and/or experience have the State reviewers
had that prepared them for their oversight duties? What problem areas are identified by audits? How is corrective action handled? Does the SA achieve management decisions and final actions on audits within a reasonable period of time? If there is a general pattern of management decisions taking longer than 6 months from the date the SA receives the audit report, and/or final action takes more than 1 year from the date of management decision, determine the cause. [3052.400(d)(5)]

116) Determine how the SA uses audits in program management. Does the SA: (a) analyze audit results to detect patterns and trends; (b) share the results of such analyses with program and audit staff; (c) modify policy, guidance, oversight strategies, etc., as a result of such analyses? (For example, does the SA use the results
117) How does the SA synthesize audits, programmatic reviews, agreed-upon procedures engagements and other monitoring tools into a comprehensive monitoring program?

Agreed-Upon Procedures Engagements

118) Does the SA use agreed-upon procedures as a monitoring tool for institutions not required to have audits under A-133? If so, how does the SA arrange for agreed-upon procedures engagements? [Who performs the procedures (e.g., State auditor, independent practitioners, etc)? [3052.230(b)(2)] How are the procedures formulated? If this service is obtained through public solicitation, who writes the specifications? How are they tracked? Who reviews? How
is corrective action handled? How does the SA ensure timely closure? [Second Edition of Q and As on OMB Circular A-133, Questions 27, 30-33 and 35] (CACFP-619) [Reference: Statements on Standards for Attestation Engagements]

Note: As time allows, review a sample of audit reports and/or agreed-upon procedures engagements. Target the review sample to include institutions previously audited by OIG as well as any other institutions with serious problems.

Use of 1½% Audit Funds (CACFP-569)

119) Has the SA appropriately used the 1½% audit funds? (Prior to any use of these funds for SA reviews and/or associated cost of integrity training/technical assistance, did the SA have assurance that the audit requirement would be met?) Evaluate documentation.
120) Does the SA use the funds to pay for institution audits? If so, how does the process work? Is CACFP charged appropriately for its pro-rata share? [Second Edition of Q and As on OMB Circular A-133 Questions 43 and 44]

121) Are 1½ % funds returned to FNS? How much? Why?

Claims Process

122) Describe the SA system for paying claims. Who reviews and approves claims? Is this the same person who approves the application to participate? Is there a second party review for claims?

123) Does the SA reimburse centers based on blended rates, claiming percentages or actual counts? If blended rates or
claiming percentage, how often is enrollment data collected? [226.9(b)]

124) How does the SA ensure that claims are paid within 45 calendar days of receiving a complete and valid claim? How are invalid and/or incomplete claims handled? Verify a sample. [226.7(k)]

125) What is the SA policy on adjusted claims? What is the SA policy/deadline for original and revised claims? How is this communicated to institutions? Is it in compliance with the 60/90 Day Guidance?

126) Does the SA collect claiming data for sponsored facilities? If so, how is this information used?
127) Describe the SA’s edit system. Does it include the following:

- agreement on file
- approved facilities
- approved meal types only
- time frame (60/90)
- commodities and cash-in-lieu
- current rates
- meals do not exceed enrollment or ADA
- license capacity
- current license
- Title XX eligibility
- # of approved homes vs. claiming homes
- maximum allowable number of meals claimed for the month
- if applicable, queries of identical check amounts to FDCH providers
- if applicable, queries of identical meal counts in family day care homes—can we include these in the checklist— including these would help us to obtain management decision on the large sponsoring organization audit
128) Does the SA review of sponsors’ edit systems contain these same elements?

129) How does the SA use the claim process to collect overclaims and to adjust for excess advances? [226.8(e); 226.10(b)] How are administrative vs. operational overclaims handled?

130) How does the SA reconcile administrative payments for day care home sponsors (i.e., costs, rates, 30% limitation, budget, etc.)? How often? [226.12(a)]
(CACFP-626)

Late Claims
(CAFP-292)
131) How does the SA system ensure that claims past 60 days are not paid? Verify by reviewing the payment log.
132) How are one-time only requests approved and tracked? Is corrective action required? Is the SA in compliance with 60/90 day guidance?

133) What are criteria for submitting exception requests to the RO? Are appeal rights given when requests to forward to FNS are denied?

134) What records are kept to document late claims that are paid or denied? Is this sufficient?

Advances (CACFP-500)
135) What is the SA policy for issuing advances? Are all institutions eligible?
136) Do home sponsors receive administrative and/or meal advances?

137) How are advances calculated? How are advances reconciled and how often?

Advance, Start-up Funds and Expansion Funds

138) How has the SA made these funds available? [226.7(h) and (i)] Review the policy and application process.

139) Has the SA issued any start-up or expansion funds in the past three years? If so, review the file. Were funds used to assist facilities with licensing costs? If so, were these costs within established limits?
140) Describe how these funds are monitored. Is cost data submitted? Are the costs allowable?

Nonprofit Food Service

141) Review the SA’s system for monitoring nonprofit food service.
[FNS Instruction 796-2, Rev. 2; 226.7(b); 226.15(e)(14)] What policies has the SA instituted?

142) Determine how the SA ensures that institutions operate a nonprofit food service. Is this evaluated during a review or by reviewing data submitted by the institution?

143) Does the SA’s system include a method for monitoring compliance by center sponsored facilities for compliance with nonprofit food
service (Sponsors of unaffiliated centers)?

Overclaims

144) Describe the SA’s process for assessing overclaims. Is it in compliance with 226.14 and FNS Instruction 420?

145) Does the SA require sponsors to have a policy for collecting overclaims from facilities?

F. SERIOUSLY DEFICIENT PROCESS

226.6(c)...the State agency shall not enter into an agreement with any applicant institution which the State agency determines to have been seriously deficient...the State agency shall terminate the program agreement with any institution
which it determines to be seriously deficient.

146) What kinds of deficiencies lead to/prompt the SA to declare an institution seriously deficient (e.g., non-receipt of required audits, failure to pay providers, review/audit findings)?

147) Describe the SA's process, including criteria, for declaring an institution seriously deficient.

148) How does the SA document technical assistance throughout the entire process (e.g., training, technical assistance visits, phone calls, etc.)?
149) How many institutions were declared serious deficient in the ME review year? How many institutions were terminated from the Program in the ME review year?

150) Describe the SA’s process for terminating an institution. Does the SA’s process include any intermediate steps such as suspension prior to termination? Does the SA have contingency plans for facilities to continue participating after a sponsor is terminated?

151) Describe the SA’s procedures for terminating/suspending program participation based on the submission of false or fraudulent claims [7 CFR 226.6(c)(5)(ii)] and concerns for public health and safety [226.6(c)(5)(i)].
152) What is the SA’s procedure for
notifying the RO to add an institution
and/or principal to the National
Disqualified List? Is it timely?

153) What is the SA’s procedure for
notifying the RO to add a provider to the
National Disqualified List? Is it timely?

154) Does the SA maintain documentation
for seriously deficient institutions that are
no longer participating in the Program?
How long is the file maintained?

155) What is the SA’s procedure for
notifying institutions and
principals/responsible individuals that
they have been identified as
responsible for a determination of
serious deficiency?[226.6(c)(1)(iii)(A),
226.6(c)(2)(iii)(A), and 226.6(3)
(iii)(A)]
156) What is the SA’s procedure for removing institutions, responsible principals/individuals, and day care home from the National Disqualified List? [226.6(c)(7)(v)]

**NOTE:** Review a sample and evaluate procedures followed.

157) Do the SA’s policies and procedures for managing seriously deficient institutions meet 226.6(c) requirements?

G. **APPEAL PROCEDURES**

158) Has the SA established an appeal procedure? [226.6(k)]
159) Has the SA established abbreviated review procedures for the suspension of payments/program participation? [226.6(k)(9)]

160) Review the SA appeal procedures. Do the procedures meet the requirements of 226.6(k)?

161) What is the SA’s process for issuing appeal rights and procedures (e.g., annually, at time of adverse action, denial of application, etc.)?

162) How is the SA appeal officer selected? Does the SA contract for appeals? Determine if the appeal officer is an independent official.
163) How many appeals were filed with the SA during the ME review year? How many appeals were filed with FNS?

164) How many SA decisions have been upheld? How many FNS decisions have been upheld?

165) Review a sample of appeals filed. Identify any weaknesses in the process (e.g., lack of documentation, lack of written policy, improper decisions from appeal official). Does the SA process for managing appeals comply with regulatory requirements?

166) Does appellant institution or provider continue to be reimbursed for eligible meals during the appeal process?
APPEALS WORKSHEET

Complete for each appeal file examined.

H. CIVIL RIGHTS

ASSURANCES

1. Is a Civil Rights assurance incorporated into all sponsor agreements?

   Yes               No

2. Does the agreement contain the required language?

   Yes               No

PUBLIC NOTIFICATION

1. Does the SA conduct outreach for participating agencies?

   Yes               No
2. Does the SA advise minority/grassroots organizations of Program availability?
   Yes No

3. Does the SA advise participating local agencies to implement a public notification system?
   Yes No

4. Does the SA have a procedure for assessing compliance with public notification requirements for institutions?
   Yes No

5. Do all published materials contain the nondiscrimination statement?
   Yes No

6. Does the SA inform institutions of complaint procedures?
   Yes No

7. Are participating institutions required to display an FNS approved nondiscrimination poster?
   Yes No
8. Are appropriate translations of program information and other materials such as applications, eligibility criteria, and available benefits provided to potential participants/beneficiaries by the SA upon request?

   Yes      No

9. Does the SA provide, upon request of participants and potential participants, information regarding the Program's availability and the nondiscrimination policy?

   Yes      No

**TRAINING**

1. Does SA provide Civil Rights training to its staff?

   Yes      No

2. Does the SA provide Civil Rights training to institutions' staff?

   Yes      No
MONITORING

1. Do review forms include assessments in the areas of public notification, training, monitoring, data collection and maintenance, complaint processing, and disability accommodations?

   Yes    No

2. Has the SA performed pre-award Civil Rights compliance desk reviews for each new approved program?

   Yes    No

3. Does the SA conduct Civil Rights compliance reviews?

   Yes    No

4. Are indicators of possible problems in Civil Rights compliance being considered as selection criteria for reviews?

   Yes    No

5. Does the SA determine if the need for reasonable accommodation to facilitate the delivery of services to participants with disabilities has been met?

   Yes    No
DATA COLLECTION AND MAINTENANCE

1. Does the SA ensure that each institution annually collects and maintains on file for 3 years beneficiary data by racial/ethnic category for each facility under its jurisdiction?
   
   Yes          No

2. Does the SA determine whether minority members are disproportionately denied?
   
   Yes          No

3. Does the SA monitor, review, and evaluate data collection at the local level?
   
   Yes          No

4. Is there a system to ensure that this information is available only to authorized SA and Federal personnel?
   
   Yes          No

COMPLAINT PROCEDURES

1. Does the SA have a procedure for handling Civil Rights complaints?
   
   Yes          No
2. Has the SA received any Civil Rights complaints this year?
   Yes  No

3. If applicable, were all Civil Rights complaints acted upon and resolved in a timely manner?
   Yes  No

4. Were all Civil Rights complaints forwarded to FNS in a timely manner?
   Yes  No

CIVIL RIGHTS COORDINATORS

Identify the individuals designated for the SA as the Title VI Coordinator, Title IX Coordinator, and Section 504 Coordinator:

__________________________ Title VI Coordinator

__________________________ Title IX Coordinator

__________________________ Section 504 Coordinator