



Alabama Department of
Education
Child Nutrition Programs
Gordon Persons Building
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Montgomery, Alabama 36130

Child Nutrition Programs

Preparation



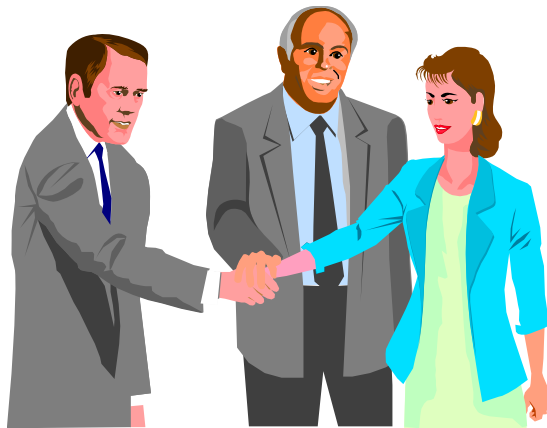
For A

COORDINATED REVIEW EFFORT

A Coordinated Review is only one part of the Federal, State and local partnership.

Under coordinated review:

- State agencies and FNS Regional Offices coordinate review activity to make sure efforts are not duplicated.
- A standard review form makes sure that all critical areas are reviewed the same way for all schools.
- Critical areas of review are: eligibility certification, counting and claiming, and food items.
- General areas of review are: the free and reduced-price process, meal patterns, civil rights, monitoring, and reporting and recordkeeping responsibilities.
- School food authorities are reviewed once every three-year cycle in accordance with the Comprehensive Review schedule.



C R E



Check your procedures

Do you:

- Approve each child's eligibility for free or reduced price meals correctly?
- Have a system to issue benefits and to update the eligibility of children approved for free and reduced price lunches?
- Serve meals that contain the required food items?
- Base claims for reimbursement on accurate meal counts taken, by category, at the point of service?
- Correctly record, consolidate, and report meal counts on the claim for reimbursement?

If you answered “yes” to these questions, you should not have any critical area violations.

Do you:

- Follow the procedures identified in your free and reduced price policy statement?
- Verify the correct number of applications by **November 15th**; adjust benefits if required and keep verification records?
- Serve meals that meet USDA nutritional/quantity requirements?
- Make sure that no child is denied benefits or discriminated against because of race, color, national origin, age, sex, or handicap?

- Make sure on-site reviews of each school’s meal counting system are conducted by February 1st?
- Check each school’s meal counts before submitting the claim for reimbursement?
- Transfer the correct amounts for State Mandated Raises and Indirect Costs at least quarterly?
- Use the proper accounting codes for Child Nutrition Transactions?
- Submit reports and keep records as required?
- Price for adult meals properly?
- Incur only allowable expenditures for CNP?
- Follow all Federal and State procurement procedures?
- Adhere to the requirements for the School Breakfast program?
- Document breakfast cost properly if you are on Severe Need Breakfast?
- Adhere to regulations governing the use of USDA commodities and keep accurate inventory records?
- Adhere to all State policies regarding Worthless Checks, Charged Meals, Competitive Foods, Foods of Minimum Nutritional Value?

If you answered “yes” to these questions, you should not have any general area violations.

Review Cycle

Under the CRE, all SFA’s are required to be reviewed within a five-year cycle; however, SFA’s will be reviewed within a **three-year cycle** in accordance with the Comprehensive Review schedule.

School Selection

The minimum number of schools to review is determined using the following table:

# of Schools	# Schools to Review	# of Schools	# Schools to Review
1 to 5	.....1	41 to 60	.....6
6 to 10	.....2	61 to 80	.....8
11 to 20	.....3	81 to 100	.....10
21 to 40	.....4	101 or more	.....12*

*12 plus 5% of the # of schools over 100.
Fractions must be rounded to nearest whole number.

The information used for school selection should be for the most recent month for which a Claim for Reimbursement has been filed or for October. The following information is needed:

- the number of serving days for each school for the month selected.
- the highest number of free eligible for the month selected for each school
- the number of free lunches claimed for the month selected.

Schools are selected according to the following criteria:

- Schools with a free ADP of 100% or more and
 - for Elementary (K-8), a free participation of 97% or more
 - for Secondary (9-12), a free participation of 77% or more
 - for Combinations, a free participation of 87% or more

Review Procedures

CRE was designed to target review resources to problem schools and SFAs. Review procedures are streamlined for schools where there are no major problems while providing more direction to expand the review to investigate areas that are not in compliance.

The CRE procedures include looking at records and procedures related to the “review month” and the “day of review”. The review month is usually the most recent month for which a Claim for Reimbursement has been submitted. The CRE requires the reviewer to look at additional month’s data if needed to determine the scope and severity of a problem

and if the problem is “systemic”. The school or SFA officials could be requested to provide records for any month of operation.

Streamlined procedures include statistical sampling of applications, an initial cross-check of only 10 percent of the names on the benefit issuance document to eligibility records, and validation of the meal count back to source documentation only for the day of review. Problems noted in these areas would expand the review.

The CRE form is divided into Critical and General Areas.

Performance Standards

All data collection and review procedures in the Critical Area of the review forms are designed to measure compliance with the following two performance standards as defined in the regulations.

Performance Standard No.1:

All free, reduced-price and paid lunches claimed for reimbursement are served only to children who are eligible for free, reduced-price, and paid lunches, respectively, and are counted, recorded, consolidated, and reported through a system that consistently yields correct claims.

The SFA exceeds the error threshold for Performance Standard No. 1 if more than the minimum number of schools allowed (which varies with the number of schools reviewed) have an inadequate system for certification, issuing benefits or updating eligibility status; or for counting, recording, consolidating or reporting lunches by type, or, if more than 10 percent of the free and reduced-price lunches claimed for the review period are incorrect. Each school is evaluated individually. Also, the SFA automatically fails this standard if the SFA’s system for consolidating claims is inadequate.

Performance Standard No. 2:

Lunches claimed for reimbursement within the school food authority contain food items/components as required by Program regulations.

The SFA exceeds the error threshold for Performance Standard No. 2 if 10 percent or more of the total number of Program lunches observed in a school food authority are missing one or more of the required food

items/components. This is measured for the SFA as a whole and only for lunches observed on the day of the review.

Follow-Up Reviews

State agencies are required to conduct on-site follow-up reviews on all large SFAs (40,000) and 25% of small SFAs that exceed one or both of the Performance Standard thresholds.

Corrective Action and Fiscal Action

Under the CRE, fiscal action can be extended back to the beginning of the school year or that point in time when the infraction first occurred.

If the meal count system is determined to be unreliable, the State Agency can “recalculate” the meal count using procedures developed by FNS. This procedure would only be used in extreme circumstances.

The amount of an overclaim is affected by corrective action and cannot be determined until corrective action is complete. For certification and benefit issuance errors, if corrective action is taken, the overclaim will be limited to the first serving day of the review month to the date corrective action is taken. For missing Social Security Numbers and Adult Signatures, if corrective action is taken, the entire overclaim is waived. If corrective action is not taken, a claim is assessed for all meals served in error for all error type.

Because prompt corrective action can limit the amount of the claim, State Agency reviewers should provide the information necessary to correct errors at the exit conference. SFA and school officials should take action as soon as possible.

The CRE regulations require that the SFA be notified in writing of the findings, needed corrective action, deadlines, and the potential for fiscal action. The procedures for handling this are left up to the discretion of the State Agency.

The CRE regulations provide the authority for a State Agency and FNS to withhold funds if corrective action is not taken on identified problems.

Records and Documents Needed For the CRE

School Food Authority Level

- Current approved agreement, and free and reduced price policy statement. If the school food authority has adopted its prior year's policy statement, the complete policy statement and renewal must be available.
- Media release.
- Direct certification documentation, if applicable.
- Claim for Reimbursement for the review period and all supporting documentation.
- Documentation of edit check process.
- Documentation of staff training.
- Documentation of required monitoring/site reviews to be conducted by Feb. 1st of each year. Pull previous year if monitoring for current has not been completed.
- Data used in consolidating the Claim for Reimbursement.
- Civil Rights Data and Information including:
 - Civil Rights complaint procedures
 - Foreign language translation of program materials, if needed.
 - Copies/documentation of written or verbal complaints alleging discrimination, if applicable.
 - Racial/ethnic breakdown of denied free and reduced-price applications.
- Documentation supporting the awarded bids for the review period.
- Documentation/invoices supporting expenditures for review period.
- Bank statements and cancelled checks supporting expenditures for review period.
- Documentation of how indirect costs (if applicable) are computed and charged to the CNP Fund. (Obtain copy of Indirect Cost Proposal for reference during review.)
- Documentation of how current year's required transfers (or pass through funds) from the General Fund are calculated and transferred to the CNP Fund. Refer to other documents for specific list of items needed each year. Reviewer will also need the calculations and documentation that supports the actual total transfers made for FY 97/98 – current fiscal year.
- Student Meal Prices

- Adult Meal Prices – have any documentation to support any additional support to the CNP program in lieu of charging sufficient prices.
- To compute potential to actual income, make available (for the review month plus previous two months, if available) the total monthly meal counts and total monthly revenue deposited and recorded by revenue category, i.e., student breakfast, student lunch, adult breakfast/lunch, a la carte, etc.
- Documentation of costs for Breakfast for those systems on the Severe Need Breakfast Program.
- Copies or a set of accounting printouts for the CNP fund for the most recent accounting period. Reviewer will need a balance sheet and an operations report by fund source.

Review School

- Copy of the school calendar, indicating the days on which lunch was served.
- Approved and denied free and reduced-price meal applications, and/or direct certification documentation for time frame specified.
- Benefit issuance document (i.e., Master Roster, class list, checklist) for the review period.
- Menu and production records for review period and 2 weeks prior to day of review. (And for total school year to date)
- Planned menu for day of review.
- Lunch count procedures.
- Daily and monthly lunch count records and daily reconciliation sheets for the review period and 2 weeks prior to day of review.
- Verification documentation which includes selection procedures and, if applicable, documents showing the changes in eligibility for students as a result of verification. (This may be at Central Office.) If verification has not been accomplished for current year, pull last year's verification documentation.
- Have available the free and reduced-price applications on file as of October 31st.
- Records, tickets, procedures, etc. which document efforts to prevent overt identification.

Be Prepared!