

**COORDINATED REVIEW EFFORT**

SFA LEVEL

**GENERAL AREAS OF REVIEW**

SCHOOL LEVEL

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<p><b>Free and Reduced Price Process</b></p> <p>501. Is the policy statement implemented as approved?</p> <p>502. Does the system as implemented (reviewer observation) prevent overt identification of students receiving free and reduced price benefits at meal service or at any other time?</p> <p>503a. Did the LEA establish the verification sample pool based on the total number of approved applications on file as of October 1?</p> <p>b. Were the applications subject to verification properly selected in accordance with the approved sample size option used?</p> <p>c. Were no more/no less than the percentage/maximum number of applications for the sample size option used selected for verification?</p> <p>504. If the LEA chose to replace applications selected for verification, was it done correctly and limited to 5% of the applications selected?</p> <p>505a. If required, did the LEA conduct confirmation reviews?</p> <p>b. Did the LEA follow the required procedures if the confirmation review did not validate the original determination?</p> <p>506. Were the households informed that acceptable documentation could be for any point in time between the month prior to application and the time the household is required to provide documentation?</p> <p>507. Did the LEA meet the follow-up requirements if the household failed to respond to the request for verification?</p> <p>508. Was verification completed by November 15 or was the LEA approved for an extension by the State agency?</p> <p>509a. Did the LEA attempt to directly verify selected applications?</p> <p>b. If YES, were the requirements met?</p> <p>510a. Was the verification process completed according to requirements?</p>				

## INSTRUCTIONS FOR G-1

### GENERAL AREAS OF REVIEW

Indicate by a check [ ✓ ] in the upper right hand corner if the form is being completed at the SFA level or the school level.

Enter the name of the SFA. If the form is being completed at the SFA, indicate "N/A" in the "School" block. If the form is completed at the school level, enter the name of the school being reviewed in the "School" block. If a single school SFA is being reviewed, it is only necessary to complete one form.

The reviewer must answer the questions based on visual observation and/or written documentation as appropriate. All deficiencies and explanations must be described in the Comments section.

### FREE AND REDUCED PRICE PROCESS

School officials do not distribute applications, conduct direct certification, or make eligibility determinations of children in Provision 2 or Provision 3 schools in the non-base years for the meal services under Provision 2 or 3. (See Provision 2 Guidance, for exceptions to this general statement.)

- 501. Review copies of all letters/notices/forms used by the LEA/school in the application process to determine that they are those contained in the approved policy statement. Determine if procedures described in the policy statement to distribute and accept applications, collect payments from children, and conduct hearings are implemented as approved.
- 502. Observe and evaluate, where possible, aspects of the meal count/collection system to ensure that there is no overt identification of free and reduced price meal recipients.
- 503a. Determine the total number of applications on file as of October 1. Determine if the LEA was qualified to use the alternative sample size, including notifying the State agency and following any State specific procedures.
  - b. Based on the sample size used, determine if error prone applications were initially selected as required, and if random sampling, as needed, was properly conducted. If alternate sampling was used, was it approved? Was it conducted properly?
  - c. Determine how many applications (based on the percentage up to the maximum) should have been verified based on the alternate used.
- 504. Determine if no more than 5% of applications selected for verification were replaced and determine if applications removed from the sample were selected on a case-by-case basis.
- 505a. Determine if the LEA was required to do confirmation reviews or if the LEA had State agency approval to waive confirmation reviews.
  - b. Determine if the confirmation reviews meet the requirements in the Eligibility Manual for School Meals.
- 506. Review the notification letter for this information. Is a toll free number or a collect call number included in the letter?
- 507. Review the applications selected for verification to determine if follow-up action was required and was taken in accordance with requirements.
- 508. Self-explanatory.
- 509a. Determine if the LEA used direct verification.
  - b. If direct verification was used, determine if the requirements in Part 9 of the Eligibility Manual for School Meals were met.
- 510a. Evaluate the verification process to determine if all requirements are met. For additional information, refer to Eligibility Manual for School Meals, parts 8 and 9, issued in 2008. Identify the number of applications on file as of October 1 of the current school year, the LEA/SFA's sampling method, and the number of applications for which verification was completed. Determine if the notification of selection letter includes the required information; a toll free phone number or collect call phone number must be available to the household. Any changes in eligibility category which were not made must be recorded on the CERTIFICATION AND BENEFIT ISSUANCE ERROR WORKSHEET, S-5. Examine all verified applications to ensure proper documentation and/or annotation was included. If the CRE review is conducted prior to November 15 and the verification process has not been completed, review the procedures from the previous school year.

July 2010

GENERAL AREAS OF REVIEW

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b><u>Provision 2 or 3 Only</u></b>				
510b. Is the school administering both the NSLP and SBP?				
c. If YES, is only one Program operating under Provision 2 or 3?				
d. If YES, has the non-Provision 2 or 3 Program conducted verification?				
511. Were letters of a potential reduction in benefits sent to families with students in this school within 10 days as required?				
512. Were any applications denied incorrectly?				
Record errors on the Certification and Benefit Issuance Error Worksheet, S-5.				
<b>Menus</b>				
601a. Do portion sizes appear to meet the minimum amounts as planned or required by the menu planning approach used for the day of review?				
b. If NO, do production records, nutrient analysis and/or other supporting documentation for the review period indicate that required quantities of food were available?				
602. Was fluid milk available in at least two varieties of fat content throughout the serving period on all serving lines?				
603. Is offer versus serve properly implemented based on the menu planning approach used?				
<b><u>Food Based Menu Planning Only</u></b>				
604. Are minimum weekly requirements of bread/bread alternate, meat/meat alternate and fruit/vegetable met?				

## INSTRUCTIONS FOR G-2

For Provision 2 and 3 schools, it will be necessary to determine if Provision 2 or 3 is administered for the School Breakfast Program only, the National School Lunch Program only, or for both the SBP and NSLP.

Parts b, c. and d. are for Provision 2 or 3 schools only.

- 510b. If the school administers both the NSLP and SBP and both of the Programs are operating under Provision 2 or 3, the school is not subject to verification in the non-base years.
  - c. If the school administers one Program (NSLP or SBP) and that Program is operating under Provision 2 or 3, the school is not subject to verification in the non-base years.
  - d. If the school is administering both the NSLP and SBP but only one of those Programs is operating under Provision 2 or 3, the school is subject to verification annually for the non-Provision 2 or 3 Program.
- 511. Determine if households for whom benefits were reduced or terminated were given written notice 10 calendar days prior to the change. The first day of the 10-day period is the day the notice is sent.
- 512. Review any applications where meal benefits were denied during the application approval process for this school. At a minimum, a representative sample of denied applications must be reviewed. Record errors on the Certification and Benefit Issuance Error Worksheet, S-5.

## MENUS

- 601a. Using meal documentation such as production records and nutrient analysis records, determine the planned portion sizes for the day of review menu. Observe all points of service to determine whether portion sizes served meet the planned quantities required by the menu planning approach used.
  - b. If it appears that portion sizes do not meet the planned quantity requirements as served, review the school's documentation and procedures, such as production records and nutrient analysis records for the review period, to determine if it is a consistent practice.
- 602. Determine if at least two different fat contents of milk, flavored or unflavored, were available throughout the meal service on all serving lines.
- 603. If the school uses the offer versus serve provision, determine if it has been properly implemented according to the menu planning approach in use.
- 604. Food Based Menu Planning Only: Review menus and determine if the minimum weekly requirements for bread/bread alternate, meat/meat alternate and fruit/vegetable have been met for each week of the review period.

COORDINATED REVIEW EFFORT

GENERAL AREAS OF REVIEW

[ ] SFA LEVEL

[ ] SCHOOL LEVEL

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b>Civil Rights</b>				
701. Is a USDA/FNS approved poster displayed in a prominent place and visible to recipients?				
702. Is the correct nondiscrimination statement included on appropriate program materials?				
703a. Has the SFA or State sent out a public release to community/grassroots organizations?				
b. For Provision 2 or 3 schools, was it a simplified public release stating that nutritious meals are served to all children at no cost?				
704. Are bilingual services (translators and materials) available for the Limited English Proficiency (LEP) population?				
705a. Are procedures established to receive complaints alleging discrimination?				
b. Have there been any written or verbal complaints alleging discrimination?				
c. If YES, have these complaints been reported to the State agency?				
706. Are Program benefits made available and provided to all children without discrimination on the basis of their race, color, national origin, sex, age, or disability?				
707. Are incorrectly denied free and reduced price applications disproportionately composed of minority applications?				
708. Are students with special dietary needs provided program benefits as prescribed by regulations?				

## **INSTRUCTIONS FOR G-3**

### **CIVIL RIGHTS**

Civil Rights requirements are outlined in FNS Instruction 113-1, *Civil Rights Compliance and Enforcement – Nutrition Programs and Activities*, dated November 8, 2005.

701 - 708.

Determine, based on the answers to the questions in this section, if program benefits are made available and provided to all children without discrimination on the basis of their race, color, national origin, sex, age, or disability, and that the SFA seeks to reach all portions of the population. Has yearly training been provided to the LEA/SFA?

Question 703b is for Provision 2 or 3 schools only.

703b. For Provision 2 and 3 schools, the school food authority must continue to notify the public that nutritious meals are available at school, but may use a simplified public release for the schools operating under one of the Provisions. Since all meals are served to children at no charge, there are no meal charges or free and reduced price meal eligibility criteria to announce.

COORDINATED REVIEW EFFORT

[ ] SFA LEVEL

GENERAL AREAS OF REVIEW

[ ] SCHOOL LEVEL

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b>Monitoring Responsibilities</b>				
801a. Was the on-site review of the meal counting and claiming procedure completed prior to February 1?				
b. Was corrective action of the meal counting and claiming procedure required?				
c. If YES, was a follow-up review conducted within 45 days to ensure that the school implemented corrective action?				
d. Does documentation indicate that corrective action was successful?				
802a. Prior to the submission of a claim, are attendance adjusted eligibles (or an alternate approved by the State agency) by category compared to daily meal counts for each school?				
b. Have daily counts that exceed the attendance adjusted eligible edit check (or alternate approved by the State agency) been evaluated prior to consolidation?				
c. If NO to a or b, explain.				
<b><u>Provision 2 or 3 Only</u></b>				
d. Prior to the submission of a claim for reimbursement, is attendance adjusted enrollment compared to the total daily meal count for each school during the review month?				
e. Have daily counts for the review month that exceeded the attendance adjusted enrollment edit check been evaluated prior to consolidation?				
f. If NO to d or e, explain.				

## INSTRUCTIONS FOR G-4

### MONITORING RESPONSIBILITIES

- 801a. Examine the documentation of the on-site review of the reviewed school to determine if the SFA had monitored the reviewed school's counting and claiming procedures by February 1.
- b. Determine if there were errors in the meal counting and claiming procedures for the reviewed school that required corrective action.
  - c. If errors were identified in the meal counting and claiming procedures for the reviewed school, determine if an on-site follow-up review was conducted within 45 days to ensure that corrective action was implemented.
  - d. Review documented corrective action to determine if deficiencies cited were successfully corrected.
- 802a. Determine if a comparison is made of each reviewed school's daily free, reduced price, and paid meal counts to the number of children currently eligible for free, reduced price, and paid meals, respectively, times an attendance factor prior to the submission of a Claim for Reimbursement. If a comparison is made using an alternate method, describe the method used in the Comments section.
- b. Determine if the SFA has evaluated the daily counts for the review month for reasonableness prior to consolidation if they exceed the attendance adjusted eligible edit check.
  - c. If the comparison or evaluation has not been done prior to the consolidation of the claim, describe why. Parts d, e and f are for Provision 2 or 3 schools only.
  - d. Determine if a comparison is made of each reviewed school's total daily enrollment (students with access to the NSLP) times an attendance factor prior to the submission of a Claim for Reimbursement.
  - e. Determine if the SFA has evaluated the daily counts for the review month for reasonableness prior to consolidation if they exceed the attendance adjusted enrollment (students with access to the NSLP) edit check.
  - f. If the comparison or evaluation has not been done prior to the consolidation of the claim, describe why.

**COORDINATED REVIEW EFFORT**

[ ] SFA LEVEL

**GENERAL AREAS OF REVIEW**

[ ] SCHOOL LEVEL

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<p><b>Reporting and Recordkeeping</b></p> <p>901. Were reports submitted as required to the State Agency?</p> <p>902. Are records retained for 3 years after the final claim for reimbursement for the fiscal year or until resolution of any audits?</p>				
<p><b>Food Safety and Sanitation</b></p> <p>1001a. Is a written food safety program in place?</p> <p>b. Does the program follow USDA guidance?</p> <p>c. Do observations on day of review indicate principles of the program are being implemented?</p> <p>d. If NO to a, b or c, explain.</p> <p>1002a. Has the site received two food safety inspections during the current school year?</p> <p>b. If NO, explain.</p> <p>c. If NO, were two food safety inspections conducted in the previous school year?</p> <p>d. If two inspections were not conducted in the current or prior school year, did the SFA/school request the inspections?</p> <p>e. IF NO, explain.</p> <p>1003. Is the most recent food safety inspection report posted in a publicly visible location?</p>				

## INSTRUCTIONS FOR G-5

### REPORTING AND RECORDKEEPING

901. Determine if the SFA prepares and submits reports as required. (See 7 CFR 210.20) for reporting and recordkeeping requirements.
902. Determine if the school/SFA is retaining the appropriate records regarding program management for 3 years after the final Claim for Reimbursement for the fiscal year or until resolution of any audits.

### FOOD SAFETY AND SANITATION

- 1001a. Review documentation to determine if a food safety program is in place at the school site.
- b. Determine if the program follows the USDA guidance. For additional information, refer to *Guidance for School Food Authorities: Developing a Food Safety Program Based on the Process Approach to HACCP Principles*, United States Department of Agriculture, Food and Nutrition Service, June 2005.
  - c. Determine if observations on the day of review indicate the program principles are being implemented as planned at the school site.
  - d. If NO to a, b or c, describe the problems.
- 1002a. Examine documentation from food safety inspections. Answer YES if the site has received two food safety inspections in the current school year. Answer NO if less than two food safety inspections are available for the current school year. Review the most recent food safety inspection from the prior school year. Record the dates of the inspections in the Comments section. (Depending upon the timing of the CRE, safety inspections could be planned for later in the school year).
- b. If the site has not had two safety inspections, record the reason(s) why.
  - c. If the site did not have two food safety inspections in the current school year, determine if the site had two food safety inspections in the previous school year. Answer YES if the site has received two food safety inspections in the previous school year. Record the dates of the inspections in the Comments section. Answer NO if less than two food safety inspections were conducted in the previous school year.
  - d. Document actions taken by SFA to request food safety inspections from the state or local food safety inspection authority.
  - e. If the SFA/school did not request the food safety inspections, obtain and record the reasons why.
1003. Determine if the most recent food safety inspection report is posted in a publicly visible location.

GENERAL AREAS OF REVIEW

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b>Financial Management</b>				
2001. If the school has a charge policy, is it properly implemented?				
2002. Are only eligible adults receiving free meals?				
2003. Are SNP funds used only for SNP expenditures?				
2004. If applicable are indirect costs being appropriately covered?				
2005. If applicable, are costs between the SNP and other programs allocated appropriately? Indicate the costs allocated.				
2006. Are state matching funds being used according to regulations?				
2007. Is the operating balance as shown on the Excess Balance Report from the SNP Internet site the same as the balance on the system's books?				
2008. When was the most recent SNP audit? List any discrepancies not corrected:				
2009. Are daily receipts verified by more than one person?				
2010. Is the adult meal price sufficient to cover the cost of the meal?				
2011. Are all receipts deposited within 3 banking days?				
2012. Is the cash balance reconciled with the bank statement/trustee report monthly?				
2013. Is a separate account maintained for food service funds?				
2014. Has all interest earned on SNP funds been credited to the SNP account and used only for program purposes?				
2015a. Does the School Nutrition Program have a contract for all catered events?				
2015b. Is there sufficient documentation that payment received covered all costs for catered events?				

**INSTRUCTIONS FOR G-6****FINANCIAL MANAGEMENT**

2001. At the LEA/SFA Level: Interview the supervisor to determine the procedures for handling charges. Review the charge policy. Has it been approved by the Board? Does it state who will be responsible for unpaid charges?  
At the School Level: Interview the manager and/or others to determine the procedures for handling charges. Observe meal service for handling of charges to determine if the policy has been implemented as approved by the Board. Review the balance for charges at the end of the prior school year. Check the record of account balances to determine if the policy has been implemented as approved by the Board.
2002. At the LEA/SFA Level: If adults other than those paid with SNP funds are eating free, is there a waiver letter on file from the SNP State Director? At the School Level: Interview the manager, supervisor, and/or others to determine if only adults paid with SNP funds are eating free. Observe the meal service to see that only adults paid with SNP funds are eating free.
2003. At the LEA/SFA Level and/or at the School Reviewed: Check all invoices, warrants/checks, and purchase orders for the month of the review to see if expenditures are appropriate for the school reviewed as compared to the financial reports and cash disbursements. Compare all invoices, purchase orders, and warrants against the general ledger for the review month. Compare expenditures to the Claim for Reimbursement. There should be a full accounting of food service funds, income and expenditures. Total the expenditures for the reviewed school. Funds must be expended only for food service.
2004. At the LEA/SFA Level: Interview the supervisor to determine if indirect costs (Those costs that cannot be directly identified because the amount is prorated over several programs such as electricity.) are recovered. Are indirect costs only being recovered if the LEA/SFA has an Excess Balance? If indirect costs are being recovered, is the indirect cost rate as established by the TN Department of Education being used to determine the payment amount?
2005. At the LEA/SFA Level: Interview the supervisor to determine if any costs were allocated during the past 12 months. Obtain the documentation of how the cost allocations were determined (percentage, copy count, etc.). Based on the assessment of data, determine if each allocation resulted in a fair allocation of costs to the SNP. (Costs should be allocated based on the percentage of usage by the SNP.)
2006. Review a copy of the receipt where the state matching funds were deposited into the SNP funds. The state matching funds may be deposited in General Purpose if 100% is used to pay the endorsed supervisor's salary. If state matching funds have not been received for the current year, look at the previous year. Was 10% of the state matching money spent on one of the following?  
(1) Employment of a supervisor with the Endorsement 100.  
(2) Employment of cafeteria managers or assistant managers accredited by TSNA or working toward such accreditation.  
(3) Professional training programs for non-accredited personnel.  
If funds were spent for #1, check the list of endorsed supervisors to verify that the supervisor's name is on the list. If funds were spent for #2, get documentation of TSNA accreditation or training attendance. If funds were spent for #3, check the training expenditures to see that they equal 10%.
2007. Review the operating balance for the review month on the Excess Balance Report from the SNP Internet site to the balance, per system's books.
2008. At the LEA/SFA Level:  
Review a copy of the most recent audit and evaluate the report to identify areas of program management that may be of concern during the review. List discrepancies noted that have not been corrected. Assess the extent to which corrective action has been taken on the discrepancies not fully corrected. (This assessment does not have to be an in-depth evaluation of corrective action but should at least involve a brief review of documentation pertaining to the actions taken.)
2009. Interview the manager to determine the procedures being used for cash reconciliation. Check the daily receipts and meal counts to see if they have been initialed indicating that more than one person has counted/verified to insure accuracy and to protect the SNP from potential losses. Observe the procedures used to handle cash and record counts at the end of the service period. Note any differences between observed procedures and the verbal or written procedures.
2010. Take the HIGHEST STUDENT LUNCH CHARGE FOR THE SYSTEM+ SECTION 4 RATE .25 (.27 with 60% or more Free and Reduced Students) + USDA COMMODITY Rate .22.
2011. At the LEA/SFA Level for the Schools Reviewed: Check the deposit slips against the record of cash received for the review month to determine if the money received is being deposited in the next deposit. Check the deposit slips for the review month to determine if deposits are being made within three (3) banking days. Compare the date on each bank deposit receipt to the date of the corresponding deposit slip and identify receipts not deposited within three (3) banking days.

## **INSTRUCTIONS FOR G-6 (continued)**

### **FINANCIAL MANAGEMENT**

2012. Compare the Trustee report to the monthly report to determine if both are in agreement. It is a finding if they are not matching. This question will be N/A for municipals.
2013. The School Nutrition account should be a separate account, not a part of the General Purpose Fund. All money received and expended for School Nutrition should have an audit trail separate from the General Purpose Fund.
2014. Review the SNP account to determine if any interest has been earned and deposited into the School Nutrition account. Determine if the interest is used for the School Nutrition Program.
- 2015a. If the School Nutrition Program does catering, is a contract available between SNP and the organization?
- 2015b. Review the contract. All costs of the function paid by the organization must be included in the contract. Documentation must be available to show the SFA received the funds to cover all costs. Itemized costs include food, nonfood supplies, labor, fringe benefits, food and nonfood supply inventory used and other expenses. Examples of documentation are invoices and time sheets.

GENERAL AREAS OF REVIEW

[ ] SFA LEVEL  
 [ ] SCHOOL LEVEL

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b>Breakfast</b>				
3001. Do the portion sizes meet the minimum meal pattern requirements?				
3002. Does a review of production records and procedures indicate that required amounts of food were available for service?				
3003. Is offer vs. serve properly implemented?				
3004. Is the collection procedure being implemented as approved?				
3005. Does the system for counting and recording meal totals yield accurate counts by category?				
3006a. Is the school on the Severe Need Breakfast Program?				
3006b. If yes, do the records from two years prior indicate they are eligible?				
3006c. If no, is the school eligible?				

## INSTRUCTIONS FOR G-7

### BREAKFAST

- 3001. Refer to the reference guide, A Menu Planner for Healthy School Meals for the required portion sizes of food components.
- 3002. Refer to the reference guide, A Menu Planner for Healthy School Meals for the required portion sizes of food components. Refer to Weights of Commercially Prepared Grains/Breads chart for the correct weight requirement of each bread/grain item.
- 3003. Check the Board of Education offer vs. serve breakfast policy. A policy must be on file to implement offer vs. serve at breakfast. Students on offer vs. serve at breakfast must take either one meat or bread item, milk, and juice, two meats or two breads, juice, or two meats or two breads and milk from the four food items offered to the student.
- 3004. Observe the collection procedure at breakfast. It must be in compliance with the procedure submitted to the State Agency.
- 3005. Observe and indicate whether an accurate count by eligibility category is taken at the point of service or an approved alternate. The system must be based on an actual count of students served by category and must consistently yield correct results.
- 3006a.-b. If yes, review the school claim for reimbursements for the review. Review the April school lunch claim for free and reduced lunch participation from two years prior. Does the school have 40 percent lunch participation from the free and reduced to be eligible for Severe Need Breakfast?
- 3006c. If no, is the school eligible to receive Severe Need Breakfast reimbursement?

GENERAL AREAS OF REVIEW

[ ] SFA LEVEL  
 [ ] SCHOOL LEVEL

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b>Procurement</b>				
4001a. Has the Procurement Desk Review for the SFA/school been completed?				
4001b. Is the LEA/SFA in compliance? If not, use the comment section for the areas of non-compliance.				
4002. Was the Buy American Provision properly implemented?				
4003. Was the small purchase method used only for purchases that did not exceed \$10,000 or board requirements?				
<b>Procurement Worksheet:</b>				
4004a. Are the items only from approved suppliers?				
4004b. Are purchase prices equal to approved prices?				
4004c. Do items meet specifications?				
4004d. Was the correct method used for the category reviewed?				
4004e. Did the invoices contain the following information before acceptance for payment? a. Description of purchase b. Date c. Vendor d. Quantity e. Unit Price f. Authorized signature for receipt of merchandise g. Corrections, if necessary				

## INSTRUCTIONS FOR G-8

### PROCUREMENT

- 4001a.-b. Is the Procurement Desk Review completed? If there any questions which indicate the system in not in compliance. Document them on the form in the comment section. Address them in the review findings under the procurement section of the report.
4002. Check at the reviewed school for Buy American Products for compliance with regulations.
4003. Review monthly invoices to check for small purchases which did not exceed \$10,000 or the board requirements.
4004. Procurement Worksheet:
- Based on the products selected:
  - Review all bid documents to ensure that the conditions determining approved suppliers were met by the suppliers.
  - Compare prices on the invoices for the review month to the approved prices in the small purchase document, bid document or request for proposal.
  - Review specifications from bid documents to ensure that the product reviewed meets requirements.
  - Determine if the correct method was used for the categories checked on the worksheet—small purchase, sealed bid, competitive proposal, noncompetitive proposal.
  - Check invoices for the description of the purchase, date of invoice, vendor name, and quantity purchased, unit price, authorized signature for the receipt of the product, and corrections on the invoice if necessary.
  - Complete information for equipment purchased from the equipment grant.

**PROCUREMENT PRODUCT WORKSHEET**

PROCUREMENT PRODUCT WORKSHEET									
INVOICE	Equipment Grant	Food	Produce	Milk	Bread	Nonfood	Processed Food	Service	*Commodity
ITEM:									
INVOICE NUMBER									
DATE OF INVOICE									
SUPPLIER									
PACK									
BRAND									
PRICE									
<b>CONTRACT/QUOTE</b>									
SUPPLIER									
PACK									
BRAND									
PRICE									
**SPECIFICATIONS									
***CORRECT METHOD									
****METHOD									
**Correct Specification-answer Yes or No; ***Correct Method-answer Yes or No.									
****Name of Procurement Method: small purchase, sealed bid, competitive proposal, noncompetitive proposal									

\*Check a Commodity product if the system processes commodities.

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<p><b>Procurement</b></p> <p>Review each formal bid/RFP that is currently being used to purchase goods/services for the SNP.</p>				
P001. Are bids/quotes solicited from an adequate number of known suppliers to ensure full and open competition?				
P002. Was the invitation to bid publicly advertised?				
P003. Did any person develop or draft specifications, requirements, statements of work, invitations for bids, requests for proposals, contract terms and conditions, or other documents for use by a grantee or sub grantee in conducting procurement under USDA entitlement programs for competing contract awards?				
If YES, was this person excluded from competing for the contract?				
P004. Did any of the contracts, bid documents, bid letters, etc. give local geographic preferences, except where allowed by recent legislation?				
P005. Does the LEA/SFA have a written code of conduct governing the performance of employees engaged in the award and administration of contracts?				
P006. Does the LEA/SFA have protest procedures in place to handle and resolve disputes or protests relating to their procurements?				
P007. Have any disputes/protests been submitted to the State Agency?				
P008. Did the bid documents clearly define the items or services needed?				
P009. Did the LEA/SFA specify the requirements for a contractor to qualify as a bidder?				
P010. Were the suppliers provided with the projected purchase amount of each item within each group?				
P011. Were bids evaluated based on the combined total cost of all items to be purchased during the life of the contract?				
P012. Did the bid documents clearly specify the basis used to award the bid?				

## INSTRUCTIONS FOR P-1

### PROCUREMENT DESK REVIEW

Each formal bid or request for proposal must be reviewed. Ask the locals for all current bid documents. This will include any contracts initiated during the current school year as well as any procurements that were renewed from a prior school year. If you are reviewing a procurement that was renewed, you will need to review the original documents as well as the renewal documents.

- P001. Adequate number of suppliers is not defined in 3016.36. The reviewer should use their judgment to determine if the local made a valid effort to solicit enough responses in order to ensure competition.
- P002. Review the published advertisement for all bids. Note: It is permissible for a local system to advertise once a year and include all formal procurements that will be solicited for that year.
- P003. The reviewer must determine if the bid documents seem to be drafted by an outside party that would be bidding on the procurement. (3016.60(b))
- P004. Review all documents to ensure that local geographic preference is not being given. The exceptions will be governed by information we receive from the 2008 Farm Bill and TCA Title 49, Chapter 6, Part 23.
- P005. Review the code of conduct included in bid documents. If no code of conduct is included in the bid documents, review the system procurement plan and or LEA policies. The code of conduct should cover all persons involved in the procurement process.
- P006. Review the protest procedure in the bid documents.
- P007. Ensure that any protests have been submitted to the SA.
- P008. Could the reviewer determine what goods and services were needed by reviewing the bid documents?
- P009. Were all requirements for the potential bidders spelled out in the procurement documents?
- P010. Were projected purchase amounts supplied for each item requested?
- P011. Did the bid specify the life of the contract and was the bid evaluated and awarded on this basis?
- P012. Was the bid award method CLEARLY specified in the bid document? Example: line item to multiple vendors, line item to a limited number of vendors (one or two), prime vendor (must state how that vendor will be selected), bottom line total bid, bottom line group.

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
P013. Was the basis for awarding the bids to all suppliers in accordance with 7CFR 3016.36?				
P014. Were awards made by written notice?				
P015. Were records maintained to detail the significant history of the procurement?				
P016. Were the following regulatory items addressed in the procurement solicitation and contract?				
P016a. Debarment/Suspension documentation for all audit contracts and contracts with purchases over \$25,000.				
P016b. Lobbying certification for all purchases over \$100,000.				
P016c. Buy American Provision addressed in bid solicitation and contract. Waiver form included if applicable.				
P016d. Do all contracts have the following provisions?				
1. penalties to suppliers for noncompliance? (breach of contract)				
2. termination for cause				
3. termination for convenience				
4. access to all records				
5. contractor's responsibility to maintain required records				
6. mandatory standards and policies relating to energy efficiency				
7. provision requiring compliance with Equal Employment Opportunity regulation				
8. compliance with the applicable provisions of the Clean Air Act				
9. Provisions that establish USDA rights in data discovery for software and food development contracts?				
10. For construction and repair contracts – provisions to cover "Anti-Kickback Act"?				

## INSTRUCTIONS FOR P-2

### Procurement Desk Review

- P013. Awards for competitive sealed bids MUST be made based on lowest cost from among the responsive and responsible bidder. If the award was based on any other factors, the answer to this question is NO.
- P014. Were all bidders notified in writing?
- P015. Can the reviewer follow the history of the procurement from a pre-bid analysis through to the contract administration?
- P016a. Was debarment and suspension documentation available for all contracts over \$25,000?
- P016b. Was Lobbying certification available for all contracts over \$100,000?
- P016c. The Buy American Provision must be addressed in all bid solicitations for food. The waiver form is not mandatory but greatly improves the ability of the system to monitor compliance with the provision.
- P016d. The following provisions must be in all procurement documents.
1. Breach of contract
  2. Termination for cause
  3. Termination for convenience
  4. Access to all records
  5. Maintenance of records (minimum of 3 years plus the current year or until all audit findings are resolved)
  6. Standards and policies relating to energy efficiency
  7. Equal Employment Opportunity regulation
  8. Clean Air Act provisions
  9. Not applicable for any contracts EXCEPT software development and food development.
  10. Not applicable unless a contract for construction or repair.

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
9. Provisions that establish USDA rights in data discovery for software and food development contracts?				
10. For construction and repair contracts – provisions to cover “Anti-Kickback Act”?				
<b>P017. For Competitive Sealed bids:</b>				
a. Were bids solicited in sufficient time prior to the date set for the opening of the bids?				
b. Were all bids publicly opened at the time and place prescribed in the invitation for bids?				
c. Was a firm – fixed price contract award made in writing to the lowest cost responsible bidder?				
d. Was a cost plus fixed fee contract awarded?				
e. If YES, have audit reviews been documented?				
<b>P018. For Competitive Proposals</b>				
a. Was the competitive proposal used only when appropriate?				
b. Was the Request for Proposal (RFP) publicized?				
c. Did the RFP identify all significant evaluation factors and their relative importance?				
d. Was the contract awarded to the responsible bidder whose proposal was most advantageous to the LEA/SFA when price and other factors were considered?				
e. Was a cost plus fixed fee contract used?				
f. If YES, have audit reviews been documented?				
<b>P019. Procurement by Noncompetitive Proposals</b>				
a. Were noncompetitive proposals used correctly?				
b. Was noncompetitive proposal procurement used due to a Sole Source determination?				
c. If YES, did it have State Agency approval?				
<b>P020. Were affirmative steps taken to assure that small minority firms, women’s business enterprises, and labor surplus area businesses were used when possible?</b>				

## INSTRUCTIONS FOR P-3

P016d.

11. Not applicable for any contracts EXCEPT software development and food development.
12. Not applicable unless a contract for construction or repair.

P017. For competitive sealed bids, the following questions should be answered.

- a. Check the date of advertisement against the date of bid opening. Ensure that adequate time was allowed.
- b. Review bid opening log. Did it match the advertised time and place?
- c. If the bid was awarded on a firm-fixed price, was it awarded to the lowest bidder?
- d. Was a cost plus fixed fee contract used?
- e. Has it been audited?

P018. For competitive proposals, the following questions should be answered.

- a. Was the competitive proposal used ONLY where it should have been used: example – for service type contracts or for contracts where criteria other than lowest price should be considered?
- b. Review the advertisement for the RFP.
- c. Review the RFP to ensure that all evaluation factors were detailed along with their relative weights in the final determination.
- d. Review the award to determine if all advertised factors were considered in the evaluation of the procurement.
- e. Was this a cost plus fixed fee procurement?
- f. If so, has it been audited?

P019. Noncompetitive proposals

- a. Review the reasons for using noncompetitive proposals. Was it used ONLY when a competitive procurement was not possible?
- b. Determine if a sole source determination was utilized.
- c. Review documentation to ensure that the State Agency approved any sole source procurements.

P020. Review procurement documents to assure that affirmative steps were taken to involve the listed entities in the bidding process.

NONPUBLIC SCHOOL Desk Review – Procurement

SFA LEVEL  
 SCHOOL LEVEL

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b>Procurement</b> Review procedures utilized by the Nonpublic School for procurement of all goods and services				
NP01. Are any purchases made that exceed the small purchase threshold?				
NP01a. If yes, were formal bid procedures used?				
NP01b. If no, were small purchase procedures handled correctly?				
NP01c. Were prices compared using a market basket approach or some other documented means of comparison?				
NP01d. Were a minimum of two sources documented?				
NP02. Did the Nonpublic School purchase from the supplier who provided the best prices for an established group of products, quantities considered?				
NP03. Does the Nonpublic School have a written code of conduct governing the performance of employees engaged in the purchasing process?				
NP04. Do solicitation documents clearly define the items or services needed?				
NP05. Were all potential suppliers provided with the same description of items or services?				
NP06. Were records maintained to detail the significant history of the procurement?				
NP07. Was the Buy American provision considered when purchasing?				
NP08. Were bids evaluated based on the combined total cost of all items to be purchased during the life of the contract?				

NP-1

## **INSTRUCTIONS FOR NP-1**

### **NONPUBLIC SCHOOL PROCUREMENT DESK REVIEW**

NOTE: The Nonpublic Schools may not have any formal Bids. If they have used small purchase procedures, they should have market basket or other comparisons to document their purchases. If they did utilize any formal procurements – a full desk review should be undertaken for those procurements.

- NP01. Review purchase amounts. If they do not exceed the small purchase threshold, then the one page desk review will be conducted. The procurement work sheet will still need to be completed.
- NP01a. If the answer is yes – use the same form that you use for public schools.
- NP01b-d. If the answer is NO – use this form. Review documentation of the market basket or other documented comparison to see if they are purchasing from the apparent lowest source.
- NP02. Review documentation of the market basket or other documented comparison to see if they are purchasing from the apparent lowest source.
- NP03. The SFA is required to have a written document detailing their code of conduct. For RCCI's it can be very simple, but should be in the file.
- NP04. Procurement should be based on a comparison of prices for the same item. For any purchase or group of purchases, the SFA should have written descriptions of the products to be purchased.
- NP05. Are the comparisons for like items or groups of items?
- NP06. Review procurement records. Was the process documented completely?
- NP07. Was the Buy American Provision a consideration when purchases were made?
- NP08. Were projected purchase amounts supplied for each item requested?

GENERAL AREAS OF REVIEW

[ ] SFA LEVEL  
 [ ] SCHOOL LEVEL

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b>Miscellaneous Regulations</b>				
5001. Does the approved competitive food policy comply with Federal Regulations for Foods of Minimal Nutritional Value?				
5002a. Does the SFA use vending machines for the reimbursable meals? b. If Yes, did the SFA notify the State Agency of its intention to use vending machines? c. Does the SFA comply with National School Lunch Program Regulations?				
5003. Does the SFA have a Wellness Policy?				
5004a. Does the SFA have a fluid milk substitution policy?				
5004b. If yes, does the SFA offer fluid milk substitutes?				
5004c. Did the SFA notify the State Agency that fluid milk substitutes will be offered to students without disabilities?				
<b>Afterschool Snack Program</b>				
6001a. Is the school implementing an Afterschool Snack Program? b. If Yes, has at least one of the two reviews required been completed? (1 <sup>st</sup> 4 weeks of school/2 <sup>nd</sup> review during SY)? c. Are daily snack production records/ menus maintained? d. Do the menus meet the reimbursable snack requirement? e. Are meal counts taken on an "at risk" site? f. Are the claims for reimbursement correctly filed? g. Are daily income records maintained for cash activity? h. What types of educational activities does the site implement?				

## INSTRUCTIONS FOR G-10

### Miscellaneous Regulations

5001. Review the local board of education competitive food policy for the school reviewed. Check the competitive foods available to students during meal service in the cafeteria; these foods must comply with the Federal Regulations. Refer to Federal Regulation 7CFR§210.11 and National School Lunch Program/School Breakfast: Foods of Minimal Nutritional Value” issued January 16, 2001. Refer to the Rules of the State Board of Education, T.C. A., §49-6-2307. Check only the food items in the cafeteria.
- 5002a-b.-c. If Yes, refer to SP-03-2007 “Vending Machines in the School Meal Programs” issued January 22, 2007.
5003. Every SFA must have a Wellness Policy. Refer to the Reauthorization Act of 2004, Section 204.
- 5004a. Yes or No depending on the SFA decision to offer or not offer fluid milk substitutions. Refer to 7CFR 210.10.
- 5004b. The SFA must have a policy for fluid milk substitutions to students without disabilities.
- 5004c. The State Agency must be notified if an SFA chooses to serve fluid milk substitutions; documentation of the notification must be available to the reviewer.

### Afterschool Snack Program

- 6001a. If Yes:
- 6001b. Review the documentation of the review(s).
- 6001c. Review the snack production records and menus.
- 6001d. Check the menus to determine if the snacks contain at least two different components of the following four: a serving of fluid milk; a serving of meat or meat alternate; a serving of vegetable(s) or fruit(s) or full strength vegetable or fruit juice; a serving of whole grain or enriched bread or cereal. Review the Meal Pattern for Afterschool Snacks in the A Menu Planner for Healthy School Meals.
- 6001e. “At risk” sites require a daily count of students participating in the snack program; counts will be claimed at the free reimbursement rate.
- 6001f. The back-up documentation must support the snacks claimed for reimbursement.
- 6001g. Review the daily income records for money received for reduced or paid students.
- 6001h. List the types of educational activities provided during the afterschool snack program.

GENERAL AREAS OF REVIEW

SFA:	School:			
Review Areas	Yes	No	N/A	Comments
<p><b>School Meal Initiative</b></p> <p><b>7001. Are the Production Records and Food Preparation Records available?</b></p> <p><b>7002. Do the Production Records/Other Records contain sufficient information to perform a Nutrient Analysis?</b></p> <p><b>Commodities</b></p> <p><b>8001a. Based on the listed requirements for the use of donated foods, is the SFA in compliance?</b></p> <ul style="list-style-type: none"> <li>• Adequate facilities to prevent theft, spoilage, and other loss.</li> <li>• Donated foods are used for lunches and other nonprofit school food service activities.</li> <li>• Is the school using the first-in and first out method of inventory for commodities?</li> <li>• Are there commodities more than a year old?</li> <li>• Is the commodity inventory excessive?</li> </ul> <p><b>8001b. If the SFA contracts with a Food Management Company (FMC), are the following requirements in compliance:</b></p> <ul style="list-style-type: none"> <li>• Contracts have required provisions for donated foods.</li> <li>• SFA conducts an annual reconciliation and has records to verify that the FMC has credited the SFA for the value of all donated foods received for the School.</li> <li>• Nutrition Program.</li> <li>• Procurement of end products with donated foods from commercial processors comply with procurement requirements.</li> <li>• Monitoring by the SFA of the FMC's compliance with donated foods.</li> </ul> <p><b>8001c. Does the SFA do commodity processing and if yes, is it in compliance?</b></p>				

## **INSTRUCTIONS FOR G-11**

### **School Meal Initiative**

- 7001. Obtain copies of the production records, other food preparation information and menus for the review month. Check for meal components, portion sizes, and quantities prepared. All information should be on file.
- 7002. Review the production records and other records. Check the amount of food planned for grade/age groups. Review the Recipes and food buying guide information used to prepare the foods.

### **Commodities**

- 8001a. Storage facilities are sanitary and free from rodent, bird, insect and other animal infestation. Foods are maintained at proper storage temperatures. Food is stored off the floor with proper ventilation. Donated foods are used only for school food service meals and activities. Check with cafeteria staff to determine if cafeteria facilities are safe from theft. Keys to cafeteria facilities are not provided to vendors or other persons not delegated to have keys. Check to see if items are dated. There should not be items more than a year old. Is there an excessive amount of commodities? Does the SFA understand how to order commodities? (This is a technical assistance area.)
- 8001b. If a Food Management Company contracts with the SFA, the company must comply with the Federal Regulations 7CFR§250 concerning the donation of foods for use in the United States. The contract must ensure all requirements from parts 7CFR§250,210,220,225, and 226 are included for compliance. A reconciliation must be conducted at least annually and upon termination of the contract of the value of all donated foods received for the recipient agency's food service including the value of donated foods contained in processed end products. Record documentation is required to verify that the FMC has credited the SFA for the value of all donated foods. The SFA is required to monitor the FMC and its usage of commodities.
- 8001c. If commodity processing is done, is it in compliance with 7CFR§3016? Refer to the Procurement Worksheet.

SFA:		School:		
REVIEW AREAS	YES	NO	N/A	COMMENTS
<b>Equipment Grants (ARRA)</b>				
9001a. Were correct procurement procedures used to purchase the equipment?				
9001b. Was the money used to purchase the equipment indicated in the award letter?				
9001c. Is the equipment in the correct location?				
<b>Fresh Fruit and Vegetable Program</b>				
10001a. Does the school have a Fresh Fruits and Vegetables Program?				
10001b. If Yes, is the school following the submitted plan for the program?				
10001c. How was the program publicized for children to know the fresh fruits and vegetables were available?				
10001d. Do the records for administrative and operational expenses match the FFVP Claim for Reimbursement for the review month?				
10001e. Are the expenses in compliance?				
1000f. If the school(s) retains a portion of the funds for administrative expenses, do the expenses (year to date) exceed 10% of the program funds?				
<b>Seamless Summer Feeding Program</b>				
11001. Did the LEA have one or more Seamless Summer feeding programs?				
11002. Has a review been conducted?				
11003. Were there any findings? If yes, please list.				
11004. Was a second visit required? If yes, provide the date and corrective action.				

## INSTRUCTIONS FOR G-12

### Equipment Grants

- 9001a. Review the bid process for the equipment. Is it in compliance with 7CFR §3016? Refer to procurement instructions for pages G-8 and G-9 and pages P-1, P-2, and P-3.
- 9001b. Review the invoice (s) with the award letter for the equipment.
- 9001c. Review the equipment grant. Visit the school to see if the equipment is located in the school as stated in the equipment grant.

### Fresh Fruits & Vegetables (FFVP)

- 10001a. If yes:
- 10001b. Review the plan to determine if the school is spending the funds according to the plan submitted to the State.
- 10001c. What activities does the school use to publicize the program? The school should have documentation to support the activities.
- 10001d. Check the FFVP expenses used for the program. They should match the FFVP Claim for Reimbursement.
- 10001e. Refer to pages 11 and 12 in the Fresh Fruit and Vegetable Handbook for the items which are limited and not allowable. Frozen or canned fruits, regular salad dressings and dips rather than low fat or fat free, dips for fruit, dried fruit or trail mix are not allowed. Educational materials or items for promotion of the program cannot be purchased. They need to be purchased through their partnerships with other programs.
- 10001f. Administrative expenses must not exceed 10% of the funds received year to date.

### Seamless Summer Feeding Program

- 11001. Yes or No; if yes, provide the number of sites.
- 11002. Yes or No. The review may be conducted the summer prior to the review or the summer following the review.
- 11003. Yes or No. List the findings.
- 11004. Yes or No; provide the date of the second visit and any findings.

July 2010