

RCCI Manual

Child Nutrition Program Guidance
for
Indiana Residential Child Care Institutions



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Forward

This manual contains information for Residential Child Care Institutions (RCCIs) which either participate or would like to participate in the National School Lunch Program (NSLP), and/or the School Breakfast Program (SBP), or the Special Milk Program (SMP). Since numerous procedures are unique to RCCIs, we felt that it would be helpful to incorporate regulations, instructions, and guidance into one manual for easy reference.

All School Nutrition Programs (SNP), including NSLP, SBP, and SMP, are administered by a State Agency (SA), which in our state is the Indiana Department of Education, School and Community Nutrition Program. You are encouraged to contact the SA with your questions or for on-site technical assistance.

This manual is based on information developed by the Indiana Department of Education, School and Community Nutrition.

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- (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.

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Introduction

History

Since 1946, the National School Lunch Program has provided financial support and federally purchased commodities to help schools serve nourishing, well-balanced meals to children. The Child Nutrition Act of 1966 expanded the program to include breakfast. In 1975, the National School Lunch Act extended eligibility to residential child care institutions (RCCIs). The most current guidelines are based on the Healthy, Hunger-Free Kids Act of 2010.

Purpose

The purpose of all Child Nutrition Programs is stated as policy in the National School Lunch Act:

It is hereby declared to be the policy of Congress, as a measure of national security to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants-in-aid and other means, in providing for the establishment, maintenance, operation, and expansion of non-profit school lunch programs.

The benefits of sponsoring School Nutrition Programs (SNP) such as the National School Lunch Program (NSLP) and School Breakfast Program (SBP) include cash reimbursement for breakfasts, lunches and snacks planned according to nutritionally adequate meal patterns and served to eligible students, as well as the provision of USDA donated food assistance (commodities) through the Food Distribution Program (FDP).

Applicable Regulations

Regulations which are pertinent to the operations of the School Nutrition Programs are 7 CFR: Part 210, Part 220, Part 245, Part 250, and Part 3015. All regulations are available on the School Nutrition page of the IDOE website.

7 CFR - Title 7 Code of Federal Regulations

7 CFR Part 210, National School Lunch Program (NSLP) - Sets forth the requirements for participation in the NSLP. It specifies program responsibilities of State and local officials in the area of program administration, preparation and service of nutritious lunches, payment of funds, use of program funds, program monitoring and reporting and recording requirements.

7 CFR Part 220, School Breakfast Program (SBP) - Sets policies and prescribes regulations necessary to carry out the provisions of Section 4 of the Child Nutrition Act of 1966, as amended, which authorizes payments to the states to assist them to initiate, maintain or expand nonprofit breakfast programs in schools and RCCIs.

7 CFR Part 245, Free and Reduced Price Eligibility – Establishes the responsibilities of State agencies, Food and Nutrition Service Regional Offices, school food authorities or local educational agencies, as defined in §245.6, as applicable in providing free and reduced price meals and free milk in the NSLP, SBP, SMP, and commodity schools.

7 CFR Part 250, Donation of Foods for Use in the United States - Sets forth the terms and conditions under which donated foods may be obtained from the USDA for use in the Child Nutrition Programs.

7 CFR Part 3015 - The uniform Federal assistance regulations published by the USDA to implement Office of

Management and Budget circulars A-21, A-87, A-102, A-110, A-122 and A-128.

Common Acronyms used in the Child Nutrition Programs

ADA - Average Daily Attendance
ADP - Average Daily Participation
AR - Administrative Review
ASSP - After School Snack Program
CEP - Community Eligibility Provision
CFR - Code of Federal Regulations
CNP - Child Nutrition Programs (all nutrition programs funded via USDA)
CNPweb - Child Nutrition Programs online reporting system
DC - Direct Certification
DOE - Department of Education
FDP - Food Distribution Program
FFVP - Fresh Fruit and Vegetable Program
FNS - Food and Nutrition Service (USDA)
FSMC - Food Service Management Company
HHFKA - Healthy Hunger Free Kids Act of 2010
LEA - Local Education Agency
NSLP - National School Lunch Program
OVS - Offer versus Serve
PLE - Paid Lunch Equity
RCCI - Residential Child Care Institution
RFP - Request for Proposal
SA - State Agency (DOE)
SBP - School Breakfast Program
SCN - School and Community Nutrition (at DOE)
SFA - School Food Authority
SFSP - School Food Service Program
SMP - Special Milk Program
SNA - School Nutrition Association
SNAP - Supplemental Nutrition Assistance Program (Food Stamps)
SNP - School Nutrition Programs (Lunch, Breakfast, Snacks, Special Milk)
SSO - Seamless Summer Option
TA - Technical Assistance
TANF - Temporary Assistance for Needy Families
TN - Team Nutrition
USDA - United States Department of Agriculture



IDOE School Nutrition Webpage: <https://www.doe.in.gov/nutrition>

General Program Requirements

Qualifications

RCCIs can receive full benefits of School Nutrition Programs provided that the institution:

- 1) is public or nonprofit private
- 2) operates principally for the care of children
- 3) is residential
- 4) if private, is "tax exempt" under Section 501(c)(3) of the Internal Revenue Code of 1954
- 5) if private, is licensed by the State to provide residential child care

A public institution is one which is operated by and primarily responsible to any level of Federal, State or local government. A private, nonprofit institution is one which is not public and is tax-exempt for federal income tax as described above.

Institutions qualifying as an RCCI eligible for full benefits include, but are not limited to:

- homes for the mentally disabled, emotionally disturbed, physically handicapped or unmarried mothers and their infants
- group homes
- orphanages
- temporary shelters for abused and/or runaway children
- long-term care facilities for chronically ill children
- juvenile detention center

Note: Boarding schools are not considered to be RCCIs.

States may not impose any additional eligibility requirements. Of course, as with schools currently participating, inability to comply with program regulations would disqualify an LEA from participation.

Agreement with the State Agency (SA)

To become and maintain sponsorship of the NSLP and SBP an RCCI must request and maintain an agreement with the SA. The agreement, which includes sponsor and site applications, a Policy Statement, and Civil Rights information sets forth the terms, conditions, and covenants necessary to comply with government regulations of the programs. When the RCCI administration is convinced that the responsibilities can be correctly executed, the agreement is signed by the RCCI Director and returned to the SA for consideration. It is signed at the state level, thus becoming the agreement or legal, binding contract. A copy of the signed agreement is returned to the RCCI. It is the responsibility of the RCCI administrative staff to oversee the programs to assure that they are carried out successfully within the framework of the contract. It is imperative that food service employees in administrative and supervisory capacities become familiar with this document and with the Policy Statement.



IDOE New Sponsor Webpage: <https://www.doe.in.gov/nutrition/potential-school-nutrition-programs-sponsor>

Policy Statements for Pricing Institutions

RCCIs with day students in attendance and participating in the NSLP and SBP must submit a pricing policy statement, unless all students are provided free meal. Pricing programs (where children pay for the meals), require a lengthy policy statement as outlined in 7 CFR Part 245.10. This statement outlines the process for determining eligibility, the method payments should be collected, and the appeal process. A suggested template will be sent to new sponsors to sign prior to approval. For renewing sponsors, it is found on the CNPweb in the Sponsor Summary Packet list.

Policy Statements for Non-Pricing Institutions

All RCCIs participating in the program must have a policy statement. Pricing programs (where children pay for meals) most often found in schools, require a lengthy policy statement as outlined in 7 CFR Part 245.10. Non-pricing programs, such as found in most RCCIs, may have a simplified version of the required policy statement. To qualify as a non-pricing program, RCCIs may not charge children for any meals served.

Any policy statement for non-pricing programs must contain that the entire enrollment is being served the same meal at no charge and without discrimination against any child in the course of the meal service. A suggested template will be sent to new sponsors to sign prior to approval. For renewing sponsors, it is found on the CNPweb in the Sponsor Summary Packet list.



IDOE New Sponsor Webpage: <https://www.doe.in.gov/nutrition/potential-school-nutrition-programs-sponsor>

Food Safety

The Indiana Department of Education is requiring all Food Service Directors, including New Food Service Directors, to be food safety certified but does not require food safety certification/licensed for all staff on site. However, RCCIs should contact their local health department to see their requirements. Sponsors should continue to follow the local health department requirements, which might include food safety certification/licensed staff on site, along with the Indiana Department of Education requirements. RCCIs can receive food safety certification by working with an organization identified on the [Indiana Department of Health's website](#) or by completing the [Institute of Child Nutrition's Food Safety for Schools 8 hour course](#).

The National School Lunch Act requires that two food safety inspections per program year be conducted by the State or local governmental agency responsible for inspections. All sponsors of National School Lunch Programs should request these from their local county health department and keep documentation of the request. If a health inspection is requested and completed, the latest health inspection should be posted in a public place.

Also, all RCCIs are required to create and implement a food safety plan. The food safety plan should include Standard Operating Procedures, Checklists for Maintaining Food Safety, and specific information that pertains to that institution's program.



IDOE Food Safety Webpage: <http://www.doe.in.gov/nutrition/food-safety>

Wellness Policies

A wellness policy is a written document that guides an institution's efforts to establish an environment that promotes students' health, well-being, and ability to learn.

All RCCIs that participate in the National School Lunch and School Breakfast Programs are to meet local wellness policy requirements consistent with the requirements. Requirements and resources may be found on the website.



IDOE Wellness Policy Webpage: <http://www.doe.in.gov/nutrition/school-wellness-policy>

Civil Rights

The main expectation in civil rights is treating everyone with dignity and respect and not discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

All institutions must collect and report racial and ethnic data initially when coming on the program and annually thereafter. Summer Food Service Program and Child and Adult Care Food Program must collect the number of actual participants and the estimated number of potentially eligible participants by racial or ethnic category. School Nutrition Programs must collect the actual number of children applying for free and reduced-price meals or free milk by racial/ethnic group. Sponsors must keep all data on file for three years, plus current year.

Sponsors must do the following in order to ensure compliance with civil rights procedures:

- Develop and implement a written civil rights complaint procedure to handle any discrimination complaints.
- Readily have civil rights complaint forms available to give to complainants who have a complaint.
- Have a civil rights complaint log to track any such complaints.
- Train their staff on civil rights requirements before the staff assume their duties in Child Nutrition Programs and annually thereafter. Specific subject matter must include, but not be limited to:
 - Collection and use of data,
 - Effective public notification systems,
 - Complaint procedures,
 - Compliance review techniques,
 - Resolution of noncompliance,
 - Requirements for reasonable accommodation of persons with disabilities,
 - Requirements for language assistance,
 - Conflict resolution, and
 - Customer service.
- Display the current "And Justice for All" poster in a prominent place, with the exception of family daycare homes.
- Use the USDA nondiscrimination statement on all public correspondence that implies or mentions USDA or Child Nutrition Programs.
- Make reasonable modifications when modifications are necessary to accommodate children with disabilities.
 - An agency must reasonably modify its policies, practices, or procedures to accommodate participants with disabilities, unless the modifications would fundamentally alter the nature of its service, program, or activity. Requests for accommodations must be reviewed on a case-by-case basis to determine whether reasonable modifications can be made without fundamentally altering the program.
- Provide equal access to the benefits of Child Nutrition Programs.



IDOE Civil Rights Webpage: <http://www.doe.in.gov/nutrition/scn-civil-rights-requirement>

Professional Standards

Professional Standards for child nutrition professionals is a key provision of the Healthy, Hunger- Free Kids Act of 2010 (HHFKA). This rule requires a minimum amount of annual training hours for directors, managers, and staff. The training hours for staff is dependent upon how many hours a week the employee works. Sponsors must ensure that the trainings that staff are receiving are pertaining to their specific job duties and tasks.

All sponsors should also remember that there are certain trainings that are required to be completed annually. These include civil rights and offer versus serve trainings.

There are also minimum hiring standards for new Food Service Directors hired after July 1, 2015. Hiring standards for new Food Service Directors are determined based on student enrollment of the facility. No hiring standards have been established for food service managers, cooks, line staff, cashiers, dishwashers, custodians, secretaries, etc. Food Service Directors hired before July 1, 2015 are grandfathered into their current position.

All Food Service Directors in the state of Indiana must be food safety certified. For new Food Service Directors, at least eight hours of food safety training must be completed within five years prior to the starting date or completed within 30 days after the starting date. Food Service Directors are required to keep an up-to-date food safety certification at all times during employment.



IDOE Professional Standards Webpage: <https://www.doe.in.gov/nutrition/professional-standards>

Calendars and Checklists

For all sponsors operating any of the School Nutrition Programs, there are several items to be completed during each year.



IDOE Calendars and Checklists Webpage: <https://www.doe.in.gov/nutrition/calendars-and-checklists>

On-Site Review

All sponsors with multiple buildings are required to complete an on-site review for every building before February 1. An on-site review is the evaluation of the lunch and breakfast counting and claiming procedures. Single RCCI sites/buildings are not required to complete on-site reviews. Sponsors that have two different sites listed in the CNPweb but serve meals in the same cafeteria are not required to conduct an on-site review. Single site sponsors are highly encouraged to conduct an annual on-site review to ensure integrity and accountability of the Child Nutrition Programs. The On-Site Review Form, Instructions, and PowerPoint are available online.



IDOE On-Site Review Webpage: <http://www.doe.in.gov/nutrition/site-review>

Menu Planning

Meals served in the NSLP and SBP should always be appealing, nutritious, and well-balanced to provide children with the nutrients they need according to the Recommended Dietary Allowances. They should also conform to the USDA Dietary Guidelines for Americans (<https://www.cnpp.usda.gov/dietary-guidelines>). As of July 1, 2012, all sponsors are required to operate the same food-based meal pattern under the Healthy, Hunger-Free Kids Act (HHFKA).

In order to claim reimbursement on meals served to students, the RCCI must make sure they are following USDA's daily and weekly meal pattern requirements.

In addition to making sure proper components are planned and served with each meal, RCCIs must consider the calorie, saturated fat, and sodium of all meals served to students. RCCIs must make sure over the week, their menus align into the nutrient ranges.

Meal Requirements: National School Lunch Program (K-12)

At lunch, menu planners must plan that every meal includes the minimum portion size of these five components:

- Meat/Meat Alternate
- Vegetable
- Fruit
- Grain
- Fluid Milk

The following is a simple menu that meets all five components:

Sample Lunch Menu	Food Item	Food Component
Turkey Sandwich	Turkey	Meat/Meat Alternate
	Cheese	Meat/Meat Alternate
	Whole Wheat Bread	Grain
Tossed Salad	Romaine Lettuce and Tomatoes	Vegetable
Banana	Banana	Fruit
Milk	Milk	Milk



IDOE National School Lunch Program Webpage: <https://www.doe.in.gov/nutrition/national-school-lunch-program>

Meal Requirements: School Breakfast Program

At breakfast if not implementing offer versus serve, a complete breakfast consists of three food items from three components. If implementing offer versus serve (see the section below called Offer versus Serve for more details), a complete breakfast consists of four food items from three components. Located below are the three components that must be offered whether implementing offer versus serve or not:

- Grain (can add Meat/Meat Alternative and count as Grain)

- Fruit (can also serve Vegetable and count as Fruit)
- Milk

Sample Breakfast Menu	Food Item	Food Component
Sausage Biscuit Sandwich	Sausage Biscuit	Grain (Meat/Meat Alternate counting as a Grain)
		Grain
Apple Juice	Apple Juice	Fruit
Orange Slices	Orange Slices	Fruit
Milk	Milk	Milk



IDOE School Breakfast Program Webpage: <https://www.doe.in.gov/nutrition/national-school-breakfast-program>

Offer versus Serve

Offer versus serve (OvS) regulations were introduced to reduce the amount of plate waste. OvS allows children to decline a set number of components at lunch and food items at breakfast. OvS at lunch is optional for elementary and middle school (K-8) but required for high school (9-12). OvS at breakfast is optional for all grade levels.

RCCIs implementing OvS in their lunch program, must offer children all five components. Under OvS, all children must be given the choice to decline up to two full portions of the five components offered. However students must take at least ½ cup of fruit, vegetable, or a combination of the two for a reimbursable meal.

RCCIs which have OvS in their breakfast programs must offer all four food items to all children. Children then have the option to take only three items. Students must take at least ½ cup of fruit, vegetable, or a combination of the two for a reimbursable meal.

Please note the difference between breakfast and lunch with OvS. Breakfast focuses on food items, while lunch focuses on components. For instance, if a student selected at lunch a ½ cup of 100% orange juice and ½ cup of apple slices, this combination would be considered one component – Fruit. However at breakfast, if the student selected both the ½ cup of juice and the ½ cup of apple slices, even though they are both the same component, they are considered two separate food items. This makes a difference when trying to determine a reimbursable meal.

If properly implemented, OvS should reduce food waste. To ensure proper planning for OvS, RCCIs will need to keep accurate daily records of food production for each menu item.



IDOE OvS Webpage: <https://www.doe.in.gov/nutrition/offer-vs-serve-lunch> and <https://www.doe.in.gov/nutrition/offer-vs-serve-breakfast>

Crediting Components

Menu planners must ensure that they are serving the right portion sizes of allowable (creditable) food. USDA and Indiana has developed different resources to help menu planners know how to credit their menu items.



USDA Food Buying Guide: <https://www.fns.usda.gov/tn/food-buying-guide-for-child-nutrition-programs>



IDOE Crediting Webpage: <https://www.doe.in.gov/nutrition/crediting>

Meat/Meat Alternate

Whole muscle meat (like chicken breast) and cheese can credit ounce for ounce. Processed meat like chicken nuggets, deli ham, or beef burgers need to have either a Child Nutrition Label or a Product Formulation Statement accompanying the product to explain how it credits for the School Nutrition Program. For peanut butter, beans, yogurt, and cottage cheese use the Food Buying Guide to help determine how much to serve each grade group.

Grain

At least 50% of the grains offered to students must be whole grain-rich. Whole grain-rich means that at least 50% of the grain that makes up the product is a whole grain. Most grain crediting can be determined by referring to the Grain Equivalency Chart. Processed products that combines food components, like pizza, breaded chicken patties, macaroni and cheese, should have a Child Nutrition Label or Product Formulation Statement accompanying the product to explain how it credits.

At lunch, grain based desserts like graham crackers, cookies, cake, and brownies are limited over the week. While at breakfast, grain based desserts are not creditable.



IDOE's Grain Resources: <https://www.doe.in.gov/nutrition/crediting>

Fruit

Fresh, frozen, canned, dried, and 100% juice are all allowed in the School Nutrition Program. RCCIs will ensure they are serving the proper volume of fruit by consulting the Food Buying Guide. Dried fruit credits at twice the volume served (i.e. ¼ cup of dried apricots credits as ½ cup of fruit).

No more than half of the offerings of fruit may be in the form of juice over the week.



Fruit and Vegetable Fact Sheet for Breakfast and Lunch: <https://www.doe.in.gov/nutrition/crediting>

Vegetable

Fresh, frozen, canned, and 100% juice are all allowed in the School Nutrition Program. RCCIs will ensure they are serving the proper volume of vegetables by consulting the Food Buying Guide.

Leafy greens credit as half the volume served (i.e. ½ cup of romaine lettuce credits as ¼ cup dark green vegetable).

At lunch only, the meal pattern requires a variety of vegetables served over the week. Every week the menu planner must plan to offer Red/Orange, Dark Green, Bean/Pea (Legume), Starchy, and Other Vegetables. To determine how

vegetables are categorized, view the Food Buying Guide.



Fruit and Vegetable Fact Sheet for Breakfast and Lunch: <https://www.doe.in.gov/nutrition/crediting>

Milk

Schools are only allowed to serve 1% or fat-free plain or flavored milk. Schools must offer at least two types of milk and plain (1% or fat-free) milk must always be offered. Possible choices include (but are not limited to):

- Fat Free Plain and Fat Free Chocolate
- 1% Plain and Fat Free Plain
- 1% Plain and 1% Chocolate

Extras

Extra Food Items

RCCIs are allowed to offer extra food items that don't meet the meal pattern requirements. Commonly offered extra food items include condiments like ketchup, mustard, mayo, barbeque sauce, ranch dressing, cream cheese, butter, jam, etc. While these items do not credit toward the component requirements, they are included in the calorie, saturated fat, and sodium nutrient analysis.

Additional extras could include desserts, like non-whole grain rich cookies, pudding, gelatin, etc. or side dishes, like potato chips, non-whole grain rich crackers, and cream soup. As long as the minimum daily and weekly component requirements are being met, extras are allowable. However, these extras are still counted in the weekly nutrient analysis.

A la Carte

Any additional food sold to students for seconds or a la carte must meet specific ingredient and nutrient requirements. This is explained in the Smart Snacks section of the manual.

Nutrient Analysis

As mentioned above, menus are required to meet specific nutrient requirements. Depending on the grade group that is being served, a week's menu must fall into a particular calorie range and not exceed the saturated fat and sodium limits. Additionally all food served to students must be Trans-fat free.

There is often confusion about the nutrient analysis because it is not based on one food item or one day's menu, instead the nutrient analysis is a weighted average over the week. So one day might exceed the sodium limit while the next day is well under the limit. This is okay because the menu will average out and meet the requirements. IDOE is providing free nutrient analysis software. For more details, click here:

https://primeroedge.com/indiana/?inf_contact_key=abc5ba70ef4d5d37d18c200cc9f33c5659b30dfb135c251f00f6ff640d380c2f.

Standardized Recipes

RCCIs must make sure their recipes are all standardized. This is a recipe that has been tested for use in a specific kitchen to ensure that it will produce the same yield, serving size, and number of servings every time the recipe is followed as written. Standardizing recipes is the only way an institution can guarantee students are getting the correct portion to meet their daily and weekly meal pattern requirements. Additionally these recipes promote consistency and quality.

Any recipe that has more than two ingredients must be standardized. This includes a peanut butter and jelly sandwich, broccoli with cheese sauce, corn with butter and salt, etc.



IDOE Standardized Recipe Webpage: <https://www.doe.in.gov/nutrition/crediting>

Food Production Records

Food production records are required to be completed and retained for every meal served and claimed under the NSLP and SBP. Production records provide documentation that meals claimed for reimbursement meet the quantity and component requirements. A specific format is not required, but the form should contain all of the same information as suggested on the template on the IDOE webpage.

The food production record should include the menu item, serving size, and total purchase units. Also, the food production record should show the servings planned, prepared and served including left overs. These records become a valuable planning tool, since you can use them to help estimate the amount of each menu item to prepare the next time it is served.



IDOE Food Production Records Webpage: <http://www.doe.in.gov/nutrition/food-production-records>

Water Availability

RCCIs must make potable water available to children at no charge in the place where lunch is served during the meal service. In addition, when breakfast is served in the cafeteria, institutions must make potable water available and accessible without restriction to children at no charge. There are a variety of ways that RCCIs can implement this requirement. For example, water pitchers and cups can be offered on lunch tables, a water fountain, or a faucet that allows students to fill bottles or cups with drinking water is also an option. Whatever solution is chosen, the water must be available without restriction in the location where meals are served. While potable water is required to be made available to students, it is not considered part of the reimbursable meal and students are not required to take water.



IDOE Water Availability Webpage: <https://www.doe.in.gov/nutrition/water-availability>

Signage for Identifying a Reimbursable Meal

RCCIs must label, list, or otherwise identify foods or food components that are part of a meal (breakfast and lunch) near or at the beginning of the serving line and prior to the point of service.



IDOE Signage for Identifying a Reimbursable Meal Webpage: <http://www.doe.in.gov/nutrition/signage-identifying-reimbursable-meal>

Special Dietary Needs

RCCIs are required to provide reasonable modifications to students who have a medical need, disability, or impairment. A reasonable modification is a change or alteration in policies, practices, and/or procedures to accommodate a participating child's disability. Reasonable modifications to effectively accommodate children with disabilities must be made on a case-by-case basis. However, it is up to the institution to determine if they will offer substitutes for students due to religious or lifestyle choices. This includes providing special meals, at no extra charge, to children with a disability when the disability restricts the child's diet.

Disability/Physical Impairment within the Meal Pattern

- If there is a medical need/disability/impairment and the meal can be accommodated within the meal pattern (Celiac Disease, single food allergy, texture modifications, etc.), SFAs are not required to obtain a medical statement signed by a health care provider with prescriptive authority and should make those necessary accommodations identified by the household.
- If a SFA would like to have a medical statement, they may ask the household to provide this documentation but cannot delay implementation of the meal accommodation. The SFA must accommodate the student as soon as possible.
- Requests for milk vary slightly.
- Disability/Physical Impairment outside the Meal Pattern
- If a student needs a substitute due to a medical need/disability/impairment outside the meal pattern (multiple food allergies, tube feedings, etc.), SFAs need a medical statement signed by a health care provider with prescriptive authority such as a physician. With this documentation, these meals are reimbursable.
- When the medical statement is required, it must include:
 - Information about the child's physical or mental impairment that is sufficient to allow the SFA to understand how it restricts the child's diet,
 - An explanation of what must be done to accommodate the child's disability, and
 - The food or foods to be omitted and recommended alternatives, in the case of a modified meal.
- An SFA cannot delay implementation until it receives the medical statement and must accommodate the student as soon as possible.
- If a medical statement is not immediately provided, the SFA must document the initial interaction with the household and should document all attempts to contact the household regarding obtaining a medical statement.
- Requests for milk vary slightly.

Religious or Lifestyle Choice

- SFAs are not required to accommodate students for religious or lifestyle choices. If an RCCI elects to make substitutions for one student, the same accommodation should be made for all students with that religious or lifestyle choice.
- If implementing this option, the accommodation must fit within the meal pattern and no documentation is required.
- If implementing offer versus serve, students can decline certain food components/items due to religious or lifestyle choice.
- Requests for milk vary slightly.



Smart Snacks

The Healthy, Hunger-Free Kids Act of 2010 required those operating the School Nutrition Programs to implement Smart Snacks standards beginning July 1, 2014. This rule states that all food/beverages competitively sold to students on the campus, during a school day are required to meet particular nutrient standards. This rule does not include the food claimed for reimbursable meals for the School Breakfast Program, National School Lunch Program, or the After School Snack Program.

These standards **do apply** to food and beverages sold to students in the cafeteria as a la carte/seconds, in stores/snack bars, in vending machines, through culinary education programs, food given to students for “donations,” or any other venues selling to students during the school day on campus.

These standards **do not apply** to food sold after 30 minutes once school is over and sold to adults only.

USDA defines specific terms used in the definition of what a smart snack is as the following:

- Campus – All areas of the property under the jurisdiction of the institution that are accessible to students during the school day.
- School Day – The period from midnight the day before to 30 minutes after the end of the official school day.
- Competitively Sold – Any food or beverage other than a reimbursable meal/snack.

General Food Standards

These standards apply to all grade levels and only to food, not beverages. All food must meet the general standard requirements and then the specific nutrient standards.

Allowable products:

1. Whole grain-rich – grain products must include 50% or more whole grains by weight or have a whole grain as the first ingredient.
2. First ingredient is a fruit, vegetable, dairy product or protein food.
3. A combination food with at least ¼ cup of fruit and/or vegetable.

Specific Nutrient Standards

Total Fats	≤ 35% calories from total fat as served
Saturated Fats	< 10% calories from saturated fat as served
Trans Fat	Zero grams of trans fat as served (≤ .5 g per portion)
Sugar	≤ 35% of weight from total sugar as served
Calories	Snack items and side dishes ≤ 200 calories per item as served, including any added accompaniments Entrée items sold a la carte ≤ 350 calories per item as served, including any added accompaniments

Sodium	Snack items and side dishes ≤ 200 mg per item as served, including any added accompaniments.
	Entrée items sold a la carte ≤ 480 mg per item as served, including any added accompaniments

Indiana Fundraiser Exemption

Indiana allows each building to grant two fundraiser exemptions per program year. One exemption lasts one day. Any fundraiser granted the exemption must not distribute exempt food or beverages in the areas where meals are sold or eaten during breakfast or lunch meal times.

There is no set process for awarding a fundraising exemption. As long as the institution can keep track of the two exempted fundraisers and provide that information during a review, it is up to the RCCI to determine how they will award the exemptions, how they will be monitored, and the method of recordkeeping.

Beverage Standards

Grades K-8 are only allowed to purchase plain water or plain carbonated water, low-fat plain or flavored milk, fat free plain or flavored milk, 100% fruit/vegetable juice, and 100% fruit/vegetable juice diluted with water (with or without carbonation) and no added sweeteners. Portion sizes depend on the grade group that is purchasing the beverage. Review the Summary of Standards for more information.

Grades 9-12 are allowed to purchase any of the beverages mentioned for K-8, along with “no calorie” beverages, which are flavored and/or carbonated beverages with 0-10 calories (20 oz. or less) and “low calorie” beverages which are flavored and/or carbonated beverages 11-60 calories (12 oz. or less).

It is important to note that in RCCIs where there is no way to separate the grades purchasing certain beverages (such as in vending machines or through a la carte), then the RCCI must follow the lower grade requirements.

Record Keeping and Compliance

All non-exempt food and beverages that will be sold to students during the school day must be entered into the Alliance for a Healthier Generation Product Calculator. RCCIs must print off the product calculator results and keep these on file. Any food or beverage sales that receive a fundraiser exemption must be documented and kept on file.



Alliance for a Healthier Generation Product Calculator:

https://www.healthiergeneration.org/take_action/schools/snacks_and_beverages/smart_snacks/alliance_product_calculator/

Food Distribution Program

Each year, recipient agencies must first be approved to participate in the National School Lunch Program (NSLP) before they are eligible to participate in the Food Distribution Program. New recipient agencies are not eligible for USDA Foods

(previously known as commodities) until they have participated in the NSLP for one program year; however they will be eligible to complete a pre- order Survey. Those Recipient Agencies who receive “vended” or catered meals are not eligible to receive USDA Foods.

USDA Foods are purchased by the government to improve the nutritional status of children and offered to RCCIs based on their NSLP participation. USDA Foods accounts for up to 20% of the institution’s food budget. Using these dollars help decrease the amount of food that has to be purchased commercially.

The annual USDA Planned Assistance Level (PAL), often referred to as Entitlement, is distributed to recipient agencies through the CNPweb system to all eligible sponsors each year on an annual pre- order survey. A recipient agency’s Entitlement balance is based on an RA’s Total Reimbursable Lunches claimed under the NSLP for the previous program year. Each January, sponsors will be asked to complete an online, pre-order survey and spend their Entitlement up to 102% by requesting the types and amounts of USDA Foods they wish to receive beginning the following September.

Delivery of USDA Foods

Frequency of Deliveries

Each August the State contracted warehouse(s) will upload available bi-weekly delivery periods in the CNPweb system. Commodity Delivery Order requests must be completed through the CNPweb system.

Established commodity Delivery Orders to recipient agencies shall be made based on warehouse delivery periods. Those recipient agencies affected by any deviation from the published schedule shall be notified by telephone as soon as the deviation is recognized by any agent of the contractor (i.e., delivery personnel). Biweekly delivery means every other week and **not** twice a month; therefore, recipient agencies may have deliveries scheduled three times in certain months.

Delivery Times

Deliveries shall be made between the hours of 7:00 a.m. and 3:00 p.m. (Recipient Agency Local Time), unless special arrangements are made in advance. Warehouses are contracted to make deliveries during inopportune times, such as during holidays, lunches, etc. Staff must be available to accept, verify, and inspect each delivery. It is the Recipient Agency’s responsibility to report any type of closures and such to the warehouse.

The contractor shall, where practical, provide each recipient agency with delivery on the same weekday of each scheduled delivery period or provide a 24-hour notification of delivery. This provision should actually increase delivery efficiency by enabling recipient agencies to plan and schedule receiving personnel.

In the event that deliveries are delayed due to a cause beyond the control of the recipient agency (i.e., inclement weather, contractor equipment failure, or personnel problems), the contractor shall work with the affected recipient agency to arrange another agreeable time of delivery before the next scheduled delivery date. When requested, the contractor must provide delivery to all recipient agencies. The contractor shall make every effort to ensure that deliveries are completed as scheduled on a biweekly delivery basis. Qualified, Non-school Summer Food Service Program Sponsors will have their orders placed for them by the State Agency through the CNPweb system.

Delivery Drops

Drivers and/or other representatives of the State contracted warehouse shall deliver USDA Foods into designated receiving areas at each recipient agency site and shall not be required to stow such USDA Foods on shelves. Due to the delivery driver’s tight schedule, it is the responsibility of the Recipient Agency to have staff available to receive the

deliveries. This applies during inconvenient times such as lunch, recess, etc.

Single Inventory Record Keeping System

Indiana, like many other states, has adopted the single inventory approach to receiving, storage and utilization of USDA Foods. Once a USDA Food item appears in a sponsor's CNPweb inventory, it is considered to be commercial product regarding delivery, receiving, storage and utilization. The single inventory recordkeeping system combines purchased food and USDA Foods purchased for the School Nutrition Programs into one system. USDA's decision to purchase and distribute USDA Foods in commercial labels rather than USDA labels created a need to change inventory procedures. Since USDA Foods would be visually indistinguishable from purchased food, maintaining separate inventories for the two classes in order to facilitate compliance with existing regulations would be difficult. Therefore, USDA granted states a waiver from certain regulatory requirements. States that adopted the single inventory system, and SFAs under their oversight, were instructed to apply the same recordkeeping and inventory requirements to USDA Foods that they use to safeguard foods purchased with School Nutrition Program funds.

Handling USDA Foods under the Single Inventory Record Keeping System

1. The value of the USDA Food will be realized when title passes to the recipient agency. At that point, the product becomes the property of the recipient agency and is a nonprofit food service account asset.
2. Since separate inventories are no longer required, the same inventory valuation method currently used by the recipient agency for purchased products would now apply to all USDA Foods. For example, if the recipient agency uses FIFO (first in-first out) for purchased products, the recipient agency would use FIFO for its USDA Foods.
3. The recipient agency will treat and safeguard its USDA Foods just as it now does with supplies purchased with nonprofit food service account funds. As always, good inventory management and control practices must be maintained.
4. The recipient agency may use the USDA Foods across programs as long as all income accrues to the nonprofit food service account in the same manner income currently accrues from the use of supplies purchased with nonprofit food service account funds.
5. When a loss of a USDA Food occurs after title has transferred, the recipient agency is required to use the same procedures currently in place for reporting purchased product losses. If the recipient agency is not obligated to report purchased product losses to the State agency, the recipient agency will no longer be responsible for reporting USDA Food losses. However, the recipient agency remains responsible for ensuring that all nonprofit food service resources are safeguarded and reminded that any misuse of nonprofit food service resources is subject to criminal prosecution under section 12(g) of the National School Lunch Act.
6. USDA Food entitlement credit will be available to recipient agencies that furnish food for nationally declared disaster feeding. The credit cannot exceed the lesser of the actual USDA Foods supplied or the amount of the USDA Foods received during the past 12 months.
7. Once received by the recipient agency, the State agency will not be involved in arranging or accounting for transfers to other agencies. Transferring of USDA Foods may still occur, however, arrangements will be made at a local level. Since the value of the USDA Food has already been realized by the recipient agency, no additional entitlement will be credited. It will be the responsibility of each recipient agency to recoup the transferred product value.
8. Food safety recalls will follow the current USDA Hold and Recall procedures. As with any commercial product, can codes and establishment numbers will be used.

Receiving

1. Designated receiving areas have the following parameters:
2. Delivering carriers shall have access to a ground level unloading area or standard truck dock.

3. Facilities shall be accessible by truck.
4. Final receiving areas shall be on the same level as the unloading area and no more than fifty feet from ground level unloading area or truck dock.
5. Carriers will follow standard industry practice pertaining to deliveries when addressing unusual delivery situations. A recipient agency representative shall verify accuracy of items, quantities, and condition of USDA Foods. The recipient agency representative must sign each delivery receipt. The receiving agent shall note variances from the norm, such as shortages, damages, etc., on the appropriate delivery receipt. Delivery personnel shall initial all such notations.
6. A recipient agency delivery order of fewer than ten cases per drop site will be assessed a drop fee not to exceed fifteen dollars per drop. A drop fee may not be assessed when delivery of less than the minimum is the result of the contractor's discretion. As an example, if a single recipient agency requested a combined delivery of dry and cooler/freezer USDA Foods which met the minimum delivery requirement and the contractor decided to deliver less than the minimum of dry USDA Foods on one day and less than the minimum of cooler/freezer USDA Foods several days later, the recipient agency would not be subject to the drop fee.

Damages and Shortages

The sponsor should approach these issues for USDA Foods just as they would for any commercially purchased product. Under the single inventory system, your first contact would be the distributor. Be sure that all such incidents are noted on the delivery document and initialed by the delivery agent. The distributor will post a USDA Food short delivery in the CNPweb system and the sponsor will need to reorder the product.

USDA Food Complaints

When a sponsor can clearly identify that there is a problem with a USDA Food product they may contact the State Agency to determine if a formal complaint to the USDA is warranted.



IDOE Food Distribution Program Webpage: <https://www.doe.in.gov/nutrition/usda-foods-distribution-program>

Procurement

The requirements as set forth in USDA regulations for each program are similar in scope. The program regulations that outline the basic requirements for procurement are: [7 CFR Part 210.16\(b\) & \(c\)](#); [7 CFR Part 210.21](#). Federal regulations require RCCIs receiving Federal School Nutrition funds to follow certain rules for procurement. The regulations can be found in [2 CFR Part 200](#) (specifically 200.318 – 200.326).

State agencies and school food authorities shall comply with the requirements of this part and [2 CFR Part 200](#), subpart D and USDA implementing regulations 2 CFR [part 400](#) and [part 415](#), as applicable, which implement the applicable requirements, concerning the procurement of all goods and services with nonprofit school food service account funds.

These standards do not relieve the grantee of any contractual responsibilities under its contracts. Grantees shall use their own procurement procedures which reflect state and local laws as they conform to USDA regulations.

"Grantees shall maintain a written code or standards of conduct which shall govern the performance of their officers, employees, or agents engaged in the award and administration of contracts supported by federal funds."

No one affiliated with the grantee (i.e. employee, officer, or agent) can take part in the selection or award of a contract supported by federal funds. **(A potential contractor cannot prepare and/or develop any procurement or contract documents).**

"The grantee shall establish procurement procedures which provide that proposed procurement shall be reviewed by grantee officials to avoid the purchase of unnecessary or duplicate items".

[2 CFR Part 200](#) stresses anticompetitive practices as implemented in Public Law 105-336. A potential contractor may provide specific information. However, a potential contractor cannot prepare procurement or contract documents (specifications, invitation to bid, statement of work, RFP, etc.).

The grantee shall in its evaluation consider alternatives to ensure an economical purchase is made. Alternatives are, but not limited to; 1) breakout of different items so as not to limit competition; 2) or consolidate to achieve a more equitable price and /or fee; 3) and consider lease instead of purchase.

"All procurement transactions regardless of whether by sealed bids or by negotiations, and without regard to dollar value, shall be conducted in a manner that provides maximum open and fair competition consistent with regulations. Procurement procedures shall not restrict or eliminate competition."

Awarding of a contract should only go to the contractor who can successfully carry out the terms and conditions of the proposal. Consideration should be given to integrity, past performance, and financial stability.

Types of Procurement

The non-Federal entity must use one of the following methods of procurement:

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold of \$10,000. To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (\$150,000 for Indiana). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Procurement by sealed bids (formal advertising) are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

USDA Regulations and Other Resources

- **7 CFR 210: (210.16 and 210.21)** <http://www.gpo.gov/fdsys/pkg/CFR-1998-title7-vol1/content-detail.html>
- **7 CFR 250: (250.12 and 250.30)** <http://www.gpo.gov/fdsys/pkg/CFR-2007-title7-vol1/content-detail.html>
- **IDOE/SCNP:** <http://www.doe.in.gov/nutrition/scn-procurement>
- **Institute of Child Nutrition:** Procurement in the 21st Century: <https://www.doe.in.gov/sites/default/files/nutrition/procurement-21st-century.pdf>



Free and Reduced Price Eligibility

Once an RCCI has been approved to operate NSLP and SBP, it is necessary to establish the eligibility of the children participating at the RCCI. RCCIs must maintain the names, ages (must be under 21 years of age) and entry and departure dates of all participating children in the NSLP and SBP.

The eligibility requirements of residential students are determined differently from those who are day students.

Institutionalized Children

An institutionalized child is considered a one-person household since he or she is not living with his or her actual family as an economic unit. The RCCI does not need to obtain an application or signature from an adult household member. Since an institutionalized child is defined as a family of one, program eligibility for institutionalized children is based on income received by the child; the family's income is not included. Payments from any source directly received by the institution on a child's behalf are not considered income to the child. Only the income a child earns from employment and/or personally receives while in residence at the institution is considered income. As a result, meals for most institutionalized children can be claimed as free because the children's personal income falls well within the free eligibility guidelines.

In order to properly document the eligibility of institutionalized children, an RCCI may use one of the following methods:

- A. **The Statement of Facts** - The simplest method of documenting children's eligibility is to have a signed Statement of Facts on file at the RCCI. This is a written statement outlining the general policy or condition within the RCCI which would cause all its institutionalized children (not including day students) to be eligible for free benefits. A prototype form is available on the [RCCI webpage](#). The following are some acceptable examples of what would qualify as Statement of Facts:
 - 1) "All our children are wards of the court. They are not permitted to earn, receive or retain any money while in our custody."
 - 2) "Our students are permitted to hold part-time jobs (up to 16 hours per week). The maximum earnings we have seen have been \$83.00 per week. We also permit students to get up to \$5.00 per week from home, but require any money received or earned to be turned in to our 'bank' and to be drawn out only with permission."
- B. **Eligibility Roster** - If an RCCI does not have a predetermined policy which dictates the allowable income to children, then it may wish to record eligibility determinations, by child, on a list. A sample eligibility roster can be found on the [RCCI webpage](#). It must contain the following information:
 - 1) child's name;
 - 2) date of eligibility determination;
 - 3) category of eligibility; and
 - 4) approving official's signature/initials.

Day Students Attending RCCI

Day students are children who attend but do not reside in an RCCI. A student's eligibility for free, reduced or paid meal benefits is determined based on the student's household size and income or Food Stamp/TANF participation. A

Statement of Facts does **not** cover the eligibility of day students as it does for the institutionalized children.

To determine a day student's eligibility, RCCIs must obtain documentation of the free and reduced status from the regular school of attendance or have the child's family apply with the facility. In some situations, day students may already be enrolled at a regular school and if eligible, should have an approved application on file there. RCCIs may request a copy of the approved free and reduced application from the school.

For day students that were not already approved for benefits in the current program year, a prototype free and reduced applications which contains all required language and instructions, as well as the required parent letter, can be obtained on the [Free and Reduced Price Forms webpage](#). Applications must be distributed to households each program year because eligibility from the previous school year expires by the 30th operating day of the program. The RCCI can mail the application home to all households or send the applications home with the day students. The RCCI must review applications, make eligibility determinations, complete Verification and submit a thorough Verification Summary Report.

Resources that will help with the Free and Reduced Process are the following: [Eligibility Manual for School Meals, Income Guidelines](#), and [Free and Reduced Fact Sheets](#).

Day students from households currently certified to receive Food Stamp/TANF assistance are categorically eligible for free benefits. If a household does not receive such benefits, then reported income must fall within Federal eligibility guidelines to entitle a child to free or reduced price meal benefits.

For Categorical Eligibility Based on Food Stamp and/or TANF information, the application must include:

- name of the child for whom application is made;
- food stamp or TANF case number in the correct format; and
- signature of an adult household member.

For Eligibility Based on Household Size and Income, the application must include:

- names of all household members;
- amount and source of income received in the prior month by each member;
- the last 4 digits of the social security number of the adult household member who signs the application or an indication that the household member does not have one; and
- signature of an adult household member.

Along with free and reduced applications of day students, RCCIs with day students should also keep an [eligibility roster](#). As mentioned in the previous section, an eligibility roster records the names of all children in the RCCI along with the appropriate eligibility information. Please note that although one eligibility roster can be used for both institutionalized children and day students, the eligibility and documentation requirements differ between the two groups. Care should be taken to ensure that the eligibility requirements are met for both institutionalized children and day students. The eligibility roster does not determine the eligibility of students but records the eligibility of students for free and reduced price benefits.

RCCI Resident Attending Day School

Residents that go to another school do not automatically qualify for benefits, unless the school has found them in the Direct Certification system. For those students not found in Direct Certification, the school must receive a completed application for each child or an eligibility documentation sheet for all children residing in the RCCI. It is the RCCIs responsibility to make sure the school has the necessary documentation and information to potentially qualify residents

for free or reduced meals.

A complete application for an institutionalized child must include:

- 1) child's name;
- 2) child's personal income (money earned or received in hand) and how often it is received;
- 3) signature of an adult from the RCCI.

The documentation sheet must be signed by an appropriate official and must include:

- 1) child's name;
- 2) any personal income received by the child;
- 3) child's date of birth;
- 4) date of admission;
- 5) date of release;
- 6) official's title and contact information.



IDOE Free and Reduced Information Webpage: <https://www.doe.in.gov/nutrition/snp-free-and-reduced-information>

Verification

Unless an RCCI processes and approves free and reduced applications for day students, RCCIs are exempt from verification efforts. For those that do process applications, verification instructions are posted on the Verification webpage.

Verification Summary Report (VSR)

All RCCIs are required to complete the VSR, even those that do not process any applications. Detailed instructions on the claim process for both RCCIs that do not process applications and those that do process applications are posted on the Verification webpage.



IDOE Verification Webpage: <https://www.doe.in.gov/nutrition/snp-verification>

Questions about Eligibility

Q: Are residential institutions which operate only on weekends eligible for participation in the SNPs?

A: No. It is the intent of the law that a residential institution provide continuous child care service. Since an institution operating only on weekends is not open continuously, it is not eligible to participate.

Q: When an institution maintains only a portion of its membership in residence and another group of children attend daily but reside elsewhere, is it eligible to participate in the SNPs?

A: Yes, the primary basis for eligibility of an institution to participate is its residential status. As long as some children reside in the institution, it is considered residential and eligible to participate. However, any children **under** age 21 who

participate in the institution's program may receive full program benefits in the SNPs regardless of whether they reside at the institution. However, each eligibility status must be determined individually based on the criteria described above.

Q: When adults are also in residence in the institution, must children reside in a physically separate unit or wing within the institution?

A: It is the intent of the regulations to serve children who reside in an institution which is designed and operated primarily for the care of children or in a separate children's wing or in an identifiable area of an institution. As such, even though an institution primarily serves and cares for adults, the regulations have been written to allow these types of institutions to participate if the residing children are located in a distinct part of the institution designed primarily for the care of children.

Q: Are RCCIs, such as, runaway shelters that have temporary clientele, eligible for participation in SNPs?

A: As long as the institution itself operates on a continuous basis, it can participate in SNPs. Due to the short-term services these types of institutions provide, it is of the utmost importance that complete records be maintained for three years to document claims. Such records should clearly illustrate in sufficient detail, by type of meal (breakfast or lunch), that all meals served on any given day and claimed for reimbursement were eligible for such reimbursement. Careful records of entrance and exit dates of each resident and their eligibility category during their stay must be kept.

Q: Are homeless shelters that house both adults and children and do not physically segregate the children from the adults eligible to participate in the SNPs?

A: No, homeless shelters which cannot demonstrate a primary mission of service to children or which permit families to reside together are not eligible to participate as RCCIs. However, children are eligible to participate in the Special Milk Program (SMP) as "settlement houses" and claim milk served to children. Contact your SA for details.

Q: When a correctional facility serves as an RCCI, what is the definition of separate areas for inmates under twenty-one?

A: If inmates who are eligible for the CNPs reside on one side of a corridor with non-eligible inmates on the opposite side, the distinct or separate wing or identifiable area requirement is satisfied. If there is an "under twenty-one" corridor or wing, then the requirement is satisfied.



IDOE Free and Reduced Information Webpage: <https://www.doe.in.gov/nutrition/snp-free-and-reduced-information>

Financial Management

Recordkeeping

There are financial recordkeeping requirements for the NSLP and SBP. Sponsors should either establish a separate account for the nonprofit food service or maintain a separate line item fund in order to track expenditures and revenue related to child nutrition programs. This information must be available for review by

the state agency at any time. It is required that RCCIs complete a food service Annual Financial Report in our online CNPweb system. This form is available at the end of claims list each year and must be completed by September 1st. Instructions for its completion are in Resources on the CNPweb.

Records should demonstrate compliance with program requirements and should include revenue and expenditure records sufficient to establish the nonprofit status of the food service operations. All records, including supporting documents such as bills and invoices, must be retained for a minimum of three years plus the current operating year after the end of each program year, June- July.

RCCIs may use a bookkeeping system of their choice. The following section specifies the types of financial records that must be retained. Not every RCCI will have all types of assets and expenses.

Cash and Cash-Like Records	Examples of Minimum Records
Savings and/or checking account	Bank statements
Cash-on-hand	Cash count record and petty cash account
Cash due the program	Federal Reimbursement due, charged lunches, discounts earned
Negotiable securities	Market value of T-bills, bonds and stocks owned by the nonprofit foodservice
Cash payable (a debit item)	A bill that is on hand to cover a legitimate nonprofit foodservice expense

Expenses	Examples of Minimum Records
Net purchases*	Food purchases, less discounts and returns
Commodity charges	State processing, handling and delivery charges
Labor	Payroll records, including employee/employer contributions to FICA, etc.
Other Expenses	The nonprofit food service may pay these costs. Supporting bills must be retained. Examples are trash, utilities, insurance, paper, cleaning supplies, repairs, equipment, and depreciation. **

***Food Costs:** At the end of any program year, the nonprofit food service will need to know an average food cost per meal in order to allocate expenses on the AFR appropriately. The AFR instructions in the CNPweb system give complete guidance on this process.

****Depreciation of Equipment:** This is defined as depreciation of nonexpendable food service equipment costing more than \$300 and having a useful life of more than one year. If equipment is depreciated, it should be depreciated over a twelve year period. Equipment costing under \$300 per unit may be expensed when purchased.

The following **non-financial** records must also be kept:

1. **Meal Counts** - RCCIs must keep a record of each site's daily meal count by meal and by category to support its Claim for Reimbursement.
2. **Free and Reduced Price Meal Data** – If applicable, RCCIs must maintain an accurate record of the number of children eligible for free and reduced price meals, including any source documentation. This

can be accomplished by maintaining your eligibility roster and any free and reduced price application files. Active applications should be divided into free and reduced categories, and should indicate the dates of any eligibility changes for children who have withdrawn from the site, or had reported a change in income or family size.

3. **Production Records and Menus** - Menus and production records must be maintained to demonstrate that the required number of food components and food items are offered on any given day. Production records should include sufficient information to evaluate the menu's contribution to the meal pattern.

Specific Prohibitions

1. Meals for both program and non-program adults may **not** be claimed for reimbursement. However, food service revenues may be used to pay for, or subsidize, meals for program adults.* Non-program adults, however, are not to be supported by food service revenue. If you wish to charge non-program adults less than it costs to produce the meal, revenue must be transferred to the food service account from another source.
 - a. *Note: A program adult is an individual whose job description includes some on-site responsibility for food service, i.e. SBP and NSLP. A non-program adult is an individual whose responsibilities do not include food service programs.
2. Revenues may not be used to purchase land or buildings or to construct buildings.
3. The RCCI must limit its net cash resources to an amount that does not exceed three months' average expenditures for its nonprofit food service or such other amount as may be approved by the SA in accordance with 7 CFR Part 210.19(a).

Reimbursement

Reimbursement rates are adjusted annually in mid-July and vary for each program (NSLP and SBP). For the NSLP and SBP, there are three reimbursement rates: free, reduced priced and paid. The rates are posted on the Pricing Guidance Webpage.

RCCIs are eligible for an additional 2 cents per lunch reimbursement if 60% or more of lunches in the second preceding year were served to children eligible for free and/or reduced price meals. This will be noted in the Sponsor Information Sheet in the year the school becomes eligible.

The Severe Need Breakfast rates allow qualified sites to receive additional per breakfast reimbursement. Sites are designated in the Site Sheet Breakfast Program section as "severe need" if 40% or more of its lunches from the second preceding school year were served to children eligible for free or reduced price meals. This must be met on a site-by-site basis and is automatically figured from the online claims. If the same sponsor is operating more than one site, eligibility is determined for each site separately.

If a RCCI was not participating in the NSLP two years ago, that RCCI is not eligible to qualify for Severe Needs Rates. After the RCCI has participated in the NSLP for the two year period and has necessary participation data, it would then be eligible to qualify for the higher reimbursement rate. This will be automatically determined in the CNPweb system each year.



IDOE Pricing Guidance Webpage: <https://www.doe.in.gov/nutrition/snp-pricing-guidance>

Meal Counting and Claiming Systems

In order to obtain federal reimbursement for meals served, trained adults must accurately count, record and claim the number of meals actually served to eligible participants.

RCCIs must have a Policy Statement approved by the SA before any meal count system is implemented. (Please refer to the Policy Statement section for specific requirements.) Also, all food service personnel must be adequately trained before starting any child nutrition program.

The essential components of a good counting and claiming system are the point of service meal count and the recording and reporting procedures.

Any System In Place Must Provide A "Point of Service" Meal Count:

- of reimbursable meals served;
- by type (free, reduced price and paid);
- each day; and
- without overtly identifying students receiving meal benefits.

There are different ways to count meals served by category, but the most common tool used in RCCIs is a check-off list.

Point of Sale Software System

It is up to the individual RCCI to determine which point of sale software system will be right for their needs. RCCIs need to make sure that they are not overtly identifying students by having the screen with the student's name and status available for anyone to see during the food service operation. As each child is served a meal, his/her name is checked off in the system.

Software systems must be kept up-to-date and must accurately reflect the correct eligibility category of students. The names of children who have withdrawn from the institution should be removed with the date of withdrawal. Newly enrolled children must be added and the date noted. The software system must be able to include the date and the type of meal being counted and maintained as documentation of numbers claimed for that meal on that date.

Check-Off List

Check-off lists indicate the names of all eligible child, by category, and are used at the point of service to record the number of reimbursable meals served. As each child is served a meal, his/her name is checked off on the list. At the end of the service, check marks are added up, by category, to determine the daily meal count.

Check-off lists must be kept up-to-date and must accurately reflect the correct eligibility category of children. The names of children who have withdrawn from the institution should be marked off, and the date of withdrawal should be noted. Newly enrolled children must be added and the date noted. Point-of-service may be done as simply as an "X" or a hash mark on a sheet of paper for each child being served a first meal. The paper must include the date and the type of meal being counted and maintained as documentation of numbers claimed for that meal on that date.

RCCIs cannot use a morning count for counting reimbursable meals. Children who were counted in the morning

might not be eating when it is lunch time or there might be new children eating who were not counted earlier. Meals must be counted only when the child receives the reimbursable meal.

*Please note that if a child is not eating with the normal population due to reasons such as detention, RCCIs still need to allow all children the same choices as any other child. The NSLP and SBP cannot be used as a form of punishment. Children can choose their meal, have their meal counted at the point of service, and then be required to eat somewhere else outside the cafeteria.

Weekend Reimbursements

RCCIs can continue to receive reimbursement under the SBP and NSLP on the weekends. Reimbursement is made on a "per day of operation" basis. Therefore, reimbursement may be claimed for eligible meals served any day that an institution is approved to provide its services. Unless the RCCI has full documentation of the meal, including production records, recipes, etc., showing that the meal has met the meal pattern requirements, they should not claim a meal for reimbursement.

RCCI Sack Lunches Sent to Schools

In order for RCCIs to claim sack lunches sent to school with the institutionalized students, it must ensure that the school is not already claiming lunch for those children. RCCIs may claim such sack lunches if there is evidence that children would not otherwise be served a nutritious lunch or would not be served at an appropriate time. If appropriate, Offer versus Serve (OvS) should be exercised at the time the meal is packed at the RCCI, and should be packed, stored, and served under strict sanitary conditions to avoid contamination. OvS requirements are discussed in the Menu Planning section of this manual.

Non Reimbursable Meals

The following items are **not** reimbursable and must not be included in the meal counts reported on the Claim for Reimbursement.

- Evening meals like supper
- Meal supplements such as snacks UNLESS on the After School Snack Program
- Adult meals
- Second meals eaten by eligible children
- A la carte items
- Meals given to students to take home
- Meals not meeting the meal pattern requirements, e.g. a tray with only 1 or 2 components
- Pitch in meals provided by families or communities that do not meet the meal pattern

Quick Guide to Reimbursable Meal Periods

	Holidays	Weekends	Summer	Regular Week
Breakfast	Allowed to claim	Allowed to claim	Allowed to claim	Allowed to claim
Lunch	Allowed to claim	Allowed to claim	Allowed to claim	Allowed to claim
After School Snack	ONLY if regular school is in session, can you claim. If regular school is not in session, you cannot claim.	ONLY if regular school is in session, can you claim. If regular school is not in session, you cannot claim.	ONLY if regular school is in session, can you claim. If regular school is not in session, you cannot claim.	ONLY if regular school is in session, can you claim. If regular school is not in session, you cannot claim.

Internal Controls

An RCCI must establish internal controls to identify potential problems in the meal count system and to ensure that an accurate Claim for Reimbursement has been made. Internal controls protect RCCIs from having erroneous claims and potential over claims. Edits and monitoring are the two required internal controls.

Edit Checks

Daily meal counts should be entered on an edit-check sheet which is a mandatory record for RCCIs. The attendance factor for RCCI is considered to be 100 percent, because students reside in the facility and would not be "absent."



IDOE Edit Checks Webpage: <https://www.doe.in.gov/nutrition/edit-checks>

Monitoring

Every program year, each RCCI with more than one site/building must perform at least one On-Site Lunch Review of each site under its jurisdiction. Additionally if operating the SBP at more than one site, half of the sites that operate SBP must be reviewed in one year and the other half of the sites must be reviewed the next year.

The on-site reviews must take place prior to February 1 of each year. Furthermore, if the review discloses problems with a site's meal counting or claiming procedures, the RCCI must: 1) ensure that the site corrects the problem; and 2) within 45 days of the review, conduct a follow-up on-site review to determine that the problem has been corrected. Please contact the SA for monitoring procedures and review forms.



IDOE On-Site Review Webpage: <https://www.doe.in.gov/nutrition/site-review>

Written Instruction

It is highly recommended that each site within an RCCI maintain written instructions for all personnel which detail the operation of the meal count system and the responsibilities and duties of each person involved.

Reimbursement Claim

The Claim for Reimbursement and instructions are found in the online CNPweb system. The information used to complete this form will be obtained from the RCCI's point-of-service counting records, which have been consolidated on the daily meal count sheet. While only the Claim for Reimbursement is filed with the SA, it is required that all evidence be maintained on file to substantiate the data reported on the claim. This includes all participation records.

Submit the original Claim for Reimbursement as soon as possible after the month is over, but within 60 days after the end of the month for which the claim applies. It is important to remember that any claim submitted later than 60 days after the end of the claiming month will only be approved upon submitting a "one-time exception" explanation by letter or email. Sponsors get only one 'one-time exception' in a three year period.

It is important to note that RCCIs cannot use NSLP to claim reimbursement for meals served at supper time or in the evening. A lunch served under the NSLP is defined as a meal served to children around mid-day, specifically between the hours of ten and two o'clock. A meal served at a time which is traditionally considered the last meal of the day would not be in accordance with this requirement and would not be eligible for reimbursement.



IDOE Reimbursement Webpage: <https://www.doe.in.gov/nutrition/snp-pricing-guidance>

Administrative Review

Technical Assistance

Each area of the state of Indiana has a School Nutrition Specialist assigned to assist sponsors in all aspects of program compliance. You can find the name of your field specialist by looking in the CNPweb on the Packet Tab. Your field specialist is available to assist you in menu planning, determining eligibility status, production records, as well as general program compliance. Sponsors are highly encouraged to get to know their field specialist and to use them as resource in your Child Nutrition Program planning.

State Agency Compliance Reviews

Administrative Review

USDA requires a SA to conduct one Administrative Review of each School Food Authority at least once during each 3-year review cycle. The Administrative Review will be conducted by state reviewers and in some cases a representative of USDA may accompany the review team. Reviews may be conducted more frequently at state agency discretion.

What is an Administrative Review?

The Administrative Review focuses on all federal compliance aspects of the NSLP foodservice operations. It will include a thorough review of all documents related to the meals claimed for reimbursement, eligibility status of participants, claim filing process, food inventory, expenditures, food safety requirement, menu planning, nutritional standards as well as a meal observation for each meal type claimed for reimbursement. Sponsors are expected to daily maintain all documentation required for federal compliance; therefore additional time to

prepare for an Administrative Review should not be necessary.

The two critical performance standards (PS) of the Administrative Review are: PS1 – all free, reduced price and paid lunches, and breakfast where participating, claimed for reimbursement are served only to children eligible for those meals; and are counted, consolidated and reported through a system which consistently yields correct claims; and PS2 – all meals (breakfasts and lunches) claimed for reimbursement contain all food items/components in appropriate serving sizes including vegetable subgroups, as required by program regulations.

The Administrative Review will cover the following sections:

Section 1: Access and Reimbursement

Applications

Direct Certification

Verification Benefit

Issuance

*If the SFA is a RCCI with residential students only, SA staff will ensure a Statement of Facts or an Eligibility Roster are being used.

Meal Counting, Claiming and Reimbursement

Section 2: Nutritional Quality/Meal Pattern

Dietary Specifications and Nutrient Analysis Multiple

Meal Service Lines

Offer versus Serve

Section 3: Resource Management

Nonprofit School Food Service Account Paid

Lunch Equity

Revenue from Nonprogram Foods Indirect

Costs

USDA Foods

Section 4: General Program Compliance Civil

Rights

SFA On-Site Monitoring Local

Wellness Policy Smart Snacks

Professional Standards

Water

Food Safety

Reporting & Recordkeeping

SBP & SFSP Outreach

Section 5: Other Federal Program Reviews

Afterschool Care Snack Program Seamless

Summer Option

Fresh Fruit and Vegetable Program Special

Milk Program



Additional information on the Administrative Review can be found on our website:

<http://www.doe.in.gov/nutrition/snp-administrative-review-information>.

Resources

- [IDOE Online Trainings on inTEAM](#)
 - View all of IDOE's past coffee break webinars alongside other trainings on important topics for sponsors. These online trainings are continuously updated and new trainings are being added frequently!
- [Indiana's No Time to Train Lesson Plans](#)
 - Short lessons on important kitchen topics, including fruit and vegetable preparation, weights and measures, and how to use specific equipment
- [The Institute of Child Nutrition \(ICN\)](#)
 - ICN's online training database houses trainings on a wide variety of topics including food safety, meal pattern, and customer service.
- [Indiana School Nutrition Association \(ISNA\)](#)
 - The Indiana School Nutrition Association hosts various in-person trainings throughout the year on specific topics and hosts other larger conferences with an array of speakers on different topics.
- [USDA Policies](#)
 - Find all of the up-to-date policies and memos from the USDA about the School Nutrition Programs on their website.