Training of Private Nonprofit Summer Food Service Program (SFSP) Sponsors

As we pointed out in our SFSP-85 memorandum, Public Law 101-147 requires that State Agencies establish and implement an ongoing training and technical assistance program for private nonprofit sponsors which provides information on program requirements, procedures and accountability.

Attached is information which expands on the seven areas cited in Section 225.7(a) of the regulations which SAs are required to emphasize in their training of these sponsors.

Please note that the information provided which deals with free and reduced price applications reflects the requirements of Public Law 101-147 relative to social security numbers and totalling of income. As we have indicated to you in previous memoranda, sponsors may comply with these requirements or those in effect prior to Public Law 101-147 for this summer.

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Free and Reduced Price Application Requirements

Individual applications from participating children are not required for sites serving open geographical areas where at least 50 percent of the children are eligible for free or reduced price school meals. This determination may be based on data provided by local school officials, welfare and social service agencies, zoning commissions, census tract data, migrant organization officials, or other appropriate sources.

Sponsors of enrolled sites, where meals are served only to a specific group of children, must document their sites' eligibility based on statements of the household size and income, or food stamp or Aid to Families with Dependent Children (AFDC) case numbers, of children enrolled at each site. For meals served to all enrolled children to be reimbursable, the sponsor must be able to demonstrate based only on completed and approved applications that at least 50 percent of them are eligible for free or reduced price school meals. This is accomplished by requesting the households of all enrolled children to complete and return the Eligibility Form for Camps and Enrolled Sites found on pages 68 and 69 of the FNS-206: Sponsor's Handbook (or a locally developed form containing the identical information), and by determining whether each household's reported size and income, or food stamp or AFDC eligibility, qualifies the enrolled child for free or reduced price school meals under USDA's currently applicable Income Eligibility Guidelines.

Each returned form must be reviewed to ensure that it is complete and contains, as appropriate, all of the following information which must be provided by the household before an eligibility determination can be made:

**Food Stamp/AFDC Assistance Unit Households:**

1. Name of the enrolled child(ren).
2. Each child's food stamp or AFDC case number.
3. Name and signature of an adult household member.

**Other Households:**

1. Name of the enrolled child(ren).
2. Names of all household members.
3. Amount of monthly gross income received by each household member identified by source (such as wages, welfare, alimony, etc.).
4. Signature of an adult household member.
The social security number of the parent or guardian who is the primary wage earner or of the adult signing the application; or an indication that neither has a social security number. (The form must stipulate that the individual whose number appears on the application be advised that his/her number may be used in carrying out efforts to verify the correctness of the application information.)

The household must provide all required information on the form for it to be considered complete. Any required information missing from the form must be obtained before eligibility can be determined. If an application is incomplete, it may be returned to the household, or the household may be contacted either by phone or in writing for the missing information. Households may also be contacted for inconsistencies in the information provided and if verification is sought, the social security numbers of all adult household members must be provided. Each sponsor is responsible for calculating the total household income based on the income information provided for each household member by source of income.

Children who are currently receiving food stamp or AFDC benefits are categorically eligible for free meal benefits. For households that do not claim categorical eligibility, total reported income must be within the reduced price limits found in the Income Eligibility Guidelines issued by USDA.

Individual eligibility documentation is also a requirement for private nonprofit sponsors of nonresidential day camp sites, who are reimbursed only for the meals served at such sites to campers who have been determined eligible for free or reduced price school meals. Camp sponsors must make individual determinations on the basis of the eligibility form information submitted by the parent or guardian of each child, in the same way outlined above for children attending enrolled sites. Sponsors of camps must provide the administering agency with the number of children enrolled in each session at each camp site who have been determined eligible for reimbursed meals, either before the sponsor's reimbursement claim is submitted or at a time specified by the administering agency. Sponsors are not required to submit the individually approved eligibility applications to their administering agency. Rather, they must maintain the originals of the approved forms for all eligible children in their files for audit and review.

**Meal Service**

A sponsor must indicate the method it will use to provide meals to children. Generally, sponsors have three methods of providing meals—prepare their meals onsite or at a central kitchen, obtain meals from a local school food authority, or obtain meals from a food service management company. Food service management companies may be public agencies, or private nonprofit or for-profit companies. Sponsors that are private nonprofit organizations, however, are prohibited from obtaining meals from commercial (private, for-profit) food service management companies. Subsection 13(a)(7)(B)(ii) of the National School Lunch Act and the regulatory definition in Section 225.2 of "private nonprofit organization" allow such sponsors to use only self-preparation facilities to prepare meals, or to obtain meals from a public facility such as a school district, public hospital, State university, or school participating in the National School Lunch Program.
Also prohibited is the provision of meals to private nonprofit sponsoring organizations by school food authorities with year-round contracts with commercial food service management companies. Private nonprofit organizations obtaining meals from commercial food service management companies through a nonprofit "agent" (the school food authority) is a violation of the law's intent to prohibit commercial companies from providing meals to private nonprofit sponsors.

Meal Pattern Requirements

Sponsors must ensure that the meals served meet Summer Food Service Program meal pattern requirements in both food type and quantity. The Summer Food Service Program meal patterns, found in Section 225.16 of program regulations, establish the minimum portions of the various meal components that must be served to each child in order for the participating sponsor to receive reimbursement for each meal. The specified requirements for each Summer Food Service Program meal are the minimum quantities for children 10 to 12 years of age. Sponsors serving older children may wish to serve more than these minimum quantities. In some cases, the administering agency may approve the service of smaller portions of food if the sponsor is serving a group of children under 6 years of age. Sponsors wishing to serve smaller portions must receive prior approval from their administering agency and comply with the meal pattern requirements for younger children established in Section 226.20 of the Child and Adult Care Food Program regulations.

In addition to serving meals that meet the meal pattern requirements, sponsors must be certain that they comply with the following rules when serving meals at each of their sites:

* Serve the same meal to all children.

* Ensure that children eat all meals onsite. Site personnel must be sure to supervise all children on the site while they are eating meals. Only meals that children eat onsite are eligible for reimbursement.

* Plan, prepare, or order meals on the basis of participation trends. Sponsors must plan to provide only one meal per child at each meal service. In recognition of the changes in participation level, a second meal that is served as a unit to the same child can be claimed for reimbursement, as long as the total number of second meals claimed does not exceed 2 percent of the number of first meals served during the claiming period.

* Serve meals during the times of meal service submitted on the Site Information Sheet and approved by the administering agency. Sponsors must have the administering agency approve any changes in these meal service times.

* Except at homeless feeding sites, ensure that 3 hours elapse between meals. When nonresidential camp sites and sites serving primarily migrant children serve lunch and supper with no afternoon snack, they must be sure that 4 hours elapse
between the lunch and supper. Such sites must begin serving supper no later than 7 p.m. and must end supper service by 8 p.m. The administering agency must approve any waivers to these restrictions.

* Except at homeless feeding sites, ensure that the meal service period does not exceed 2 hours for lunch/supper and 1 hour for all other meals including snacks.

* Adhere to local health and sanitation regulations.

* Arrange for delivery if the meals are not prepared at the site and arrange for storing the meals according to standards prescribed by local health authorities until meal time.

* Arrange for the proper storage of any excess meals.

* Make adequate arrangements for food service during inclement weather, if meals are usually served at an outdoor site.

The administering agency will limit sponsors to serving one meal a day at any site if it finds that the site is in violation of the meal service requirements, and if corrective action is not taken within a reasonable time. The administering agency may terminate the participation of a sponsor when corrective action is not accomplished within the time period established by the agency or when the health or safety of children is threatened.

Proper Meal Counting Techniques

All sponsors must keep daily site records in order to document the number of program meals they have served to children. The sponsor must provide all necessary record sheets to the sites. Site personnel are then responsible for keeping the records each day. The site personnel must complete the records based on actual counts taken at each site for each meal service on each day of operation. Site personnel must be sure that they record all required counts. These counts should include:

* The number of meals delivered or prepared, by type (breakfast, snack, lunch, and/or supper). Vended programs must support this information with signed delivery receipts. The site supervisor or another designee of the sponsor must verify the adequacy and number of meals delivered by checking the meals when they are delivered to the site.

* The number of children in attendance.

* The number of complete meals served as firsts to children, by type.

* The number of second meals served to children.

* The total number of meals served as firsts and seconds to children.

* The number of meals served to program adults, if any.
The number of meals served to nonprogram adults, if any.

Sponsors should collect these site records at least every week.

Reimbursement may not be claimed for:

* Meals served to adults.
* Meals that do not meet meal requirements.
* Meals not served as a complete unit.
* Meal patterns or types not approved by administering agencies.
* Meals served at sites not approved by administering agencies.
* Meals consumed offsite.
* Meals served outside of approved timeframes or approved dates of operation.
* Meals served to ineligible children in day camps (those not meeting the Income Eligibility Guidelines for free or reduced price meals.)
* Meals in excess of the site's approved level of meal service.
* Unserved meals.

Claims for Reimbursement

Sponsors receive their program payments based on monthly consolidated claims for reimbursement covering all of their sites which they submit to the administering agency. Sponsors assume complete responsibility for all of the information they submit on their claims. There are four major types of data that must be reported on the claim forms:

Meal Counts - Based on records that are regularly submitted by each site supervisor, sponsors must report the total number, by type, of all meals served to children or (for sponsors of day camps) the number and type of meals served to eligible children; the number and type of meals served to program adults; and the number and type of meals served to nonprogram adults.

Operating Costs - Based on their operating cost records, sponsors must report the cost of food used, the cost of labor, and other costs directly incurred in preparing and serving meals.

Administrative Costs - Based on their administrative cost records, sponsors must report the costs related to administering the program (if those costs are being claimed).
Program Income - Based on their records of program income, sponsors must report the amount of any money that has accrued to their food service program from other than Summer Food Service Program advances or reimbursement payments.

After the reimbursement claim form is completed, the sponsor must sign the form and send it to the administering agency as soon as possible within the next month following the month covered by the claim. No claims will be paid if they are not submitted within 60 days of the last day of the month covered by the claim. The State administering agency may impose a shorter deadline for submission of the claim form within this 60-day Federal requirement.

Sponsors may only claim for reimbursement those costs that are directly related to program operation and administration. Sponsors may not include the following costs under any cost category on their claim for reimbursement:

* Costs of purchasing land, acquiring or constructing building, or making alterations to existing buildings.
* Costs of purchasing nonexpendable equipment, whether food service, office, automotive, or any other kind of equipment.
* Use allowance for buildings and use allowance for equipment that is not specifically approved in the sponsor's written agreement with the State administering agency.
* Fees that result from contractual arrangements for rental/purchase or lease of equipment or space with an option to purchase.
* Value of donated food, cash, labor, space and land used.
* Administrative cost items not included in the approved sponsor budget.
* Food service costs for meals served to children in day camps who are not eligible for free or reduced price school meals.
* Interest or other financial costs.
* Costs that result from the sponsor's maintenance of a legal staff.
* Legal expenses for prosecution of claims or other legal actions against the Federal government or the administering agency.
* Fines and penalties or bad debts.

Recordkeeping

Sponsors must keep full and accurate records that substantiate the allowable operating and administrative costs and the total number of program meals submitted on each claim for reimbursement. Sponsors must maintain all of these
records for 3 years after the end of the fiscal year in which the program operated. These records must be made accessible to Federal and administering agency personnel for audit and review purposes.

The records to be maintained by sponsors are:

I. **Records of daily meal counts** taken at each site.

II. **Records of operating costs:** These are allowable costs incurred by the sponsor for preparing and serving meals to eligible children and program adults. They include, but are not limited to, cost of food used, labor, nonfood supplies, and space for the food service. Sponsors of rural sites may also include costs that are directly incurred in transporting children from rural homes to the food service sites.

* Records to support the cost of food used should include, at a minimum: receiving reports, purchasing invoices, records of returns, discounts, or other credits not reflected on purchase invoices, inventory records, cancelled checks or other forms of receipt for payments.

* Inventory records: the References section of the FNS-206 Sponsor's Handbook provides a sample inventory form for sponsors that prepare meals onsite or in a central kitchen.

* For sponsors of vended programs, the cost of food used includes the costs of the preparation and/or delivery of meals charged to the sponsor by the school or the public vendor. This may not include meals delivered to nonapproved sites, meals not delivered within the established delivery time, meals that are spoiled or unwholesome, or meals that do not meet the terms of the contract—the sponsor should not pay for those meals. The vended program sponsor must maintain records that include the signed delivery slips to support its claim for reimbursement.

* Records to support labor costs: include compensation paid by sponsors for labor that is required to prepare and serve meals and to supervise children during the meal service. These costs may include wages, salaries, employee benefits, and the share of taxes paid by the sponsor. Sponsors must keep accurate time and attendance records for all personnel to support labor costs that are submitted on each claim for reimbursement.

* Records of other operating costs: include, but are not limited to costs of nonfood supplies; rental costs for buildings, food service equipment, and vehicles; utility costs; and mileage allowances.
III. Records of administrative costs: These are allowable costs incurred by the sponsor for activities related to planning, organizing and administering the program. They generally include costs of:

* Preparing and submitting an application for participation.
* Establishing the eligibility of children for free or reduced price school meals.
* Attending training provided by the administering agency.
* Hiring and training site and administrative personnel.
* Visiting sites, reviewing and monitoring operations at sites, and documenting these visits and reviews.
* Preparing and submitting claims for reimbursement.
* Performing other activities that are necessary for planning, organizing, and managing the program, such as labor costs for administrative activities, rental costs for offices, office equipment, and vehicles, vehicle allowance and parking expenses, office supplies, communications, insurance and indemnification, audits and travel.

Sponsors must be certain that they have records that document the amount and the purpose of all administrative costs they claim. The References section of the FNS-206 Sponsor's Handbook includes a worksheet for use in determining administrative costs as well as a sample administrative mileage record form.

IV. Records of program income: This includes all funds received from State, local and other sources, except for program advances or reimbursement. These funds must be designated specifically for the food service program. Records reflecting income may include deposit records, voucher stubs, or receipts. Sources of funds that are earmarked for food service and counted as income include: income for food sales to adults; cash donations or grants from philanthropic organizations or individuals; and monies received from other Federal, State, or local units of government.