Attached is the Child and Adult Care Food Program Fiscal Year (FY) 2009 Management Evaluation (ME) Guidance which will be used for the FY 2009 State Agency MEs.

We will be conducting MEs in the following States:

Kansas
Montana DPHHS
North Dakota
South Dakota
Utah

If you have any questions regarding the FY 2009 MEs, please call our office at (303) 844-0354.

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Attachment
Guidance

Management Evaluation of State Agency Operations

♦ Child and Adult Care Food Program

Fiscal Year 2009
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There are many measures of program performance; however, at the State agency (SA) level, the Management Evaluation (ME) process is our most critical instrument to nationally monitor Program compliance. Additionally, if performed in sufficient numbers, the ME process establishes a means to identify trends and inherent weaknesses in program operations. Therefore, the ME process is a tool not only for providing an ongoing comprehensive assessment at the SA level but also for determining future administrative objectives.

Though many of the review areas remain constant, the ME Guidance is revised each year to identify specific program areas of major concern as well as Departmental and Agency special emphasis areas and legislative and regulatory changes. The ME process continues to provide Regional offices (ROs) flexibility to customize the scope of each SA review, except focused reviews, to meet monitoring needs based on knowledge of SA operations and resource availability. The process emphasizes efficiency by utilizing available program data to determine targeted areas for review.

ME Cycle: The current 2-year cycle of the ME process for CACFP is from October 1, 2007, through September 30, 2009. FNS Headquarters(HQ) and RO staff will jointly conduct a focused ME of one SA in each region during each fiscal year.

Scope of Review: "Critical Elements" define what are, from a national perspective, the most important areas imperative to program management; additional areas may be identified by ROs based on their priorities, analyses of SA performance, and knowledge of problem areas. When an SA is selected for a focused ME, the scope of the ME must include all the critical elements.

Critical elements are:

- Application Approval/Renewal Process
- Training and Technical Assistance
- Monitoring
- Internal Controls
- Serious Deficiency Process
- Administrative Review (Appeals Procedures)
- Civil Rights

In addition to a review of the critical elements, the focused ME also must include the results of local level reviews.

During the ME, the RO should be cognizant of all problems that were identified during prior MEs, and must determine whether the corrective action proposed for the resolution of the problem(s) was initiated and effective. Where corrective action was not taken, the report must detail the reasons, and describe future plans for such action. Any other significant problem or discrepancy identified by, or known to, the RO should be reviewed and described in the ME report. It also is important to identify and report strengths and innovative procedures in the SA's administration of the programs.
Send written notification to the SA confirming the date of the ME. Include a copy of the ME Guidance in the correspondence. Reviewers may want to request that the SA send documentation to the RO to examine prior to the visit, or request the SA to have documentation ready to review.

Review SA files, including last ME and SAE Plan.

Examine audit reports, including A-133s, OIG, etc.

Look through RO files to determine if any policies have been issued during the ME review period that should have been addressed by the SA. Reviewers need to make a list of these policies and may wish to take these with them for reference. Examine files to determine what waivers have been requested/granted.

Gather participation data, SF-269 (Financial Status Report (long form)) data, and other FM data, if needed. Discuss ME with FM, to determine if they have any concerns about the SA.

Talk to others in SNP, including FD, if necessary, to determine if they have any concerns that should be addressed.

During the first team meeting, determine which assignments each team member will have. Decide what files will be needed at the SA and the sample size of the files, if possible.

Prior to the ME, obtain an organizational chart from the SA that not only shows the SA’s position within the State department but also displays the names of all of the SA staff responsible for applicable CND program activities, including FM, audit staff, etc. Retain for work papers.

Schedule any local reviews or attendance at training that are appropriate.

During team meetings prior to the ME visit, stress the importance of keeping the team leader informed of findings as they are noted, including issues such as SA staffing concerns or problems in any area.

Review the ME guidance with each team member to ensure their familiarity with it. Ensure that each member understands the responsibility to assess quality as well as quantity in assessing the SA’s compliance with Program requirements.

This final point is critical. ME team members reviewing SA handbooks, guidance, and protocols to determine whether they comply with regulatory requirements must take the additional step of sampling SA files to determine that the policies are, in fact, being implemented. For example, in addition to documenting that the SA has a handbook describing what constitutes a complete review of an independent center or a sponsoring organization, it is incumbent on the reviewer to analyze a large enough sample of actual review files to determine whether the handbook’s procedures are being properly and consistently implemented.

**Entrance Conference with SA**

- Discuss the objective(s) of the ME.
- Provide an overview of the agenda.
Schedule interviews with SA staff.

Establish scope of review (i.e., records from ____ to/through ____).

Request any files needed.

Arrange for workspace.

Schedule a tentative exit conference.

**Reporting:** Timely reporting to the SA is critical, particularly if findings require corrective action. Therefore, we recommend that final ME reports be submitted to the SA 60 days following completion of the ME. In reporting the ME results to the SA, the time period reviewed for each element should be clearly identified. For Focused MEs, HQ participant must send applicable material(s) to the RO for insertion into the report. For all MEs, copies of each ME final report and transmittal correspondence acknowledging closure of the ME should be submitted to HQ as completed. ROs should notify the CND and any other applicable agencies immediately of critical areas or significant items identified that cannot be submitted timely. For FY 2009, MEs should be completed to allow reports to be submitted no later than October 31, 2009.
The following are review questions for all areas in a comprehensive ME including required critical elements in a focused ME.
I. GENERAL

Goals

1) Does the SA establish goals and objectives for each fiscal year? What are the goals for FY 2009? How are goals communicated to appropriate persons? How is progress monitored? Are goals revised as needed?

State Agency Issues

2) Discuss with SA staff any unresolved issues, including issues from prior Management Evaluations and audits, including corrective action required and/or implemented.

State Laws, Policy, Legislation

Staffing

3) Obtain a copy of the SA staff chart. Indicate what percentage of time various staff spend 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 in low-income and rural areas? Is the SA meeting its responsibilities under 7 CFR 226.6(a)? [See OMB Circular No. A-11(2008), Section 85.2 for FTE calculation.]

4) Are there any recently approved State laws, policies, or pending legislation that might impact the SA’s operation of the CACFP? Obtain a copy or list laws, policies or pending legislation.
**State Administrative Expense (SAE) Plan**  (This section is OPTIONAL)

Determine if the SA has submitted a request for a substantive change to the RO for approval and revised the initial plan accordingly. SAs are expected to implement their approved administrative plans to the extent practicable. Implementation of the SAE Plans should be assessed as an integral part of the ME process. If the SA substantially fails to implement its planned activities as described in its approved plan, corrective action should be taken, and the impact on the SAE Plan noted. In reviewing the SAE planned activities and budget:

Assess the SA's performance of the various activities identified in its SAE Plan. If the activities are not adequately accomplished, determine the reason. Also assess the overall performance of the SA and determine whether the planned activity levels address the actual programmatic needs of the SA. Assess both the current year and the last year a management evaluation was conducted to determine if the expenditures are reasonable and necessary and if the expenditures are allowable to administer the grant. In instances where SAE funds are underutilized, explain ways to use funds that will strengthen program administration. The RO should take the appropriate actions to resolve any deficiencies found.

Determine if the SA has assessed its accomplishments at mid-year to evaluate its status in relation to the activities identified in the SAE Plan.

Ensure that the SA has provided sufficient funds from State sources to maintain the required FY 1977 level. Assess the accuracy and timeliness of the reporting on the SF-269. Determine if the State and Federal dollar amounts provided on the SF-269 are accurate.

Analyze and comment on the SA management of carryover funds. The amount carried over by the SA is calculated by subtracting line "k" (total Federal share of outlays and unliquidated obligations) of the 4th quarter SF-269 from the total amount of the SAE grant as of September 30. Any changes to the 4th quarter SF-269 should be made before December 15. The RO should ensure that: (1) only Federal funds are included in line "k"; (2) the SA adhered to the 20 percent carryover limitation; and (3) any amount exceeding the carryover limit was recovered. In addition, note the reasons for the existence of carryover and, if applicable, the reasons for any increases or decreases in the level of carryover from the amount the SA reported on the SAE Funds Reallocation Report (FNS-525).

Determine if funds received through the SAE reallocation process were/are being used in accordance with approved use. Recover any reallocated funds not used for the purpose for which they were reallocated.

**II. APPLICATION APPROVAL/RENEWAL PROCESS**
5) How often does the SA require institutions to submit application renewals: annually, every two years, every three years? How is frequency determined? [7 CFR 226.6(b)(2) and 226.6(f)(2)(i)]

6) Does the SA collect annual information from participating institutions without requiring them to submit a renewal application? [7 CFR 226.6(b)(2)] If yes, what information? [See Attachment G Supplement: Minimum Federal Requirements]

**Types of Applications/Agreements**

7) Does the SA have any multi-State agreements? How does the SA identify multi-State sponsoring organizations during the application process? (Suggested questions to be answered: Does the organization operate in more than one State? If yes, obtain the name, address and phone number of the parent organization as well as the contact person if available. Who is financially and/or administratively responsible for the organization? Does your local affiliate send money from the non-profit food service account or money from the CACFP to the parent organization?)

If there are multi-State agreements, review sponsor file(s). Was the budget 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?

8) Does the SA enter into permanent agreements with any type of institution? [7 CFR 226.6(b)(4)] [NOTE: SAs are still required to enter into permanent agreement with school food authorities under circumstances defined at 7 CFR 226.6(b)(4)(ii)(A).]

9) Does the SA have different requirements for new institution applications versus renewals? If yes, describe differences. [7 CFR 226.6(b)]
10) Does the SA require less information from renewing independent centers than from renewing sponsors? [7 CFR 226.6(b)(1)-(2)]

 Development of Forms and Instructions

11) Obtain copies of SA application 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?

12) Using Attachment D, review forms for compliance with 7 CFR 226.6(b); 226.6(f)(1), (2) and (3); 226.15(b); 226.16(b); 226.17(b); 226.19(a) and 226.19(b)

 NOTE: In accordance with the Child Nutrition and WIC Reauthorization Act of 2004, for children, households are no longer required to report changes in circumstances, such as an increase in income, a decrease in household size or when the household is no longer certified for food stamps or TANF. For adults, households are no longer required to report changes in circumstances, such as an increase in income, a decrease in household size or when the household is no longer certified for SSI or Medicare. Has the SA removed this requirement from its Letter to the Household and/or other Program-related materials? [CACFP 10-2006, dated March 30, 2006]

13) Verify that application requirements are met for each type of institution (centers, homeless programs, outside school hours centers, FDCH sponsors, afterschool, new, renewing, etc.).

14) 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?

15) Do the SA’s forms contain questions/elements that solicit collection of thorough, detailed information from the applicant institutions, in particular, the sponsor’s management plan and budget? [The form review can be conducted prior to onsite ME. Review of forms should ensure compliance with regulatory requirements.]
SA Application/Agreement Processing Procedures

16) For the review year, how many applications did the SA receive? ________

17) How many applications did the SA approve? ________

18) How many applications were approved within 30 days of receipt of a complete application? ________

19) How many applications are still pending? ________

   Why are applications still pending?

   If any applications were denied, how many? ________

   For those denied, has the SA issued a letter of denial? If no, explain.

20) How does the SA ensure that applications are approved/denied within 30 calendar days of receipt of a complete application? [7 CFR 226.6(b)(3)]

21) Did the SA meet the processing standard for action on complete applications, as stated in 7 CFR 226.6(b)?

22) How many applications were not processed within the 30-day timeframe for complete applications? ____________
23) 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. (60/90 day guidance dated August 2001.)

24) 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?

25) How does the SA document its review/evaluation of applications to ensure each application is complete?

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

27) How does the SA document its assessment of an institution’s viability, capability, and accountability, i.e., reviewing organizational charts, budgets, monitoring, staffing standards, etc.? [7 CFR 226.6(b)(1)(xviii)(A), (B), and (C) and 226.6(b)(2)(vii)(A), (B), and (C)]

28) 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)? [7 CFR 226.6(b)(1)(xi) and 226.6(e)(7)]
29) Is the SA checking the NDL to ensure that institutions/individuals are not listed? [7 CFR 226.6(b)(1)(xi) and 226.6(c)(7)]

30) Has the SA denied any applications submitted by institutions included on FNS’ NDL of ineligible institutions?

31) If the SA determined an applicant to be seriously deficient, did it provide proper notification to the RO? [7 CFR 226.6(c)(1)(iii)(A)]

32) What are the criteria developed by SA for determining service to unserved areas/participants? [7 CFR 226.6(b)(1)(xi)(A)]

33) How does/did the SA communicate these criteria to new sponsoring organizations (SO) – i.e., outreach materials, new SO training, etc.?

34) How does the SA determine that a new SO will provide the Program to currently unserved providers and children? [7 CFR 226.6(b)(1)(x)(B)]

35) How does the SA document its determination that individual facilities are eligible to participate in the Program as a sponsored facility? [The review should sample some of the SA’s determinations to access if the facility approval system is effective.]
36) Does the SA conduct pre-approval visits of all new private nonprofit and for-profit child care institutions per 7 CFR 226.6(b)(1)? Obtain a copy of the SA’s pre-approval review form and review for adequacy.

37) What are the SA’s policies for denial of applications? If written, obtain a copy and review for adequacy.

38) 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)]

39) Did the SA meet the regulatory requirements for denying applications for new or renewing institutions? [7 CFR 226.6(c)(1) for new institutions and 226.6(c)(2) for renewing institutions]

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

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

41) What types of institutions and facilities are required to be licensed/approved?

42) Are any institutions/facilities license-exempt?
43) Are any institutions/facilities alternately approved? If so, describe the SA’s alternate approval process.

44) 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?

**Tracking of Duplicate Providers**

45) 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**

46) Has the SA established a system that allows institutions to submit applications and process claims electronically?

If the SA has implemented an electronic system, does it include a method for institutions to fully access and participate in the CACFP without use of the Internet or a computer?[CACFP 09-2007]

**FDCH Transfers**

47) What is the SA’s system to limit provider transfers to no more than one per year? [7 CFR 226.6(p)]
48) Has the SA allowed for more frequent provider transfers? If so, what are the reasons?

**Budget**

49) Does the SA require sponsors of centers to devote a certain amount of monthly reimbursement for food costs vs. administrative costs? If so, how is this accomplished and how does the SA monitor sponsor retention or accumulation of reimbursement for food costs and administrative costs? (Reference: A-87 – Attachment A, D; A-122 – Attachment A, 1)

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

**Tax Exempt Status**

51) 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? If yes, obtain a copy.

52) For private, nonprofit institutions, how has the SA ensured that only institutions with tax-exempt status are approved for participation? [7 CFR 226.15(a), 226.16(a), 226.17(b)(2), and 226.19(b)(2)]

**Free and Reduced Price Policy**
53) How often does the SA require the submission of Free and Reduced-Price Policy Statements? **NOTE:** Institutions must revise their policy statement only when a substantive change is made to the policy. [7 CFR 226.23(a)]

**Commodities or Cash-in-Lieu**

54) How does the SA ensure that institutional commodities preferences are communicated to the State Distributing Agency? [7 CFR 226.6(h)]

**Budget Approval**

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

56) Has the SA provided a budget form that identifies specific cost items that require prior approval from the SA or that require specific prior written approval by the SA and/or RO?

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

58) Has the SA provided prior approval for those cost items requiring it? (See Attachment I)
59) Has the SA forwarded to RO required requests for specific prior written approval for those items requiring it? (See Attachment I)

If the answer to any of the above questions is yes, review and evaluate correspondence(s) related to the question(s) for clarity, thoroughness and compliance with Attachment I.

**File Review**

Review a judgmentally selected sample of application/agreement 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 or income eligibility documentation (for-profit 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
- Documentation of unserved facilities or participants (for new sponsoring organizations)
- Certification of publicly-funded program participation
- Certification of correct application, names, and addresses
- Certification of no criminal convictions
- Outside employment policy
- Performance standards for financial viability, administrative capability, and program accountability
- Certification of Bonding (for sponsoring organizations if required by State law, regulation, or policy)
- Truthful Certification
III. TRAINING AND TECHNICAL ASSISTANCE

7 CFR 226.6(m) requires State agencies 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

60) Does the SA have a written training plan for the following: SA staff? Sponsoring Organizations? Centers (all types)?

If yes, review training plan(s) for content.

61) If the SA does not have a written training plan, how is it determined what training will be conducted?

62) When developing the training plan, what does the SA consider (e.g., 2nd Integrity Rule Training, Phase II Training materials, Management Improvement Guidance, evaluations from previous trainings, audit and review findings, application/claim errors, policy and regulations, etc.)?

63) Does the SA modify the training plan to address Program changes (e.g., Integrity Rule requirements, expansion funds, At-Risk Snacks and Suppers, tiering status based on school data (5 years) and permanent agreements for day care homes, age limits in emergency shelters, disregard of audit findings under $600, etc.)? Did the content follow the plan?

64) Does the training plan include an evaluation component? How are these evaluations used in future training plans?
65) Is the plan adequate in addressing Program integrity and management improvement issues?

Training of SA Staff

66) How is new SA staff trained?

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

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

69) 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?

70) Does the SA staff attend national conferences (e.g., The Sponsor’s Assoc., National CACFP Professionals, CACFP Sponsors Forum/FRAC, etc.)?
71) Does the SA send appropriate staff to these conferences/meetings? How is information disseminated to other staff?

**SA Training of Institutions**

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

72) Does the SA require institutions to attend annual training? Does the SA have any policies as to who should attend the training? How are non-attendees trained?

73) Does the SA require training prior to participation?

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

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

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

77) Does the training appear to be adequate for Program needs?

**Institution Training**

7 CFR 226.15(e)(12) …Each institution shall establish procedures to collect and maintain all Program records…information on training session date(s) and location(s), as well as topics presented and names of participants….
7 CFR 226.16(d) …Each sponsoring organization must 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.

78) How does the SA evaluate institutions’ compliance with training requirements: institution attendance at SA training; sponsor training of monitoring staff; and sponsor training of providers? For example, does the SA require sponsors to address these requirements in the management plan? Does the SA attend sponsor training of providers? Does the SA assess compliance with training requirements during SA reviews of institutions and sponsored facilities?

79) Does the SA staff participate in training conducted by institutions? If yes, in what capacity?

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

81) Does the SA provide training materials for institutions? If yes, what types of materials are provided?

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

83) How does the SA ensure that SOs provide training on Program duties and responsibilities to all key staff from sponsored facilities prior to the beginning of Program operations… and additional mandatory training sessions for key staff from all sponsored child care and adult day care facilities not less than frequently than annually? [7 CFR 226.16(d)(2) and (3)]
**General Technical Assistance (TA)**

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

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

86) Does the SA have a handbook for each type of institution? If not, what guidance is available for Program participants? Is the handbook up-to-date? If not, when will it be updated?

**Policy Implementation**

Evaluate the SA’s system for disseminating new policies and procedures (e.g., memos, newsletters, etc.).

87) Has the SA implemented policies that are in addition to Federal CACFP requirements?

If so, has the SA requested FNS approval prior to implementing these additional requirements?

Are any of the additional requirements, in practice, inconsistent with CACFP regulations?
Do any of the additional requirements, in practice, deny CACFP access or participation to any otherwise eligible institution? [CACFP 05-2007]

88) Are policies disseminated in a timely manner? How are they disseminated (e.g., Inter/Intranet, memos, newsletters, etc.)? Do all similar institutions receive the same information?

89) Were all applicable policies issued by FNS during the ME review period transmitted to institutions?

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

School Data (For FDCH SOs)

Review the SA procedure for obtaining and transmitting elementary school free and reduced-price data used to make tiering determinations. [7 CFR 226.6(f)(1)(viii)]

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

92) On what date did the SA receive the school data? [210.9(b)(20)]

93) What month was used for school data? Was the same month used last year?
94) Does the SA review the school data for accuracy and completeness, prior to transmitting to institutions?

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

96) What is the SA’s process in determining the appropriate staffing ratios for SOs and staffing ratios for monitors? [7 CFR 226.6(b)(1) and 226.16(b)(1)]

Staffing

97) How many full-time equivalents are assigned to monitoring responsibilities for CACFP? [See OMB Circular No. A-11(2008), Section 85.2 for FTE calculation.]

98) How are reviews assigned to staff? (e.g., geographic area, experience, rotation, team, expertise, etc.)

99) How is the monitor staff work evaluated to assure quality and consistency?

100) Does the review coordinator ever accompany review staff on reviews? If yes, for what reason(s)?

Scheduling Reviews [7 CFR 226.6(m)(6)]

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

102) Does the SA’s review cycle comply with review requirements as stated in 7 CFR 226.6(m)(6); that is,

- compliance in reviewing independent centers and sponsors of 1-100 facilities once every 3 years;
- compliance in reviewing sponsors of more than 100 facilities once every two years;
- compliance in reviewing new sponsors of 5 or more facilities within 90 days of beginning CACFP operations.
103) In addition to following the cycle, are there other special criteria for selecting institutions for review? If yes, what are the criteria (e.g., claiming patterns, new growth, staff turnover, complaints, etc.)?

104) Does the SA target for more frequent review institutions whose prior review included a finding of serious deficiency? [7 CFR 226.6(m)(2)]

105) Does the SA promptly investigate institutions or facilities when complaints are received or when irregularities in Program operations are noted? How does the SA maintain receipt of complaints and proof of resolution? [7 CFR 226.6(n)]

106) What types of reviews are being conducted? Discuss follow-up, pre-op, TA visits, mock reviews, etc.

107) Which of these counts toward meeting review requirements? [7 CFR 226.6(m)]

108) Are different forms used depending on the type of review?

109) How does the SA track its progress in meeting review requirements? [7 CFR 226.6(m)]

110) Are there anticipated problems in meeting the regulatory required number of reviews? If so, how does the SA plan to address this/these problems to come into compliance with regulatory requirements?
111) Are new institutions reviewed in the first 90 days of operations? How does the SA document that these institutions are reviewed in the first 90 days of operations?

**Unannounced Reviews** [7 CFR 226.2 and 226.6(m)(6)]

112) Describe the SA policy, including the definition of “unannounced reviews”. [7 CFR 226.6(m)(6) and 226.2] Is the SA conducting unannounced visits to homes? to sponsors? to centers?

113) 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?

114) Is the SA requiring SOs to conduct unannounced reviews to homes or centers? How are SOs informed of this requirement?

**Household Contact** [7 CFR 226.2, 226.6(m)(3)(x), and 226.6(m)(5)]

115) Has the SA established a system for making household contacts to verify the enrollment and attendance of participating children?

116) Does the system specify the circumstances under which household contacts will be made as well as the procedures for conducting household contacts? Review for content.
117) Has the SA established a system for SOs to use in making household contacts as part of their oversight of participating facilities?

118) Does the system specify the circumstances under which household contacts will be made as well as the procedures for conducting household contacts? Review for content.

119) As part of every review, does the SA review the SO’s implementation of the household contact system developed by the SA?

**Review Content**  [7 CFR 226.6(m)]

120) How does the SA prepare for a review?

- review management plan and budget
- review prior reviews and audits
- select sites
- review past correspondence
- discuss with other SA staff

121) Describe any barriers in preparing adequately for a review.

122) By evaluating the SA review forms/work papers, and/or by accompanying the SA on a local review, determine if the SA’s monitoring system assesses the institution’s compliance with the requirements Stated in 7 CFR 226.6(m)(3)(i-xii):

- Recordkeeping;
- Meal counts;
• Administrative costs;
• Any applicable instructions and handbooks issued by FNS and the Department to clarify and explain Program regulations, and any instructions and handbooks issued by the State agency which are not inconsistent with the provisions of Program regulations;
• Facility licensing and approval;
• Compliance with the requirements for annual updating of enrollment forms;
• If an independent center, observation of a meal service; and
• All other Program requirements.

For sponsoring organizations [7 CFR 226.6(m)(3)(viii-xi) and 226.6(m)(4)],

• Training and monitoring of facilities;
• Implementation of the household contact system established by the State agency;
• Procedures for selecting a sample of facilities to review;
• Procedures for conducting verification of Program applications of review sample and for comparing available enrollment and attendance records with the SO’s review results for that facility to meal counts submitted by those facilities for five days;
• If a sponsoring organization of day care homes, implementation of the serious deficiency and termination procedures for day care homes and, if such procedures have been delegated to sponsoring organizations, the administrative review procedures for day care homes; and
• If a sponsoring organization of day care homes, the requirements for classification of tier I and tier II day care homes;

123) Does the SA evaluate sponsoring organizations’ implementation of serious deficiency and termination procedures? Does the SA evaluate the administrative review procedures for day care homes if the SA had delegated that responsibility to sponsoring organizations?

Enrollment Statements [7 CFR 226.6(m)(3), 226.15(e)(2) and 226.15(e)(3)]

124) As part of every review, does the SA review the institution’s implementation of the requirements pertaining to enrollment Statements (i.e., content and frequency)? How is this documented?
Annual Information [7 CFR 226.6(f)(1)(vii)(E)]

125) Does the SA collect from every FDCH sponsor a list of providers who have qualified for tier I benefits on the basis of categorical Food Stamp Program (FSP) eligibility?

126) Within 30 days of receiving the list, does the SA submit it to the SA administering the FSP?

Nonprofit Food Service

127) Review the SA’s system for monitoring nonprofit food service. [FNS Instruction 796-2, Rev. 3; 7 CFR 226.7(b) and 226.15(e)(13)] What policies has the SA instituted?

128) 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?

129) Does the SA’s system include a method for monitoring sponsors of unaffiliated centers for the facilities compliance with nonprofit food service requirements?

130) Does the SA interview a variety of staff and/or members of the board in assessing overall program operations? If so, how (i.e, in person, via phone discussions, etc.)?

131) Has the SA identified any instances in which the health and safety of children were imminently threatened? If so, did the SA follow regulatory provisions? How are other licensing violations handled? [7 CFR 226.6(c)(5); 226.6(o); 226.16(l)(4)]
**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 each type of institution and review files from each SA consultant/monitor. File evaluation should include not only the administrative review form but also a sample of the facility review forms. Track the timeliness of issuing letters, obtaining responses, and closing the review process.

132) Does the SA have timeframes for corrective action? If so, are they meeting the timeframes?

133) Evaluate the quality of corrective action requests and responses. What kinds of findings warrant corrective action by an institution?

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

AUDIT COMPLIANCE [7 CFR 226.8]

Resources:

- 7 CFR 226.8
- Second Edition of Questions and Answers (Q and As) on OMB Circular A-133 [issued July 21, 1999, Grants Management Division]
- 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]
- 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]

American Institute of Certified Public Accountants (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. [These documents must be purchased from the AICPA, which has a proprietary interest in them; however, a SA and/or a State auditor may have these documents.]

Government Accountability Office, Audits of Governmental Activities, Programs and Functions, 2007 can be found at their website [http://www.gao.gov.govaud/ybk01.htm]

A-133 Audit Requirements

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

136) How were institutions notified that an audit is required?
137) SA’s procedures for tracking audits:

   a. Fully describe the procedures SA’s audit tracking procedures if the procedures
      have changed substantially since the last ME:

   b. Update the description from the last ME if the procedures have changed
      moderately:

   c. Reference the report on the last ME if the procedures have not changed at all
      since then.

138) Have all required audits been conducted? [7 CFR Part 3052.400(d)(4)]
NOTE: Review a judgmentally selected sample of A-133 audit reports to include the following data elements:

- Agreement Number
- Name of Institution
- Institution Audit Period
- CACFP Reimbursement in Audit Period
- Date Audit Issued
- Date Audit Received by SA
- Findings
- Corrective Action – Specify “Corrective Action Required” and “Corrective Action Completed”. This will focus the review on whether the SA is demanding complete CA before granting final action.
- Date Audit Closed

139) 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]

140) Are institutions submitting the required Statements to the SA when an audit has been issued with no findings pertaining to the CACFP? [7 CFR Part 3052.320(e)] [Second Edition of Q and As on OMB Circular A-133, Question 57]

141) Does the SA verify letters indicating no CACFP-specific audit findings by accessing information from the Clearinghouse? Is such verification documented?

142) When there are no CACFP findings, does the SA access the Clearinghouse for evidence of organization-wide problems that could impact CACFP administration? If so, what does the SA do when such a problem is found?

143) Do institutions submit to the SA copies of audits that have CACFP findings? If the audit had no current or prior year findings involving the CACFP, the institution need submit only the notification described in section 3052.320(e)(2).
Unless, that is, the institution had other awards from the same State agency, such as the SFSP. In that case, the institution would need to submit the audit reporting package unless there were no findings in any program for which the institution had received awards from the State agency.

Are reports submitted within 9 months following the fiscal year being audited? [7 CFR Part 3052.320(a) and (e)]

**Audit Requirements – For-Profit Institutions**

144) Has the SA established a policy for requiring audits of for-profit institutions? If yes, review written policy. *(Review of the written policy may be completed at the RO prior to beginning the review to allow more time at the SA to complete other parts of the ME.)*

145) Does the SA’s policy set a dollar threshold for requiring audits of for-profit institutions? What is the amount? Is the amount reasonable? Why or why not?

146) Does the SA’s policy set the frequency for audits in for-profit institutions? How often does the SA require such audits? Is the frequency reasonable? Why or Why not?

147) What is the SA’s procedure for tracking, overseeing, and resolving audits of for-profit institutions that are required under this policy?
148) Are the procedures for tracking, overseeing, and resolving audits of for-profit institutions consistent with procedures used for managing audits of other institutions?

149) If the SA’s procedures for managing audits of for-profit institutions differ from those used to manage audits of other institutions, what are the differences and what is the SA’s rationale for prescribing them?

**NOTE:** As time allows, review a sample of audit reports of for-profit institutions to include the following data elements – specify period, e.g., all for-profit institutions subject to SA audit in FY 2008:

- Agreement Number
- Name of Institution
- CACFP Reimbursement in Audit Period
- Date Audit Issued
- Findings
- Corrective Action – Specify “Corrective Action Required” and “Corrective Action Completed”. This will focus the review on whether the SA is demanding complete CA before granting final action.
- Date Audit Closed

**Agreed-Upon Procedures Engagements**

150) 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? [7 CFR Part 3052.230(b)(2)]

151) Who performs the procedures (e.g., State auditor, independent practitioners, etc)?
152) How are the procedures formulated?

How does the SA determine that the information developed by applying the procedures will meet its monitoring requirements? (NOTE: The SA, not the practitioner, is responsible for the sufficiency of agreed-upon procedures.)

153) If this service is obtained through public solicitation, who writes the specifications?

What is the SA’s role in soliciting proposals and selecting the practitioner(s)?

154) How are the results of agreed-upon procedures engagements tracked? Who reviews?

155) How is corrective action handled?

156) How does the SA ensure timely closure? [Second Edition of Q and As on OMB Circular A-133, Questions 27, 30-33 and 35]
NOTE: Review a judgmentally selected sample of records on agreed-upon procedures engagements to include the following data elements – specify the fiscal year:

- Agreement Number
- Name of Institution
- CACFP Reimbursement in the Institutions Fiscal Year
- Date Practitioner’s Agreed-Upon Procedures Report Issued
- Findings
- Corrective Action – Specify “Corrective Action Required” and “Corrective Action Completed”. This will focus the review on whether the SA is demanding complete CA before granting final action.
- Date Report Closed

Audit Oversight

157) How does the SA review audit reports? Who reviews?

158) What training and/or experience have the State reviewers had that prepared them for their oversight duties?

159) What problem areas are identified by audits?

160) How is corrective action handled?

161) 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 taking more than one year from the date of management decision, determine the cause. [7 CFR Part 3052.400(d)(5)]
162) Determine how the SA uses audits in program management. For example, 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; and/or
d) use the results to identify training needs? [7 CFR Part 3052.400(d)(2) and (d)(3)]

163) How does the SA synthesize audits, programmatic reviews, agreed-upon procedures engagements and other monitoring tools into a comprehensive monitoring program?

**Use of 1½% Audit Funds**

164) 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/TA, did the SA have assurance that all institutions under its oversight that had audit requirements would meet them?) Evaluate documentation. [7 CFR 226.8 (a) – (d)]

Does the SA use CACFP audit funds for any purposes other than required audit-related functions? If yes, determine if the alternative use of audit funds in compliance with Program regulations.

165) 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? [7 CFR 3052.230(a), Second Edition of Q and As an OMB Circular A-133, Questions 43 and 44]

**Alternative Approach to CACFP 1½% Audit Funding [7 CFR 226.8]**

Obtain from SA a schedule of actual expenditures by line item charged to 1½% audit funds in FY 2008 or 1½% funds in FY 2009.

List functions charged to audit funding.

Are CACFP Audit funds expenses charged:

- Allowable uses of Audit Funds
- Reasonable
- Applicable to CACFP
- Properly documented

Has SA fully utilized available audit funding? If not, why?

Formula allocation FY 2007 or FY 2009:

Actual expenditures FY 2007 or FY 2009 (to date):

**Claims Processing**

167) Describe the SA system for paying claims. Who reviews and approves claims? Is this the same person who approves the application to participate?

168) 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? [7 CFR 226.9(b)]
**NOTE**: Review a judgmentally selected sample of center claims and independently calculate reimbursement to verify accuracy of SA claims computation.

169) How does the SA ensure that claims are paid within 45 calendar days of receiving a complete and valid claim? [7 CFR 226.7(k)]

170) How are invalid and/or incomplete claims identified and handled? Inspect records of a sample of such claims in order to determine that the SA has correctly identified them as invalid and/or incomplete and has handled them accordingly. [7 CFR 226.7(k)]

171) What is the SA policy on adjusted claims?

172) What is the SA policy/deadline for original and revised claims?

173) How is this policy/deadline communicated to institutions?

174) Does the SA policy/deadline for original and revised claims conform to the 60/90 Day Guidance? If so, how is this tracked?

175) Does the SA collect claiming data for sponsored facilities? If so, how is this information used?
176) Describe the SA’s edit system. Does it contain the two edit checks required by the regulations: approved meal types and total number of meals claimed? [7 CFR 226.7(k)]

177) Does the system contain any of the following additional edit checks:

- agreement on file
- approved facilities
- time frame (60/90)
- commodities and cash-in-lieu
- current rates
- meals do not exceed enrollment or ADA
- license capacity
- current license
- for-profit institution eligibility
- number 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

178) Does the SA review SO’s system of processing facilities claims to verify that it includes the required edit checks (i.e., approved meal types, total number of meals claimed and block claims)? [7 CFR 226.10(c), 226.11(b), and 226.13(b)]

How is the review documented?

179) Does SA document its review of the SO’s compliance with Program guidance permitting SOs to meet the requirement for an unannounced follow-up review, under special circumstances, by evaluating and documenting the reason for a block claim prior to the facility’s first submission of a block claim during the current review year? [CACFP 03-05; CACFP 12-06 and CACFP 15-2007]
180) How does the SA use the claim process to collect overclaims and to adjust for excess advances? [226.8(e); 226.10(b)] Are recoveries of FDCH SO administrative funds handled differently from recoveries of operational funds? If so, how?

181) How does the SA reconcile administrative payments for day care home SOs (i.e., costs, rates, 30% limitation, budget, etc.)? How often? [7 CFR 226.12(a)]

**NOTE:** Review a judgmentally selected sample of FDCH claims and independently calculate reimbursement to verify accuracy of SA claims computation, with specific emphasis on the “year to date”, “cumulative” computation of the four factors for administrative reimbursement.

**Late Claims**

182) How does the SA system ensure that claims past 60 days are not paid? Verify by reviewing the payment log.

183) How are “one-time only” requests for payments approved and tracked? For example, if an institution submits multiple late claims, only one can be paid. Is corrective action required? Is the SA in compliance with 60/90 day guidance?

184) What are criteria for submitting “beyond control of sponsor” exception requests to the RO? Are appeal rights given when requests to forward to FNS are denied?

185) What records are kept to document the disposition of late claims (paid or denied)? Is this sufficient?
Advances [7 CFR 226.10(a) and (b)]

186) The provision of advance funding is discretionary on the part of the SA. Does the SA provide advance funding?

187) What type of institutions may receive advances?

- Centers (for Food ONLY)
- FDCH SOs – Provider Reimbursement
- FDCH SOs – Administrative Reimbursement

188) If the SA provides advances, how are advances calculated? How are advances reconciled and recovered, and at what intervals?

189) How has the SA made these funds available? [7 CFR 226.7(i)] Review the SA’s policy and application process.

Start-Up/Expansion Payments

190) 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 in compliance with regulatory requirements? [7 CFR 226.12(b)(6)]

191) Describe how these funds are monitored. Is cost data submitted? Are the costs allowable? [7 CFR 226.12(b)(6)]

Overclaims

192) Has the SA established requirements for how long a meal service can last and/or the amount of time that has to elapse between meal services? If so, when and how was the SA policy issued to participating institutions? [7 CFR 226.20(k)]
193) What action does the SA take when violations of policy are detected?

194) What is the SA policy on disallowing meals? What is the SA policy on disallowing FDCH SO’s administrative costs? [7 CFR 226.14(a)] Is interest assessed on overclaim payments by institutions in accordance with 7 CFR 226.14(a)? [CND guidance December 2002]

195) Does the SA have a policy specifying when and how a sponsor can collect overpayments from sponsored facilities? If yes, describe.

196) Describe the SA’s process for assessing overclaims. Is it in compliance with 7 CFR 226.8 and 226.14 and FNS Instruction 420-1?

197) Does the SA require sponsors to have a policy for collecting overclaims from sponsored facilities? If yes, describe.

VI. SERIOUS DEFICIENCY PROCESS

The lists of serious deficiencies for new institutions are at 7 CFR 226.6(c)(1)(ii)(A) & (B), for renewing institutions at 7 CFR 226.6(c)(2)(ii)(A)-(I), and for participating institutions at 7 CFR 226.6(c)(3)(ii)(A)-(U).

198) 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)?

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

200) How does the SA document TA throughout the entire process (e.g., training, TA visits, phone calls, etc.)?

201) How many institutions were declared seriously deficient in the ME review year?

What were the SDs listed in the notice(s)?

How many institutions were terminated from the Program in the ME review year?

202) Is the SA maintaining a list that includes information specified in 7 CFR 226.6(c)(8)? If not, why?

203) Describe the SA’s process for denying applications and disqualifying new [7 CFR 226.6 (c)(1)(iii)] or renewing institutions [(7 CFR 226.6(c)(2)(iii)], and terminating and disqualifying participating institutions [7 CFR 226.6(c)(3)(iii)].

204) Describe the SA’s procedures for suspending/terminating/disqualifying an institution’s participation based on the submission of false or fraudulent claims. [7 CFR 226.6(c)(5)(ii)]. Review the notices used by the SA in the suspension process for submission of a false or fraudulent claim as described at 7 CFR 226.6(c)(5)(ii) (B), (C), and (D), including information provided to the institution on its appeal rights [7 CFR 226.6(c)(5)(ii)(B)(4) and (5); 226.5(c)(5)(ii)(C); and 226.6(k)(2)(v)].
205) Does the SA have contingency plans for facilities to continue participating after an SO is terminated? If so, what is the plan?

206) What is the SA’s procedure for notifying the RO to add an institution and/or principal to the NDL? Is it timely? [7 CFR 226.6(c)(3)(iii)(E)(3)]

207) What are the SA’s procedures for notifying the RO to add a provider to the NDL? Is it timely? [7 CFR 226.6(c)(8)(ii)]

208) How does the SA maintain documentation for seriously deficient institutions or family day care homes that are no longer participating in the Program?

How does the SA retain records relating to a principal or individual who is identified as responsible for a serious deficiency when the serious deficiency is corrected?

How long are these files maintained?[CACFP 01-2007]

209) What are the SA’s procedures for notifying institutions and principals/responsible individuals that they have been identified as responsible for a determination of serious deficiency? [7 CFR 226.6(c)(1)(iii)(A), 7 CFR 226.6(c)(2)(iii)(A), and 7 CFR 226.6(c)(3)(iii)(A)]
210) What are the SA’s procedures for removing institutions, responsible principals/individuals [7 CFR 226.6(c)(7)(v)], and day care home providers [7 CFR 226.6(c)(7)(vi)] from the NDL?

**NOTE:** Review a judgmentally selected sample of records on serious deficiency cases and evaluate procedures followed.

211) Is the SA in compliance with the serious deficiency procedures outlined in 7 CFR 226.6(c)(1)(iii) for new institutions, (2)(iii) for renewing institutions, and (3)(iii) for participating institutions?
VII. ADMINISTRATIVE REVIEW (APPEAL PROCEDURES) 7 CFR 226.6(k)

212) Is the SA in compliance with the serious deficiency procedures outlined in 7 CFR 226.6(c)(1)(iii) for new institutions, 7 CFR 226.6(c)(2)(iii) for renewing institutions, and 7 CFR 226.6(c)(3)(iii) for participating institutions? To answer this question, review at least five serious deficiency actions from the State agency list (see 7 CFR 226.6(c)(8)) to determine whether the SA is following all regulatory requirements, and fully documenting:

- The basis for issuing the serious deficiency notice;
- The inclusion of those responsible principals and responsible individuals named in the serious deficiency notice;
- The corrective actions requirements the institution must complete, and the deadline for completion of each corrective action;
- The basis for determining whether the institution’s corrective action was “complete and permanent”; and
- (If applicable) The basis for its issuance of a notice of intent to terminate and disqualify.

213) How does the SA inform institutions of appeal rights and procedures (e.g., annually, at time of adverse action, denial of application, etc.)? [7 CFR 226.6(k)(2) and (4)]

214) How is the SA appeal officer selected? Does the SA contract for processing appeals? Determine if the appeal officer meets the criteria of 7 CFR 226.6(k)(5)(vii).

215) Has the SA established abbreviated review procedures? [7 CFR 226.6(k)(9)]

Has the SA established procedures for a suspension review – that is, the review
provided, upon the institution’s request, to an institution that has been given a notice of intent to suspend participation (including Program payments), based on a determination that the institution has knowingly submitted a false or fraudulent claim? [7 CFR 226.6(c)(5)(ii)(A-F)]

216) Were any request for a suspension review filed for any suspension action taken against an institution?

*Depending on when the ME is conducted, data may be from FY 2008 or FY 2009.*

(NOTE: Reviewer should examine a judgmental sample of these files for compliance with the regular appeals procedures for suspension and the abbreviated review that institutions may request when the SA proposes to suspend for submission of a false or fraudulent claim or imminent danger to the health and welfare of children.) [7 CFR 226.6(c)(5)(ii)(C)].

217) How many appeals were filed with the SA during the ME review year? How many SA decisions were upheld?

218) How many appeals were filed with FNS? How many FNS decisions have been upheld?

219) Is the SA compliance with the appeal procedures required by 7 CFR 226.6(k)?

To answer this question, review at least **five** appeals from the State agency list [see 7 CFR 226.6(c)(8)] to determine whether the SA is following all regulatory requirements, and fully documenting that it provided adequate notice of the institution’s opportunity to appeal. Identify any weaknesses in the process (e.g., lack of documentation, lack of written policy, improper decision by hearing official, etc.)

**ADMINISTRATIVE REVIEW (APPEALS) WORKSHEET**

Complete a worksheet for each appeal file examined. [Attachment F]
VIII. CACFP AT-RISK AFTERSCHOOL SNACKS AND SUPPERS

Afterschool Snacks in the Child and Adult Care Food Program, 72FR41591, 07/31/07; Accommodations for Non-Traditional Program Operators, CACFP 11-2007; and Clarification on the Substitution of NSLP Meals and Use of Offer vs Serve for CACFP Meals Prepared by Schools (CACFP 15-2006)

This portion of the ME review is to assess the SA’s activities to administer the provision authorizing snacks and suppers under the CACFP for children participating in afterschool care programs that include education or enrichment activities. The review should encompass the following:

220) How many afterschool care program sites applied to participate last year? How many afterschool care program sites were approved?

221) For those sites approved, did the SA correctly apply the criteria established by FNS for determining program and site eligibility?

222) For any sites where the application was denied, did the SA correctly apply the criteria in denying the application?

223) Is there a sufficient number of State staff to effectively administer the afterschool component?

224) Did the SA training cover:

- program eligibility,
- site eligibility, meal pattern,
- meal counting and claiming procedures,
- area eligibility, times of operation,
- licensing,
- reporting and recordkeeping requirements, and
- health or safety codes required by State or local law?

225) If applicable, did the SA provide TA?

226) Review the SA’s system for processing claims for reimbursement of afterschool
suppers and determine if it accurately provides payments to eligible sites.

227) Did reviews conducted by the SA disclose any administrative deficiencies? If so, what deficiencies were identified?

228) Describe any outreach efforts by the SA to increase the number of participating sites.
IX. CIVIL RIGHTS

FNS civil rights compliance reviews are intended to determine if an agency is operating in accordance with civil rights laws, regulations and requirements. These questions are based on FNS Instruction 113-1, issued 11-8-05 and are subject to revision as civil rights requirements or priorities change.

NOTE: Some of the information may be requested prior to the onsite ME and documentation may be requested during the onsite portion of the ME to verify some of the information provided.

ORGANIZATION AND ADMINISTRATION

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

________________________________________ Title VI Coordinator
(Title VI prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving Federal financial assistance.)

________________________________________ Title IX Coordinator
(Title IX of the Education Amendments of 1972 prohibits discrimination based on sex in educational programs and activities that receive Federal financial assistance.)

________________________________________ Section 504 Coordinator
(Section 504 prohibits discrimination against individuals with disabilities. It ensures that individuals with disabilities have equal access to an education.)

LIMITED ENGLISH PROFICIENCY (LEP) (FNS 113-1, Rev. 11/08/05, Section VII)

1. Does the SA conduct assessments Statewide and in local areas to determine if there are other languages needs to serve people with limited English proficiency?

   Yes                           No

2. What other languages other than English are widely used in the State?

3. Are there materials available in other languages?

   Yes                           No

   If so, in what languages are they printed?

4. 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

5. Does the SA maintain a list of qualified interpreters and translators?

Yes  No

6. Describe any training provided to translators and interpreters and what they are instructed regarding confidentiality and other civil rights requirements. Attach copies of any guidelines given to translators and interpreters.

7. How are potential Program participants made aware of the availability of other languages?

8. Are Program participants who have been identified as having limited English proficiency provided regulatory changes, policies and procedures in other languages?

Yes  No

EQUAL OPPORTUNITY FOR RELIGIOUS ORGANIZATIONS
(FNS 113-1, Rev. 11/08/05, Section VIII)

1. Has the SA conducted outreach over the past year to faith-based entities to educate them on the faith based rules and opportunities for participation in the FNS-funded programs?

Yes  No

2. How many Program participants are faith-based?

3. What monitoring is conducted to ensure that participating faith-based organizations do not discriminate against a program beneficiary or prospective beneficiary?
4. How does the SA ensure that direct USDA funds do not support inherently religious activities such as worship, religious instruction or proselytizing?

**PUBLIC NOTIFICATION** (FNS 113-1, Rev. 11/08/05, Section IX)

1. Does the SA conduct outreach to non-participating agencies, including child care centers, outside-school-hours care centers, day care homes, and adult day care centers? 7 CFR 226.6(g)

   - Yes
   - No

2. Does the SA advise minority/grassroot organizations of Program availability?

   - Yes
   - No

3. Does the SA ensure that the appropriate non-discrimination Statement is on all materials and sources (including Web sites) that are used to inform the public about FNS-funded programs?

   - Yes
   - No

4. Does the SA advise participating local agencies to implement a public notification system?

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

   Yes   No

6. Does the SA require participating institutions to display an FNS-approved nondiscrimination poster?

   Yes   No

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

   Yes   No

8. Is the message of equal opportunity conveyed through photographs and graphics used on Program or Program-related information?

   Yes   No

9. Explain how Program participants at the service delivery point are advised of their right to file a complaint, how to file a complaint, and complaint procedures.

**ASSURANCES** (FNS 113-1, Rev. 11/08/05, Section X)

1. Attach a copy of the current assurance language in the SA-Institution Agreement.

2. Is a civil rights assurance statement incorporated into all sponsor-facilities agreements?

   Yes   No
3. Does the agreement contain the required language? 7 CFR 226.23(b) and 226.23(c)(5)

   Yes    No

CIVIL RIGHTS TRAINING (FNS113-1, Rev. 11/08/05, Section XI)

1. Does SA provide annual civil rights training to its frontline staff?

   Yes    No

2. Does the SA provide annual civil rights training to institutions’ staff?

   Yes    No

3. Describe civil rights training that was provided in the past year. Include information on dates of training, who attended each session, and a copy of the curricula used at each session.

4. Describe how new employees are trained in civil rights and how soon they receive civil rights training after they are hired.

DATA COLLECTION AND REPORTING (FNS 113-1, Rev. 11/08/05, Section XII)

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. Was the basis for any review a possible civil rights issue?

   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**
(FNS 113-1, Rev. 11/08/05, Section XII)

1. Does the SA ensure that each institution annually collects and maintains on file for three years beneficiary data by racial/ethnic category for each facility under its jurisdiction?

   Yes       No

2. Does the SA determine if any identified group is 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
COMPLIANCE REVIEWS (FNS 113-1, Rev. 11/08/05, Section XIII)

1. Describe the SA’s system for conducting pre-award compliance reviews and note how many (if any) pre-award compliance reviews were conducted over the past year.

2. Describe the SA’s system for conducting routine compliance reviews. Attach a copy of the review form(s) used by the SA. Note if the reviews are done separately or as part of an overall administrative review or monitoring visit.

3. Describe any special compliance reviews conducted over the past year. Include information about what led to the review. Review a copy of the report.

4. Describe any tracking system that the SA has for reviews and explain how the SA ensures that all Program participants are reviewed in accordance with the established cycle.

RESOLUTION OF NONCOMPLIANCE (FNS 113-1, Rev. 11/08/05, Section XIV)

1. Describe the SA’s system for resolving findings of noncompliance.
2. Describe any incidences of noncompliance over the past year and the current status and resolution.

COMPLAINTS OF DISCRIMINATION (FNS 113-1, Rev. 11/08/05, Section XV)

1. Does the SA have procedures for handling civil rights complaints in compliance with FNS Instruction 113-1? Attach a copy of the procedures.

   Yes               No

2. Explain how the agency differentiates between Program complaints and civil rights complaints.

3. Has the SA received any civil rights complaints this year?

   Yes               No

4. If applicable, were all civil rights complaints acted upon and resolved in a timely manner?

   Yes               No

5. Were all civil rights complaints forwarded to FNS in a timely manner, consistent with the requirements in FNS Instruction 113-1?

   Yes               No