May 23, 2005

Reply to
Attn. of: SFSP-514

Subject: Summer Food Service Program (SFSP): Management Evaluation (ME) Form for Fiscal Year (FY) 2005

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

Attached is the ME form which will be used for the FY 2005 State Agency MEs. Information from Policy Memos through SFSP-513, dated April 8, 2005 were included in this ME form. In addition, the SFSP ME Guidance for 2005 that was developed in our National Office is attached.

We will be conducting MEs in the following States:

Missouri
Montana
North Dakota
Utah

In addition, Regional Office staff will accompany State Agency staff on local SFSP monitoring reviews in Wyoming.

If you have any questions regarding the FY 2005 MEs, please call our office at (303) 844-0354.

[Signature]

DARLENE SANCHEZ
Regional Director
Special Nutrition Programs

Attachments
The Management Evaluation (ME) process is the principal management tool used to determine the effectiveness of State agency (SA) program performance. A primary function of this process is to provide timely technical assistance to improve SA program operations. This Guidance has been developed for regional office (RO) use in assessing the SA’s administration and management of the 2005 Summer Food Service Program (SFSP).

Information acquired through these reviews is useful in identifying common problem areas, and planning administrative objectives, which may influence legislative and regulatory changes. Based on the outcome of the evaluation, recommendations to correct findings are made, as needed. Timely corrective action is essential given the short term of the SFSP operation. Since the overall goal of the ME is to improve program management, suggestions to enhance program operations are also considered an integral element of the ME process.

OVERVIEW

Scope of Review. The Guidance targets areas of program vulnerability and provides direction to ensure that critical areas of program management are reviewed. The ME process continues, however, to allow each RO to design its SA review based on knowledge of individual program operations including an assessment of the SA’s actions in implementing the objectives identified in the Management and Administration Plan (MAP).

Designed to offer direction in conducting MEs, the Guidance suggests a review for compliance in many areas including program eligibility, food service management companies, meal service, commodity foods, civil rights, and financial management. Through the use of this Guidance, a comprehensive assessment of the areas targeted can be accomplished. Additionally, a review of corrective actions implemented to ensure resolution for any previously identified problem in any prior audit, review, or ME should be addressed as part of the evaluation. Sponsor and site visits should be utilized by the RO to assess the SA’s monitoring and technical assistance efforts.

Reporting. As part of the ME process, information describing program characteristics and SA administration should be collected and reported. Copies of each ME and all copies of correspondence (RO and SA) pertaining to corrective action should be submitted to the Child Nutrition Division (CND) by October 31, 2005.
I. RESOURCE AVAILABILITY

Is SA staffing adequate? Are the personnel qualified and are resources available to provide consultative, technical, and managerial assistance to sponsors as required by 225.6(a)? Do job descriptions accurately reflect the assignment of program responsibilities? Does the SA have sufficient resources to effectively monitor and manage the program?

II. PROGRAM OPERATIONS

A. Outreach Efforts

This section focuses on the outreach efforts that are planned or have been conducted for the summer of 2005, in response to the Department’s initiative to expand the availability of the SFSP. Did the SA establish strategies to expand the SFSP and, if yes, are the strategies responsive to the goal of expanding the SFSP? Did the SA implement the strategies and what was the rate of success? Is there a need for the SA to develop and implement different strategies for expanding the SFSP?

B. Public Notification

Describe the efforts of the SA to announce the purpose, eligibility criteria, and availability of the program throughout the State by February 1 as required by 225.6(a) (2). What were the SA’s goals for expanding the SFSP in Fiscal Year 2004? What outreach strategies did the SA use? How effective were they?

C. Eligibility and Approval for Sponsors and Sites

Did the SA conduct pre-approval visits of sponsors and sites as specified in 225.7(d)(1)? Is the SA adhering to conditions affecting approval and participation of private nonprofit organizations? Has the SA ensured that the sponsor as required in 225.6(a) (3) certifies each sponsor application, site information sheet, and program agreement? Is the SA in compliance with all other requirements for sponsor applications, agreements, and site approvals required in 225.6?

D. Procurement

General Requirements. Does the SA ensure compliance by sponsors with regard to 225.15(h)(4)? Does the SA ensure that sponsors that contract with a food service management company comply with the competitive sealed bid procedures set forth in 225.15(h)(4)(i)-(xii)? Does the SA provide guidance to local agencies on State/Federal procurement requirements including 7 CFR Part 3016, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and 7 CFR Part 3019, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations? If so, review guidance materials provided and determine if it is appropriate and adequate. Is technical assistance available from the SA for sponsors?
requesting assistance in developing specifications, developing and/or reviewing invitations for bids/requests for proposals, evaluating bids/proposals, and writing contracts? Does the SA review procurement action when it conducts reviews at the local level? Does such review ensure that contracts contain applicable certifications, i.e., Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions; Certification Regarding Lobbying; Disclosure of Lobbying Activities? How is the SA implementing Anti-Competitive Prohibitions and prohibitions against awarding geographic preference?

Food Service Management Companies (FSMC) Do the prototype and any other approved contract forms contain the terms outlined under 225.6(h)(2)?

Does the SA prohibit subcontracting of sponsor management functions, and ensure that sponsors of vended programs exercise full operational control over the program? Does the SA exercise the option of requiring sponsors contracting with FSMCs to establish special accounts for operating costs in accordance with 225.6(f)?

Review the SA’s system for ensuring compliance by sponsors with regard to FSMC contracting requirements under 225.15(h)(4) and 225.17. Do FSMC contracts with school food authorities specifically cite the SFSP? Has the SA complied with the provisions of 225.6(h)(4) and (6) in monitoring procurement bids? Do contracts over $10,000 contain a bid bond in accordance with 225.15(h)(5) and (7)? Did the SA provide appropriate guidance to the sponsor to ensure that applicable Federal, as well as State and local, procurement standards were followed?

E. Meal Service

Has the SA permitted sponsors, which serve meals prepared by schools participating in the school meal programs, to substitute the meal requirements of the NSLP and the SBP for the meal pattern of SFSP, as required in 225.16(f)(1)?

Review the SA’s method for determining “program adults” and “non-program adults” and the rules that apply to feeding the two types. Were all children fed first? Was the income from the sale of adult meals and/or non-program funds used to pay for adult meals reported as income to the program on the claim form to offset reported costs? Were meals served to children, program adults, and non-program adults counted and recorded separately on the daily meal count form? Was additional site staff hired to maintain program safety and integrity?

Do the SA’s procedures for authorizing sponsors to serve food in smaller quantities for children under six years of age conform to the requirements of 225.16(f)(2) and larger portions than the minimum quantities for children ages 12 to 18 years of age conform to the requirements of 225.16(d)?

Did the SA allow sponsors to implement the provision that fruit and vegetable food items may be taken off site? How did the SA determine whether or not to allow foods to
be taken off site? What type of monitoring system did the SA use to ensure problems did not arise?

F. Commodity Foods

Review the SA’s system for ensuring that commodity assistance is made available to eligible sponsors. Is the SA in compliance with 225.9(b) (2) requiring that the Distributing Agency be notified no later than June 1 of sponsors eligible to receive commodities? Does the listing only include those sponsors specified in 225.9(b) (1)? Were the commodity entitlements based on the projected number of meals to be served by the sponsors?

Is there a system for ensuring that the distribution of commodities to SFSP sites was based on the number of eligible children’s meals served as required by 225.15(a) (2)? Does the SA ensure that SFSP sponsors of summer camps that are eligible to receive commodities report the total meals served to children (needy and nonneedy)? Does the SA have a mechanism to ensure the transfer of unused commodities from SFSP sponsors to another authorized outlet?

G. Program Payments

Does the SA have a system for ensuring that sponsors are not paid for meals claimed outside the approved days of operation? Review and assess the SA’s efforts to ensure compliance with the provision restricting the percentage of second meals that may be claimed for reimbursement (225.15(b) (4)). Determine if the SA is following its established policy regarding the allowability of excess meals. Review the SA’s system to comply with the provisions of 225.15(a) (2) to prohibit the payment of claims for meals reimbursed under other federally funded programs. Has the SA implemented a single claim system for school food authorities that operate multiple CN programs?

Assess the SA’s efforts to ensure compliance with the requirement, which prohibits sponsors from including the costs of nonreimbursable meals in its determination of operating costs. Sponsors may only be reimbursed for the costs of the following: the cost of adult meals specified in 225.9(d) (5); the cost of meals examined by State or local inspectors and/or auditors (225.9(e)); and the cost of meals which does not exceed 102 percent of the number of children present for each meal service during the claiming period as specified in 225.15(b) (4). (This amount equals 100 percent of first meals for children plus a maximum of 2% allowed for second meals.) Sponsors must be able to document specific operating costs to support their claims for reimbursement. How does the SA ensure that sponsors report and deduct all income accruing to the program from the combined operating and administrative costs per FNS Instruction 796-4, Rev. 4, Financial Management-Summer Food Service Program for Children?

If this SA is a participant in the SFSP project to eliminate cost comparison, what changes has it made to its payment system to allow program payments to be made to
eligible sponsors without a comparison of operating and administrative costs? Describe the SA's efforts and accomplishments in maximizing participation through this project.

III. OVERSIGHT

A. Technical Assistance and Training

Has the SA implemented the training plan as described in the MAP? Was training provided to every sponsor, prior to it operating the program? Has the SA developed and made available necessary program materials in sufficient time to enable applicant sponsors to prepare adequately for the program as required by 225.7(b)?

How were new policies issued by FNS, during the ME review period, handled? Are there any recently approved State laws, policies, or pending legislation which might impact the SA's administration of SFSP?

B. Monitoring/Corrective Action

Did the SA conduct a review of every new sponsor during the first year of operation? Did the SA review every sponsor, which experienced significant operational problems in the prior year? Did the SA review each sponsor at least once in three years? Did the SA review a number of sponsors whose program reimbursements, in the aggregate, accounted for at least one-half of the total program meal reimbursements in the state in the prior year? As part of each sponsor review, did the sponsor conduct reviews of at least 10 percent of each sponsor's sites, or one site, whichever number is greater? Did the SA review sponsors with large numbers of sites, or a site with a large number of children attending before reviewing sponsors with few sites or a site with fewer children? Regulatory citations for these requirements are found at 225.7(d) (2).

Did the SA disseminate information and provide technical assistance to school districts about the "seamless" summer food pilot? Were SFSP staffs involved in the monitoring efforts of school districts participating in the pilot? If so, what were the results of the monitoring efforts?

C. Program Violations

Do the SA's procedures for declaring sponsors seriously deficient conform to the requirements of 225.11(c)? Is the SA in compliance with 225.11(c), which addresses denial of applications and termination of sponsors? Has the SA complied with the provisions of 225.11(d) through (f) and 225.12(a) regarding meal service restrictions, meal disallowances, claim disallowances, corrective action and termination of sites?

Are the SA's procedures for resolving complaints alleging program violations effective and timely? Record the number of and nature of such complaints, and the actions taken by the SA.
IV. APPEAL PROCEDURES

Is the SA in compliance with the appeal procedure requirements outlined in 225.13? Are appeal rights provided in writing to each applicant? As applicable, has the SA notified each sponsor of its right to appeal when it is advised of an adverse action? Review the SA’s records of appeals for the current fiscal year. Record the number filed, reasons, and outcomes of the appeals filed.

V. WAIVERS

Review the SA’s overall process for developing waiver requests. Describe the results of this effort. Has the SA complied with application, public notification, and reporting requirements?

VI. CIVIL RIGHTS COMPLIANCE

Determine the SA’s compliance with 225.7(g) using FNS Instruction 113-8, Civil Rights Compliance and Enforcement in the SFSP.

VII. FINANCIAL MANAGEMENT

In order to achieve the most effective use of RO resources and since the financial management requirements for all child nutrition programs are largely consistent, a Financial Management review conducted in conjunction with a coordinated ME or an SFSP ME should encompass all of the programs administered by the SA. The Coordinated ME Guidance for Fiscal Year 2005, which was issued on November 3, 2004, for School Programs and Food Distribution Program, contains Part III. Financial Management component, which in most respects, is applicable to SFSP as well as the other child nutrition programs. In addition, certain aspects of this SFSP Guidance under section II. Program Operations, including B, Public Notification; D, Procurement; and G, Program Payments; may be more appropriately included in the scope of the Financial Management review. Therefore, ROs should, with the additions and exceptions noted below for the referenced sections, refer to the coordinated guidance for School Programs and Food Distribution Program when conducting a Financial Management review of the SFSP.

A. Grant and Cash Management

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<td>7. State Funding Requirement</td>
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<td>9. Team Nutrition Training Grants</td>
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D. State Agency Procurement

This Part applies to State Administrative Funds.

F. Allowability and Allocability of Cost

This Part applies to State Administrative Funds and the MAP.

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