Guidance for Residential Child Care Institutions (RCCI) in the School Meal Programs

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INTRODUCTION

This guidance contains information for Residential Child Care Institutions (RCCIs) which either participate or would like to participate in the National School Lunch Program (NSLP), the School Breakfast Program (SBP), the After School Care Snack Program (ASCSP) or the Special Milk Program (SMP).

Program Eligibility

RCCIs are eligible to participate and receive reimbursement in the NSLP, SBP, and ASCSP, provided the meals served meet the meal pattern requirements and are served to eligible children.

RCCIs can also receive reimbursement for milk under the Special Milk Program (SMP) provided that they are not claiming reimbursement for the NSLP, SBP, or the ASCSP.

RCCIs participating in the Child and Adult Care Food Program (CACFP) or Summer Food Service Program (SFSP) are not eligible for the NSLP, SBP, ASCSP or SMP.

In addition to reimbursement, RCCIs may receive commodities. Commodities are United States Department of Agriculture (USDA) donated foods that are made available to RCCIs. An RCCI's Entitlement, the allotted quantity of commodities, is established based on the number of reimbursable lunches served to eligible children the prior year. Commodities should be used during lunch, but may also be used for breakfast, a la carte meals, suppers, and snacks.

Applicable Regulations

Regulations which are pertinent to the operations of an RCCI are 7 CFR Part 210, Part 215, Part 220, Part 245, Part 250 and Parts 3016 and 3019. These regulations are available for download at the Ohio Department of Education (ODE), Office for Child Nutrition (OCN) website at www.education.ohio.gov and a summary of these regulations is found in the Permanent Agreement. A copy of the regulations and Permanent Agreement may also be obtained by contacting ODE, OCN.

Public Law 94-105, enacted in October 1975, redefined the term "school" in 7 CFR Part 210.2 to include RCCIs. Because RCCIs are included in the definition of "school", they are eligible to participate in the School Meal Programs. The definition reads as follows:

(c) any public or nonprofit private residential child care institution, or distinct part of such institution, which operates principally for the care of children, and, if private, is licensed to provide residential child care services under the appropriate licensing code by the State or a subordinate level of government, *except for* residential summer camps which participate in the Summer Food Service Program for Children, Job Corps centers funded by the Department of Labor, and private foster homes.

Institutions qualifying as a "school" include, but are not limited to:

- Homes for the mentally, emotionally or physically impaired, and unmarried mothers and their infants;
- Group Homes;
- Halfway Houses;
- Orphanages;
- Temporary shelters for abused children and for runaway children;
- Long-term care facilities for chronically ill children;
 - A long-term care facility is a hospital, skilled nursing facility, intermediate care facility, or distinct part thereof, which is intended for the care of children confined for 30 days or more.
- Juvenile Detention Centers

NOTE: Boarding schools are **not** considered to be RCCIs.

GENERAL PROGRAM REQUIREMENTS

Qualifications of the Institution

RCCIs can receive full benefits of the School Meal Programs per Public Law 94-105 provided that the institution:

- Is public or nonprofit private
- Operates principally for the care of children
- Is residential
- If private, is "tax exempt" under Section 501(c)(3) of the Internal Revenue Code of 1954
- 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 taxexempt as described above.

States may not impose any additional eligibility requirements. Of course, as with schools currently participating in the School Meal Programs, inability to comply with program regulations would disqualify an institution from participation.

Agreement with the Office for Child Nutrition

To become a sponsor of NSLP and SBP you must enter into an agreement with ODE, OCN as outlined in 7 CFR Part 210.9. Every RCCI operating the school meal programs must have a Permanent Agreement on file between the RCCI and ODE, OCN. The Permanent Agreement is signed by an RCCI executive and returned to ODE, OCN. 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.

There is an annual agreement renewal process that is required every program year starting July 1. The agreement, which is completed in the Claims Reimbursement and Reporting System (CRRS), includes sponsor and site applications, and sets forth the terms, conditions, and covenants necessary to comply with government regulations of the programs.

Food Safety

Section 111 of the Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265) amended section 9(h) of the Richard B. Russell National School Lunch Act by requiring school food authorities (SFAs) to implement a food safety program for the preparation and service of school meals served to children in the school year beginning July 1, 2005. The program must be based on Hazard Analysis and Critical Control Point (HACCP) principles and conform to guidance issued by the Department of Agriculture (USDA). All RCCIs must have a fully implemented food safety program that complies with HACCP principles. For more information, reference the manual: USDA Guidance for School Food Authorities: Developing a School Food Safety Program Based on the Process Approach to HACCP Principles. The manual is available on our website at www.education.ohio.gov.

The National School Lunch Act requires that two food safety inspections per school year be conducted by the State or local governmental agency responsible for inspections. All sponsors of National School Lunch Programs, regardless of the size of the facility or if the facility vends meals as opposed to self-preparation, must request these from their local county health department and keep documentation of the request. More details on this requirement are on our website at www.education.ohio.gov.

Local Wellness Policy

Legislation places the responsibility of developing a board-approved Local Wellness Policy at the local level, so that the individual needs of each school district can be addressed. According to the requirements for the Local Wellness Policy, school districts must set goals for nutrition education, physical activity, campus food provision, and other school-based activities designed to promote student wellness. This requirement also applies to RCCIs. For more information, see our website at www.education.ohio.gov.

REIMBURSEMENT

Rates

Reimbursement rates are adjusted annually and vary for each program (NSLP, SBP, ASCSP, and SMP). For the NSLP, SBP, and ASCSP, there are three reimbursement rates: free, reduced

price, and paid full price. Meals are reimbursed based on each child's eligibility (free, reduced price or paid full price). The current reimbursement rates can be found on the OCN website.

Meals for most **institutionalized** children can be claimed at the free reimbursement rate because the children's personal income falls well within the free eligibility guidelines. However, institutionalized children with personal income that falls in the reduced price or paid full price eligibility guidelines, must be claimed at the reduced price or paid full price reimbursement rates.

Meals for **day students** (children that only attend the RCCI for part of the day and receive meals) must be claimed based on the child's eligibility category using income applications, direct certification, or a copy of a current meal application provided by the child's school.

NOTE: See Children's Free and Reduced Price Eligibility section on pages 9-10 for more information about determining institutionalized children and day students' eligibility category. Many RCCIs do not charge children for meals and are therefore considered Non-Pricing programs. Although the meals are served at no cost to the child, the meals must still be claimed based on the eligibility category of the child (free, reduced price, and paid full price).

Severe Need Lunch Reimbursement

RCCIs are eligible for an additional two cents per lunch reimbursement if 60% or more of the lunches in the second preceding year were served to children eligible for free and/or reduced price meals.

Severe Need Breakfast Reimbursement

The severe need breakfast rate allows qualified sites to receive additional per breakfast meal reimbursement. Sites are designated 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 criterion is determined on a site-by-site basis.

Common Questions about Reimbursement

- Q. How does an RCCI qualify for Severe Need Lunch and/or Breakfast Reimbursement when it was not participating in the NSLP two years ago?
- A. RCCIs which were not in the NSLP during the second preceding school year would not be eligible for Severe Need Reimbursement for lunch. After the RCCI has participated in the NSLP for the two year period and has necessary participation data, it would then receive the higher reimbursement rate.

For Severe Need Breakfast reimbursement, the RCCI may be considered for the rate prior to the second preceding year my submitting a letter to ODE OCN requesting consideration for the severe need breakfast rate. ODE OCN will review the claims for reimbursement submitted by the RCCI for the first three claiming periods of the school year to evaluate whether or not the claims meet the criteria that 40% or more of its

lunches were served to children eligible for free or reduced price meals. If this criterion is met, the RCCI will receive the higher reimbursement rate.

FINANCIAL MANAGEMENT

Recordkeeping

This section provides the minimum financial recordkeeping requirements for the School Meal Programs.

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 after the end of each school year.

RCCIs may use a bookkeeping system of their choice. However, accurate expense data is needed to determine the cost of a meal. Expense data plus revenue data will provide a statement of profit and/or loss.

All bank accounts must be kept separated from the general account monies of the facility. In addition, the non-profit food service account money is not to be used for general account expenses. The non-profit food service revenues must stay in the non-profit food service account and be used only for non-profit food service expenses.

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

Cash-on-hand Cash count record and petty cash account

Cash due the program USDA reimbursement due, charged lunches, discounts

earned

Negotiable securities The market value of T-bills, bonds and stocks owned by the

nonprofit food service

Cash payable (a debit item)

A bill that is on hand to cover a legitimate nonprofit food

service expense

Expenses

Net purchases Food purchases, less discounts and returns

Commodity charges State processing, handling and delivery charges

Labor Payroll records, including both employee/employer

contributions to FICA, etc.

Other expenses The nonprofit food service may pay these costs.

Supporting bills must be retained. (Examples: trash, electricity, insurance, gas, soap, paper products, staff auto

mileage, repair expenses, small item purchases,

depreciation of equipment.*)

* Depreciation of equipment: USDA regulations at 7 CFR 3016.3 and Office of Management and Budget circular A-87 define equipment articles of nonexpendable, tangible personal property with a useful life of more than one year and a per unit acquisition of at least \$5,000 (or such lesser amount as the SFA uses when reporting equipment as assets in its financial statements). The value of the item is reported on the Monthly Cost Form under Value of Preparation and Serving Equipment each month for 12 consecutive years (or how long it is in service). Show the full purchase price each month for 12 consecutive years, do not show the prorated depreciated value). Equipment costing under \$\$5,000 (or such lesser amount as the SFA uses when reporting equipment as assets in its financial statements) per unit may be reported on the Monthly Cost Form for the month it was purchased under Value of Non-Food Supplies Received This Month.

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 category to support its Claim for Reimbursement. The daily meal counts must occur at the point of service, i.e. the place and time where the children are provided their meals, and must reflect the actual meals served to students (not the number of meals prepared or ordered or the number of residents).
- **2. Free and Reduced Price Meal Data** RCCIs must maintain an accurate record of the number of children eligible for free or reduced price meals and a description of the Verification activities (if free and reduced price eligibility applications are collected for Day Students), including any source documentation. This can be accomplished by maintaining your master list of free and reduced applications. Applications should indicate the dates of any changes for children who have withdrawn from the sites. If Direct Certification is used, all data pertaining to this process must also be kept on file.
- **3. Production Records and Menus** production and menu 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. See Page 29 for more information.

Specific Financial Prohibitions

1. Meals served to adults are not reimbursable. However, food service revenues may be used to pay for or subsidize meals for adults who are affiliated with the meal programs such as cafeteria workers and cooks. Non-program adults, however, are not to be supported by food service revenue. In non-pricing programs, the adult charge should be at least the amount of reimbursement received for a free lunch under Sections 4 and 11 of the National School Lunch Act, plus the per-meal value of both USDA entitlement and bonus donated foods or, for breakfasts, the rate established for free meals under Section 4 of the Child Nutrition Act, plus the value of bonus commodities

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.
- 4. Foods sold to children in competition with the School Meals Programs, called competitive foods, may be allowed in the food service area during the meal period only if all income from the sale of such foods accrues to the benefit of the nonprofit school food service.
- 5. The sale of foods of minimal nutritional value (FMNV) is not permitted in the food service area during meal periods. This includes the sale of carbonated beverages. A listing of the categories of foods of minimal nutritional value and exemptions can be found on the OCN website.

CHILDREN'S FREE AND REDUCED PRICE ELIGIBILITY

Once the eligibility of the RCCI has been established, 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 School Meal Programs.

The eligibility requirements for institutionalized children are separate from those of day students because the requirements vary substantially between them.

Institutionalized Children

An institutionalized child in an RCCI is considered a one-person household since he/she is not living with his/her actual family as an economic unit. The RCCI need not 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 only by the child; the family's income is not included. Payments from any source received by the institution on a child's behalf are not considered as income to the child. Only the income a child earns from employment and/or personally received while in residence at the institution is considered as income.

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. The following are some acceptable examples of what would qualify as Statement of Facts:

Example 1: "All of our children are wards of the court. They are not permitted to earn, receive or retain any money while in our custody."

Example 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 master list. A sample *Eligibility Roster* can be found on Page 26.

Day Students Attending the RCCI

Day students are children who attend, but do not reside in, an RCCI. A student's eligibility for free, reduced price or paid full price meal benefits is determined based on the student's household size and income or Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp program)/Ohio Works First (OWF) participation. A Statement of Facts does not provide the eligibility of Day Students

Methods for documenting the eligibility of Day Students:

A. Free and Reduced Price Applications – a free and reduced price application may be used to determine eligibility for meal benefits for Day Students. Prototype applications which contain all required language and instructions as well as the required letter to household can be obtained from the OCN website. The free and reduced price information may also be incorporated as part of an RCCI's enrollment application, but must be approved by OCN for use. The RCCI can mail the applications to the households or send them home with the Day Students. The RCCI must review the applications, make eligibility determinations and follow other requirements for processing applications that traditional schools follow. See the *Eligibility Manual for School*

Meals for more guidance (available on the OCN website). RCCIs processing free and reduced price applications must also complete Verification requirements (see next page).

Usually day students are already 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 as described below.

B. Lists from Host Schools - If Students are sent to an RCCI as Day Students for less than a year (and are from a school also participating in the National School Lunch Program), then the school must process the student's meal benefits application or use Direct Certification and determine their eligibility for free or reduced-price meals. The school can provide copies of the free and reduced student meal applications to the RCCI.

NOTE: If the Day Students are *full-time for a year or longer* at the RCCI, the RCCI must process the free and reduced price applications for these students.

Benefit Issuance

A master list must be kept of Day Students in the RCCI along with the appropriate eligibility information. The master list allows the RCCI to track all Day Students by free, reduced price and paid full price eligibility. The master list will be checked by OCN during a review (and is referred to as Benefit Issuance). The eligibility information for Day Students on the master list must be supported by Free and Reduced Price Applications, Direct Certification data or a copy of a student meal application from the child's host school. A sample *Eligibility Roster* which can be used as a master list can be found on Page 26.

NOTE: Although one master list can be used for both institutionalized children and Day Students, the eligibility and documentation requirements differ between the two groups.

Verification

RCCIs with institutionalized children only are exempt from Verification requirements. RCCIs that process free and reduced price applications for Day Students must complete the Verification requirements by November 15th each year. The *Verification Manual and instructions* are available on the OCN website.

Common Questions about Children's Free and Reduced Price Eligibility

- Q. Are residential institutions which operate only on weekends eligible for participation in the School Meal Programs?
- 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 School Meal Programs?
- 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 benefits in the School Meal Programs regardless of whether they reside at the institution.
- 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 the 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 the School Meal Programs?
- A. As long as the institution itself operates on a continuous basis, it can participate in the School Meal Programs. 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, lunch or snack 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 out the children from the adults eligible to participate in the School Meal Programs?
- 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 as "settlement houses" and claim milk served to children. Contact OCN for details.
- Q. If a child who resides in an RCCI attends a traditional school during the day, how is an eligibility determination made for the child at the day school?
- A. To apply for free and reduced price benefits at the day school, the RCCI must submit to the day school an application on behalf of the child. The day school would then review the application based on the household size and income reported. A list of residents

provided to the school by the RCCI is not sufficient. A complete application for an institutionalized child must include:

- The child's name
- The child's personal income (money earned or received in hand) and how often it is received
- And signature of an adult from the RCCI

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

A. If inmates that are eligible for the School Meal Programs 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. This requirement applies only to living space. The area where the meals are served does not need to be separate for eligible inmates. However, procedures must allow for the RCCI to only count meals served to eligible inmates.

MEAL COUNTING AND CLAIMING PROCEDURES

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

Point of Service

The point of service is where it can be determined that a reimbursable free, reduced price, or paid full price meal has been served to an eligible child. The location of the point of service differs depending on the procedure in place. However, the key element, whether it is a cafeteria, restaurant or family style meal service, is that meal counts are taken at the time meals are served.

Attendance, enrollment, bed-counts or pre-service counts may <u>not</u> be used for claiming purposes since they do not reflect the number of eligible children actually served. Claiming attendance figures is a common error found in RCCIs, particularly in detention centers where children do not have the option of leaving the facility. Nonetheless, it is critical that meals be counted at the point of service because there may be situations where a child may be in attendance but may miss a meal or not be served a reimbursable meal on a particular day.

Any procedure in place must provide a point of service meal count:

- Of reimbursable meals served;
- By eligibility category (free, reduced price, and paid full-price);
- Each day:
- For each Program (breakfast, lunch, after-school snack);
- Without overtly identifying students receiving free and reduced meals.

There are different ways to count meals served by eligibility category, but the most common procedure used in RCCIs is the checklist.

Checklists

Checklists indicate the names of all eligible students, 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.

Checklists 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 marked off, and the date of withdrawal should be noted. Newly enrolled students must be added and the date noted.

For RCCIs whose students are all institutionalized, 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.

If residents are served family style, the information may be completed at the table. Any other variation to point-of-service counting should be approved by the State Agency.

Weekend Reimbursement

RCCIs can continue to receive reimbursement under the NSLP, SBP, ASCSP or SMP on the weekends. Reimbursement is made on a "per day of operation" basis. Therefore, reimbursement may be claimed for meals served any day that an institution is approved to provide its services. (Remember that an RCCI can only receive reimbursement for milk under the Special Milk Program (SMP) if it is not also claiming reimbursement under the NSLP.). After School Snacks served on weekends can only be claimed for reimbursement if they are served after a "school day" has ended. If there is no education during weekends, snacks cannot be claimed.

RCCI Sack Lunches Sent to Schools

RCCIs may only claim sack lunches sent to school with institutionalized students if **the school is not already claiming lunch or milk for those children**. RCCIs may claim 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 the RCCI is exercising the Offer vs. Serve option, as appropriate, the 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 Planner for Healthy School Meals* (found on the OCN website).

Ineligible Counts and Non-Reimbursable Meals

The following items are not reimbursable and must not be included in the meal counts reported on the Site Claim Form:

- Suppers
- Adult meals
- Second meals, even if eaten by eligible children
- A la carte items
- Meals given to Day Students to take home
- Meals not meeting the meal pattern requirements
- Snacks served on weekends that do not include education

Recording and Reporting

Each day's meal count must be recorded on a daily basis. If there are multiple sites in an RCCI, then each site is required to report its daily counts, by category, on a monthly basis. A sample *Daily Worksheet for Residential Child Care Institutions (CN-18)* and instructions can be found on pages 27 & 28.

NOTE: RCCIs with Day Students must record each day's meal count, by eligibility category, on a daily basis. The *Daily Worksheet for Residential Child Care Institutions (CN-18)* does not include columns for tracking meals by eligibility category. The RCCI may choose to use the *Daily Worksheet for School Lunch Programs (CN-7)* which includes paid, free, and reduced price columns and can be downloaded from the OCN website.

Internal Controls

An RCCI must establish internal controls to identify potential problems in the counting and claiming procedure and to ensure that an accurate claim for reimbursement has been made. Internal controls protect RCCIs from having erroneous claims and potential overclaims. Edit checks, On-Site Accountability Reviews (if required) and After School Care Snack Program (ASCSP) On-Site Reviews (if required) are required internal controls.

1. Edit check – prior to the submission of a monthly Site Claim Form, RCCIs must compare each site's daily free, reduced price, and paid full price meal counts to the number of children currently eligible for free, reduced price, and paid full price meals, respectively, multiplied by an attendance factor.

An *attendance factor* is a factor that accurately accounts for the difference between enrollment and attendance at any given time. Most RCCIs with institutionalized children will use 100% as their attendance factor since all children are in attendance all days. If the RCCI serves meals to Day Students, the attendance may be more flexible. The attendance factor may be developed by the RCCI subject to OCN approval or may be developed by OCN. If reliable enrollment and attendance data are available, an attendance factor can be calculated by dividing the average daily attendance for a period of time by the total enrollment for that same period of time.

Any meal counts that exceed the number of eligible children multiplied by the attendance factor, or do not seem reasonable, should be investigated and explained in writing. If no acceptable explanation is found, the number of meals in excess of the attendance factor adjusted number should not be claimed. *Edit check Instructions* can be found on the OCN website.

- **2. On-Site Accountability Reviews** every program year, each RCCI with more than one site must perform at least one On-Site Accountability Review of each site under its jurisdiction. The On-Site Accountability Review must take place **prior to February 1**st of each school 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 review to determine that the problem has been corrected. A copy of the *On-Site Accountability Review* form is available on the OCN website. This form does not need to be submitted to OCN, but completed and kept in your files for future use.
- **3.** After School Care Snack Program (ASCSP) On-Site Review RCCIs participating in the After School Care Snack Program must perform two on-site reviews of the snack program each program year. The first on-site review must be completed within the first four weeks of operation of the program year (usually July), and the second by the end of the program year. A copy of the ASCSP on-site review form is available on the OCN website. This form does not need to be submitted to OCN, but completed and kept in your files for future use.
- **4. Written instructions** it is highly recommended that each site within an RCCI maintain written instructions for all personnel that detail the operation of the meal count system and the responsibilities and duties of each person involved.

Common Questions about Meal Counting and Claiming Procedures

- Q. May RCCIs claim NSLP reimbursement for meals served at supper time or in the evening which meet the National School Lunch Program meal pattern, provided that reimbursement has not already been claimed for a prior lunch?
- A. No. A lunch served under the NSLP is defined as a meal served to children around midday, 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 may not be claimed for reimbursement.
- Q. In RCCIs with Non-Pricing programs, is the RCCI required to reduce tuition, boarding or other fees paid by the parents of children who qualify for free or reduced price benefits, by the amount of the benefits they would have received in a pricing program?
- A. No. RCCIs operating a Non-Pricing School Meal Program are not required to administer such a price reduction.

MEALS AND MENU PLANNING

Meal Pattern Requirements: School Lunch Program

Lunches served in the School Meal Programs should always be nutritious, well-balanced and designed so that, over a period of time, they will provide children with approximately one-third of the nutrients they need according to the Recommended Dietary Allowances (RDA). They should also conform to the Dietary Guidelines for Americans. Guidelines for each of the four available menu planning options can be found in the *Menu Planner for Healthy School Meals* on the OCN website.

For both food-based plans, a complete lunch consists of five different items from four food components.

FOUR COMPONENTS	FIVE FOOD ITEMS
Meat/Meat Alternate	Meat/Meat Alternate
Vegetable/Fruit	Vegetable/Fruit*
	Vegetable/Fruit*
Grains/Bread	Grains/Bread
Fluid Milk	Fluid Milk

^{*} Reimbursable lunches must provide two food items from the vegetable/fruit component and one food item from each of the other three food components.

SAMPLE LUNCH MENU	FOOD ITEM	FOOD COMPONENT
Toasted Cheese Sandwich:	Cheese	Meat/Meat Alternate

Bread Grains/Bread

Tossed Salad: Lettuce, Tomatoes & Carrots Vegetable/Fruit

Banana: Banana Vegetable/Fruit
Milk: Milk Milk

NOTE: the minimum weekly bread/grain requirement in the two food based menu planning options (Enhanced and Traditional) is based on a typical five-day school week. RCCIs serving lunch six or seven days a week should increase the servings by approximately 20% for each additional day.

Meal Requirements: School Breakfast Program

A complete breakfast consists of four food items from the four food components, as follows:

You must serve one of the following possible combinations of the four food items:

	<u> </u>	
	OR	OR
Meat/Meat Alternate	Meat/Meat Alternate	Grains/Bread
Grains/Bread	Meat/Meat Alternate	Grains/Bread
Vegetable/Fruit*	Vegetable/Fruit*	Vegetable/Fruit*
Fluid Milk	Fluid Milk	Fluid Milk

^{*} The vegetable/fruit component may be a fruit, vegetable or full-strength vegetable or fruit juice.

Production records are required to provide documentation of meal pattern requirements.

Meal Requirements: After School Snack Program

To be eligible for this program, the RCCI must offer education or enrichment activities in an organized, structured and supervised environment AFTER school. It must be stressed that this would be available to ALL resident children of the RCCI.

The snack meals may only be claimed on days when the child went to school whether on-site or at another regular school. This is different than lunch and breakfast, which may be claimed seven days per week. There must also be a way to determine that children are present on a given day, such as having a roster or sign-in sheet for the snack program.

Production records are required to provide documentation of meal pattern compliance. It is also required that the RCCI review the after-school care program twice per year to ensure compliance.

Offer versus Serve (OVS)

Offer versus Serve regulations were introduced in 1975 to reduce the amount of plate waste in the NSLP and SBP. OVS allows children to choose a specified minimum number of components from those offered. These regulations mandate that OVS be implemented in institutions serving children of a high school grade level (9-12). However, OVS is optional in RCCIs for any grade level because it may be difficult to administer OVS to institutionalized children, particularly when there are special circumstances such as special diet or security concerns.

In certain institutions where it is desirable, officials may wish to offer this option. In RCCIs implementing OVS in their lunch program, and using the Enhanced or Traditional menu planning options, children must be offered all five food components. The children must choose full portions of **at least three** of the five items offered.

RCCIs implementing OVS in their breakfast program, and using the Enhanced or Traditional menu planning options, children must be offered all four food components. The children must choose full portions of **at least three** of the four items offered.

More information regarding Offer versus Serve is available in the *Menu Planner for Healthy School Meals* on the OCN website.

Family Style Meals

If the RCCI serves family style meals, food items must be placed on the table in sufficient quantities to provide at least the minimum portions of the components for all the children at the table and to accommodate any adults supervising the meal service who are eating with the children.

The full portion of each item must be served to each child. When the full portion has not been served to a child initially, supervising adults must assume the responsibility of actively encouraging the child to accept service of the full portion during the course of the meal. If a child's meal does not include at least the minimum quantities of required items, it cannot be included in that day's count of reimbursable meals.

If an RCCI has both a family style meal service and is implementing OVS, once a child has taken at least the minimum quantities of the required items, then he/she may take less than the minimum quantity of other items.

Children's Acceptance

Planning menus requires special care. Food service personnel must not only plan meals that meet meal pattern requirements, but they must also strive to provide meals with food items that are acceptable to children.

Try to offer as many choices as possible of different foods within each component. Offering choices gives children more of an opportunity to select foods they will eat and recognizes the fact that not all children have the same tastes. It also increases the chances that children will select a full meal. For instance, if three or four fruits and vegetables are offered, it is more likely that children will select and eat at least two.

NOTE: It is recommended that no one form of meat (e.g., ground, sliced) be served more than three times a week. For example, four items made with ground beef, such as tacos, spaghetti with meat sauce, hamburgers, and meatloaf should not be served in a single week.

NOTE: A serving of mixed vegetables/fruit (e.g. peaches and pears or peas and carrots) counts as only one item.

Portion Sizes

OCN encourages RCCIs to serve quantities of foods based on the children's nutritional needs, which vary with age. If the RCCI is restricted to serving the same quantities to all children, the minimum portion size must be that required for the highest age group.

The quantities for each age group are minimums. RCCIs must never serve less than the minimum quantities.

Food Production Records

Food production records must be used and retained on file to document that meals claimed for reimbursement meet the quantity and component/item requirements. The food production records should show the quantities of food prepared and left over each time the menu is served. The record should also include a space for other pertinent information about the day's production, such as cooking temperatures, overproduction due to circumstances beyond the manager's control, and comments on acceptance of each menu item. These records then 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.

If properly implemented, OVS should reduce food waste, since children would not be forced to accept food they do not wish to eat. The reduction of food waste may not be achieved, however, unless managers take care to avoid overproduction. To ensure proper planning for OVS, managers will need to keep accurate daily records of food production for each menu item. Sample production records are located in the *Menu Planner for Healthy School Meals* available on the OCN website. A sample *Production Record and Instructions* can be found on Pages 29 & 30.

Common Questions about Meals and Menu Planning

- Q. How can food substitutions be made for medical, dietary or religious reasons?
- A. Certain alterations for medical or dietary reasons may be made with a written statement from a doctor or other recognized medical authority, which recommends substitutions for the required items. A statement for each child should be on file explaining who made the request and how it was determined that granting the substitution was in the child's best interest. Further clarification on food substitution requirements can be found in the *Accommodating Children with Special Dietary Needs Manual* on the OCN website.
- Q. Can RCCIs serve pitchers of milk placed on tables in the dining area (beyond the serving line) and be in compliance with the meal pattern requirements?
- A. RCCIs may choose to have pitchers of milk on the table and allow children to serve themselves. However, in cases where the RCCI requires children to take all meal components, a point of service count may not be taken until the child serves him or herself milk. If the RCCI practices Offer vs. Serve, the point of service count may not be taken until the child has been offered all items including the milk and has accepted a sufficient number of items for the meal to be reimbursable. RCCIs must take extreme caution to ensure all meals claimed are reimbursable. If milk is served in pitchers, milk glasses of sufficient size to meet the quantity requirement must be provided.
- Q. Under the current lunch/breakfast program regulations, residential child care institutions may be reimbursed for meals served to children who have not yet reached their 21st birthday. However, children who turn 19 during the school year may continue to participate in the snack program rather than becoming ineligible immediately upon reaching their 19th birthday. Is this inconsistency intentional?

The age requirements for participation under the afterschool snack provision are somewhat different from those established for the NSLP and SBP in general. The law limits participation in the snack provision to children 18 years old and under. However, to reduce paperwork and ease administrative burdens on local administrators, Congress, in the conference report, authorized schools to continue receiving reimbursement for snacks served to children who become 19 during the school year ending the following

June 30. This provision applies to residential child care institutions as well as all other schools. It must be emphasized that, under no circumstances, can a residential child care institution continue to be reimbursed for snacks served to children after the school year in which they become 19, and students continue to become ineligible for reimbursable lunches or breakfasts as soon as they reach 21.

Q. Can afterschool care programs operated by residential child care institutions claim reimbursement for snacks served during weekends, holidays and school vacations?

Congress intended this provision to apply to snacks served in schools after an educational activity. If no regularly scheduled education activity is taking place, as is generally the case on weekends, holidays and vacations, reimbursement cannot be claimed for snacks served on those days. In this respect, residential child care institutions are subject to the same provisions as any other school. They may not claim reimbursement for snacks served on weekends, holidays or vacation periods unless the snack is served during an activity that takes place after an education activity that is determined to be an integral part of the curriculum or an actual extension of the local education system. This limitation on snack eligibility differs from the general authorization of reimbursement for lunches and breakfasts served in residential child care institutions due to the special nature of the afterschool snack benefit.

PROCUREMENT

The four basic procurement methods are small purchase procedures, competitive sealed bids, competitive negotiations and noncompetitive negotiation. Because RCCIs generally follow the small purchase procedures, only that method will be explained in detail here. To obtain more detailed information on the different procurement methods, please refer to the *Procurement Standards* available on the OCN website. Below is a brief synopsis of the different procurement methods available:

- a) **Competitive small purchases** Simple and informal for procurement of services, and supplies whose cost in aggregate is less than \$100,000. If this procedure is used: "Price or rate quotations shall be obtained from an adequate number of qualified sources." Grantee shall comply with State and local small purchase limits under \$100,000.
- b) **Competitive sealed bids -** Procurement of service, and/or supplies whose cost in aggregate is more than \$100,000, where formal advertising is used to solicit potential vendors: "Sealed bids are publicly solicited and a firm fixed price contract is awarded to the responsible bidder whose bid, conforming with all the material items and conditions of the invitation for bid, is the lowest in price." Under formal advertising the following requirements are a must.
 - 1. A complete specification or purchase description is available from the grantor.
 - 2. Bid proposals shall be solicited from an adequate number of suppliers willing and able to compete. This is done by making sure you advertise in as many media outlets available.

- 3. A sufficient time frame shall be established between the first day of advertising and the date bids are actually opened (at least 14 days, 21 days when soliciting Food Service Management Companies).
- 4. Bid proposals shall be opened publicly at a pre-designated place and time.
- 5. The award of the firm fixed price contract shall be made known to the successful bidder by written notice (3016.36(d)(2), 3019.44).
- c) **Noncompetitive negotiation** Procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined to be inadequate. This type of procurement should be a last resort when all other methods are not feasible. Conditions for which other methods are infeasible are limited to the following:
 - 1. The item or service is available from only one source.
 - 2. An emergency situation exists that will not permit competitive solicitation.
 - 3. Authorization from the state grantor agency. (3016.36(d)(4))

Common Questions about Procurement

- Q. Can items be procured by using a grocery list to obtain them at the local grocery store?
- A. You may use a grocery list for very small purchases, or purchases used to supplement larger acquisitions. Cash and carry warehouses and discount buyer clubs are good sources for larger acquisitions. For all purchases, you should retain itemized receipts with documents that you purchased sufficient quantities to serve all the children enrolled in the RCCI.

CIVIL RIGHTS

RCCIs shall issue a public release to local media which encourages participation in the School Meal Programs and informs all potential participants, particularly minorities, of the availability and benefits of the programs. Sample *Public Releases* are available on the OCN website.

Any materials disseminated by an RCCI regarding the School Meal Programs such as the public release and the free and reduced price application for Day Students, must include the following statement:

Non-discrimination Statement: This explains what to do if you believe you have been treated unfairly. "In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (800) 795-3272 or (202) 720-6382 (TTY). USDA is an equal opportunity provider and employer."

Children should not be required to use a separate dining area, go through a separate serving line, enter the dining area through a separate entrance or consume their meals at a separate time based on their race, sex, color, national origin, age, or disability.

If you need to provide non-English speaking persons with program information and forms in translation, these forms are available on the OCN website.

RCCIs must also have on file data on the racial/ethnic makeup of the children applying and participating in the School Meal Programs. The method of collecting data can be developed by the RCCI. Methods include observation, personal knowledge or voluntary self-identification by the applicant.

The "...And Justice For All" nondiscrimination poster must be displayed prominently where participating children can see it. The poster can be obtained by contacting OCN or from the OCN website.

Common Questions about Civil Rights

- Q. Is it necessary for an RCCI to be accessible to children with disabilities?
- A. Regulations state that all Child Nutrition Programs must be accessible to children with disabilities. However, structural alterations are not required for participation in any Child Nutrition Program. Therefore, an RCCI need not make structural alterations to its facilities to accommodate an individual. The RCCI should work towards making its facilities accessible to all and, until that time, refer children to facilities that are properly equipped.
- Q. If I get a civil rights complaint, how do I handle it?
- A. A civil rights complaint form is available on the Ohio Department of Education website.

APPLICATIONS AND CLAIMS FOR REIMBURSEMENT

Annual Application

Participants of the National School Lunch Program must apply annually via the Claims Reimbursement and Reporting System (CRRS). The program year begins on July 1st and ends June 30th. Because RCCIs operate year-round, annual applications must be submitted and approved before July 1st each year. A Sponsor Application must be submitted with information about the entire RCCI and a Site Application must be submitted for each separate Site that is affiliated with the RCCI. If the RCCI only has one Site at which it serves meals, only *one* Site Application must be submitted in addition to the Sponsor Application.

Claims for Reimbursement

Claims must be submitted monthly via CRRS. A Site Claim Form must be submitted for each Site within the RCCI claiming meals. Each monthly claim is due no more than 45 days after the last day of the month.

The Site Claim Form consists of 5 parts, all of which may not be applicable to the RCCI:

<u>Sponsor Information:</u> complete the Authorized Signature.

<u>Site Information:</u> this section is pre-completed with information about the Site.

<u>Meals/Milk Served:</u> report how many reimbursable lunches, breakfasts and snacks were served that month, in each eligibility category (if applicable).

<u>Eligibility Information:</u> report the *greatest number of children* that were eligible for free and reduced-price meals at the Site that month.

<u>Special Milk Only:</u> do not complete this section unless your RCCI is participating exclusively in the Special Milk Program (SMP).

State Agency Reviews

Coordinated Review Effort (CRE) and School Meals Initiative Review (SMI)

At a minimum, USDA requires ODE, OCN to conduct one on-site review of the lunch, breakfast and snack programs (if applicable) at each RCCI at least once during each 5-year review cycle.

How Does the SMI Review Compare to a CRE Review?

The Coordinated Review Effort, or CRE Review, focuses on the administrative aspects of the RCCI foodservice operations. The School Meals Initiative, or SMI Review, is a computerized nutritional analysis of one week's past menus.

The three critical areas of the CRE review are: (1) all free, reduced price and paid lunches claimed for reimbursement are served only to children eligible for those meals; (2) the lunches served to children are counted, consolidated and reported through a system which consistently yields correct claims; and (3) lunches claimed for reimbursement contain food items/components as required by program regulations.

Five other program areas included in the review are: (1) the free and reduced price eligibility process, (2) food quantities, (3) civil rights, (4) RCCI monitoring responsibilities, and (5) reporting and recordkeeping.

CRE Reviews Have the Following Goals:

- To determine if free and reduced-price meal benefits are provided in accordance with the regulations
- To determine if proper meal counts are being taken at the point of service, and
- To determine if complete reimbursable meals are being offered.

SMI Reviews Have The Following Goals:

- To ensure Program meals meet the nutrition standards, and
- To ensure that RCCIs receive the technical assistance and resources needed to meet the nutrition standards.

Additional information on the CRE and SMI Reviews can be found on our website.

Common Acronyms used in the Child Nutrition Programs

ASCSP = After School Care Snack Program

CFR = Code of Federal Regulations

CN = Child Nutrition

CRRS = Claims Reimbursement and Reporting System

NSLP = National School Lunch Program

OCN = Office for Child Nutrition

OVS = Offer versus Serve

RCCI = Residential Child Care Institution

SBP = School Breakfast Program

SFA = School Food Authority

SMP = Special Milk Program

Site

Month_		

Eligibility Roster (Sample)

Name of Institutionalized Child	Date of Birth	Date Entered	Date Exited	Eligibility Category	Date of Eligibility Determination

Approval Official Signature		1		
Daily Worksheet for	Da		 _	

(CN-18) Instructions

This worksheet is designed specifically for Residential Child Care Institutions in which all the institutionalized children qualify as needy free recipients. It is to be used in conjunction with the *Monthly Food Service Cost Reporting Worksheet* (downloadable from the Office for Child Nutrition (OCN) website (www.ode.state.oh.us/food_service) as part of the *Guidance for Residential Child Care Institutions*.

Enter data daily on the worksheet under the appropriate columns. The totals for Meals served to children for the month will be used to complete the monthly Site Claim Form on the Claims Reimbursement and Reporting System (CRRS).

- **1.** Identify the County, Month, Sponsor, and Site.
- **2.** Meals Served to Children: Enter the number of reimbursable breakfasts, lunches, and snacks served to children under 21 years of age each day they are served. At the end of the month, transfer the totals to the CRRS Site Claim Form for reimbursement. The totals will be entered in the Needy Free Students boxes.
- **3.** Meals Served to Adults: These meals are not eligible for reimbursement, but it is necessary to collect this information to determine the "Child Factor" on the *Monthly Food Service Cost Reporting Worksheet*.

NOTE: Institutions which serve meals to Day Students (children who do not reside at the RCCI, but attend for part of the day including meals) or institutionalized children who are eligible for reduced-price or paid full price meals, may choose to use the CN-7 School Lunch Daily Worksheet to track meals served to children by eligibility category (free, reduced-price and paid full price). The CN-7 is downloadable from the Office for Child Nutrition website (www.ode.state.oh.us/food_service).

This institution is an equal opportunity provider.

CN-18

Child Nutrition Programs	
Daily Worksheet	
For Residential Child Care Inst	itutions
(RCCI)	

County	
Month	
Sponsor	
Site	

-Keep Daily-

Meals Served to Children			Meals Served to Adults			
Day	Breakfast	Lunch	Snack	Breakfast	Lunch	Snack
1						
3						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
Totals						
100015						

Completing a Production Record

All Child Nutrition Program Sponsors must keep food production records. A sample Production Record is provided for RCCIs. The format may be changed, however, the following information should be included.

1. Age Group:

Identify the age group to be served. Any adjustments to portion sizes made for the age groups must be shown for all menu items, recipes, and food products.

2. Day's Menus and/or Recipe #:

List the menu for the day. Three spaces are provided for multiple menus/entrees (A,B,C).

3. Menu Items:

List all food items, including condiments and items on salad or potato bars. Include the form used (i.e. chopped, baked, etc.)

4. Portion/Serving Sizes:

The portion size must be indicated on the production record to ensure that the correct portion size is *planned*, *prepared*, *and served*. Use separate lines on the production record if the portion size is adjusted for age. (See portion size for various serving utensils in the United States Department of Agriculture's (USDA) Menu Planner for Healthy School Meals).

5. Total Projected Servings:

List the approximate number of servings needed of each menu item. Past production records can help to accurately forecast future production figures for all menu items. (*All production records must be kept on file.*)

6. Amount of Food Used:

Record the actual amount of food used/served such as-

Hamburger Patty 220 servings Chicken Nuggets 76 ¼ pounds

7. Actual Servings:

Record the number of servings of each menu item actually served to children, adults and a la carte sales.

8. Leftovers:

Record the amount of leftovers on the production record after the meal is served. You may also indicate if the leftovers will be frozen or be used within the next few days on the menu.

9. Comments:

Use the Comments spaces for special instructions and forecasting information.

10. Total Meals Served:

Record the total number of meals served to students, adults, and employees for the day.

Production Record (Sample)

Site						Date			
Mana Grou	ager p					Age			
Day's	Menus	and/or Re	ecipe #						
A.				В.			C.		
Menu It	tems	Portion/ Serving Sizes	Pro	otal jected vings	Amount of Food Used	Actual Servings	Leftovers	Comments	
TD 4	136 1	<u> </u>							
Tot	al Meals	Served B	С			Comn	nents		
Students	A	D							
Adults									
Employees									
Other									
	_1	1		1					

Optional Monthly Food Service Cost Reporting Worksheet

RCCI's should have an accounting method to maintain records of costs associated with the nonprofit food service account. It is up to the RCCI to determine the accounting method. ODE, OCN has cost worksheets available for use at the RCCI's discretion.

For the purposes of utilizing the cost worksheets in CRRS, it is necessary to calculate two "factors" before proceeding with the cost calculations:

<u>Child Factor</u> - from the CN-18, calculate what percentage of the total breakfasts and lunches served were served to children.

Example: 800 children meals + 200 adult meals = 1,000 total meals. $800 \div 1,000 = 80\%$ Child Factor. This will be a monthly calculation.

<u>Breakfast/Lunch Factor</u> - The total service operational cost must be pro-rated on a percentage basis for each meal, such as 20% for breakfast, 35% for lunch and 45% for supper. Each institution must calculate these factors based on their own food costs. Once calculated, the same factors may be used all year provided meal participation patterns remain consistent.

There are two optional procedures for calculating the Breakfast/Lunch Factor. Both procedures require that local market values be placed on any donated foods (commodities) used.

Breakfast/Lunch Factor - Procedure 1:

- 1. For a 15 day period record the value of all food used for breakfasts and lunches
- 2. Double each of these values to obtain monthly costs or values.
- 3. At the end of the month when the total value of foods used is known (including donated foods), divide the breakfast food value by the total value of food used to get the Breakfast Factor
- 4. Divide the lunch value by the total value to get the lunch factor.

The two factors added together is the Breakfast/Lunch Factor.

Example: If the breakfast food value is \$400, the lunch food value is \$700 and total food value is \$2,000; then the Breakfast Factor would be 20% (\$400 ÷ \$2000) and the Lunch Factor would be 35% (\$700 ÷ \$2,000). The Breakfast/Lunch Factor would be 55% (20% + 35%).

Breakfast/Lunch Factor - Procedure 2: (Institutions where the majority of the children attend public schools would use Procedure 2)

- 1. Calculate the average per meal food cost for a breakfast and a lunch (see instructions below).
- 2. At the end of the month multiply the average per meal breakfast food cost by the number of breakfasts served to get the monthly total breakfast food cost.
- 3. Multiply the average per meal lunch food cost by the number of lunches served to get the monthly total lunch food cost.
- 4. Divide the monthly total breakfast food cost by the total cost or value of all food used for the month to get the Breakfast Factor.
- 5. Divide the monthly total lunch food cost by the total cost or value of all food used for the month to get the Lunch Factor.

Example: Average breakfast food cost is $\$0.40 \times 1,000$ breakfasts served = \$400 total breakfast food cost. Average lunch food cost is $\$0.70 \times 1,000$ lunches served = \$700 total lunch food cost. The total food cost or value for the month is \$2,000. The Breakfast Factor would be 20% ($\$400 \div \$2,000$), the Lunch Factor would be 35% ($\$700 \div \$2,000$), and the Breakfast/Lunch Factor would be 55% (20% + 35%).

How to Calculate the Average Per Meal Food Cost for a Breakfast and a Lunch

For a complete cycle of menus (no less than 14 days) calculate the food cost for each breakfast and lunch.

The cost per serving for each item in the menu would be calculated by dividing the per unit purchase price of an item by the number of servings obtained per purchase unit. Example: 24 servings of fruit from a can costing \$2.40 would give a cost per serving of \$0.10.

Example of one day:

<u>Breakfast</u>		Lunch		
Milk	\$0.23	Milk	\$0.23	
Juice	0.17	Fruit	0.26	
Cereal	0.25	Vegetable	0.26	
Graham C	rackers	Bread	0.15	
	<u>0.06</u>	Meat/Meat Alternate	0.50	
	\$0.71			
			\$1.40	

Add the cost of each breakfast (at least 14 days) together and divide the total by the number of days to get the average cost per breakfast. Do the same for lunches.

Month		N	Ionthly Food Service	Cost Reporting Worl	Child Factor ksheet Breakfast Factor Lunch Factor
separate inventories of pmust be kept separate.	ourchased food and go e food bank value and	overnm	ent donated food are not re-	quired. However, values o	Breakfast/Lunch Factor onth for purchased food and government donated food. As of July 2002 f purchased food and government donated food <i>received</i> each month et value) Commodity foods received from the Ohio Department of
Beginning Inventory	Purchased Food Received		Government Donated Food Received	Ending Inventory	Value Food Used
\$+	\$	+	\$(B) -	\$ =	\$(A)
Government Donated F	ood Received This M	onth			
\$ (B) [Report this figure on	CRRS	Site Claim Form, Inventory	Cost Report #5]	
Value Food Used	Child Factor		Total Child Food Cost	Breakfast/Lunch Factor	Value of Purchased Food Received This Month
\$(A) :	Breakfast	% =	\$(C) x Breakfast	% = Breakfast Purchased	\$ [Report this figure on CRRS Site Claim Form, Inventory Cost Report #2]
Food Cost \$(C) > II. Non-Food Sup		% =	Food Cost = =		t this figure on CRRS Site Claim Form, ast Program Data, Purchased Food Used]
Value Non-Food Supplies Used	Child Factor		Total Child Non-Food Supply Cost	Breakfast/Lunch Factor	Non-Food Supplies Received This Month
\$ x		<u>%</u> =	\$(D) x	<u></u> % =	\$ [Report this figure on CRRS Site Claim Form, Inventory Cost Report #8]
Total Child Non-Food	Breakfast Factor		Breakfast Non-Food Supplies Used		

[Report this figure on CRRS Site Claim Form, Breakfast Program Data, Supplies Used]

OCN 9/10

_(D) x

III. Labor Cost (Food Service Only)

Food Service Labor Cost	Child Factor		Total Child Labor Cost	Breakfast/Lunch Factor	Food Service Direct Labor Costs
\$ x	%	=	\$(E) x	% =	[Report this figure on CRRS Site Claim Form, Labor and Other Costs Report #1]
Total Child Labor Cost	Breakfast Factor		Breakfast Paid Labor		
\$(E) x	%	=	\$ [Report th	nis figure on CRRS Site Claim	Form, Breakfast Program Data, Paid Labor]
VI. Purchased Service	ces Cost				
Purchased Services Cost	Child Factor		Total Child Purchased Services Cost	Breakfast/Lunch Factor	Cost of Purchased Services
\$ x	%	=	\$(F) x	% =	§ [Report this figure on CRRS Site Claim Form, Labor and Other Costs Report #4]
Total Child Purchased Services Cost	Breakfast Factor		Breakfast Purchased Services		
\$(F) x	%	=	\$ [Report th	nis figure on CRRS Site Claim	Form, Breakfast Program Data, Purchased Services]
V. Fringe Benefits (Cost				
Fringe Benefits Cost	Child Factor		Total Child Fringe Benefit Cost	Breakfast/Lunch Factor	All Fringe Benefits Except Retirement and Workers Comp.
\$ x	%	=	\$(G) x	% =	\$ [Report this figure on CRRS Site Claim Form, Labor and Other Costs Report #2]
Total Child Fringe Benefit Cost	Breakfast Factor		Child Breakfast Fringe Benefit Cost		
\$(G) x	%	=	\$ [Report th	nis figure on CRRS Site Claim	Form, Breakfast Program Data, Fringe Benefits]

Monthly Food Service Cost Reporting Worksheet

Child Factor ____80%__ Breakfast Factor ___20%__ Lunch Factor +_35%__ Breakfast/Lunch Factor = 55%

I. Food Cost

Supply Cost

\$ 80.00 (D)

Factor

20%

Requires value of beginning inventories, value of goods received, and value of ending inventories each month for purchased food and government donated food. As of July 2002 separate inventories of purchased food and government donated food are not required. However, values of purchased food and government donated food *received* each month must be kept separate.

Beginning Inventory	Purchased Food Received	Government Donated Food Received This Mont	Ending h Inventory	Value Food Used
\$ 1,000.00 + \$ 850.	00 + \$400	.00 (B) -	\$ 1,200.00 = \$ 1,050	0.00 (A)
Government Donated Fo	ood Received This Month			
\$ 400.00 (B) 4 Report t	his figure on CRRS Site Cla	im Form, Inventor y Co st Rep	port #5]	
Value Food Used	Child Factor	Total Child Food Cost	Breakfast/Lunch Factor	Value of Purchased Food Received This Month
\$ 1,050.00 (A) x	80% =	\$ 840.00 (C)	x 55% =	\$ 462.00 [Report this figure on CRRS Site
Total Child Food Cost	Breakfast Factor	Breakfast Purcha Food Used	sed	Claim Form, Inventory Cost Report #2]
\$ 840.00 C) x	20% =	\$ 168.00 [Report	t this figure on CRRS Site Clain	m Form, Breakfast Program Data, Purchased Food Used]
II. Non-Food Sup	oply Cost			
Value Non-Food Supplies Used	Child Factor	Total Child Non-Food Supply Cost		on-Food Supplies occived This Month
\$ 100.00 x	80% =	\$ 80.00 (D) x	55% = \$4	[Report this figure on CRRS Site Claim Form, Inventory Cost Report #8]
Total Child Non-Food	Breakfast	Breakfast		

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\$16.00 [Report this figure on CRRS Site Claim Form, Breakfast Program Data, Supplies Used]

Supplies Used

III. Labor Co	ost (Food	Service Only)				
Food Service Labor Cost		Child Factor		Total Child Labor Cost	Breakfast/Lunch Factor	Food Service Direct Labor Costs
\$700.00	X	80%	=	\$ 560.00(E) x	55% =	\$308.00 [Report this figure on CRRS Site Claim Form, Labor and Other Costs Report #1]
Total Child Labor Cost		Breakfast E act or		Breakfast Paid Labor		
\$ 560.00 (E)	x	20%	=	\$ 112.00 [Report this fig	gure on CRRS Site Claim Fo	rm, Breakfast Program Data, Paid Labor]
VI. Purchase	ed Servic	es Cost				
Purchased Services Cost		Child Factor		Total Child Purchased Services Cost	Breakfast/Lunch Factor	Cost of Purchased Services
\$ 75.00	X	80%	=	\$ 60.00 (F) x	55% =	\$ 33.00 [Report this figure on CRRS Site Claim Form, Labor and Other Costs Report #4]
Total Child Purchas Services Cost	sed	Breakfast Factor		Breakfast Purchased Services		
\$ 60.00 (F)	x	20%	=	\$ 12.00 [Report this figur	re on CRRS Site Claim Form	, Breakfast Program Data, Purchased Services]
V. Fringe Bo	enefits C	ost				
Fringe Benefits Cost		Child Factor		Total Child Fringe Benefit Cost	Breakfast/Lunch Factor	All Fringe Benefits Except Retirement and Workers Comp.
\$ 200.00	X	80%	=	\$ 160.00 (G) x	55% =	\$ 88.00 [Report this figure on CRRS Site Claim Form, Labor and Other Costs Report #2]
Total Child Fringe Benefit Cost		Breakfast Factor		Breakfast Fringe Benefits		
\$ 160.00 (G)	x	20%	=	\$ 32.00 [Report this figur	re on CRRS Site Claim Form	, Breakfast Program Data, Fringe Benefits]

	Inventory Cost Report					
1	Value of Beginning Inventory Purchased Food & Gov't Donated Food					
2	Value of Purchased Food Received This Month	462.00				
3	Value of Ending Inventory Purchased Food & Gov't Donated Food					
5	Value of Government Donated Food Received This Month	400.00				
7	Value of Beginning Inventory Non-Food Supplies					
8	Value of Non-Food Supplies Received This Month	44.00				
9	Value of Ending Inventory Non-Food Supplies					
10	Value of Preparation and Serving Equipment					
11	Value of Food Service Automotive Equipment					
	Labor and Other Costs Report					
1	Food Service Direct Labor Costs	308.00				
2	All Fringe Benefits Except Retirement and Worker's Comp	88.00				
3	Total Number of Food Service Labor Hours Used This Month					
4	Cost of Purchased Services	33.00				
5	Cost of Food Sold to Other Functions					
6	Cost of Labor for Other Functions					
7	Cost of Non-Food Supplies Sold to Other Functions					
8	Food Service Fund Beginning Cash Balance					
9	Other Incomes (Misc. Receipts Not Reported in Cash Receipts)					
10	Receipts from Other Agencies					

Breakfast Program Data				
Categories	Breakfast			
Purchased Food Used	168.00			
Supplies Used	16.00			
Purchased Services	12.00			
Paid Labor	112.00			
Fringe Benefits	32.00			
Breakfast Labor Hours				

Office for Child Nutrition (OCN) National School Lunch Program Calendar of Annual Events

Program Year (PY) is from July 1 through June 30 every year

PYs are named as the year in which the program ends (e.g. PY 2011 is 7/1/2010-6/30/2011)

Date	Event	Local Education Agency (LEA) action required
Monthly	Monthly Claims for	Submit monthly claim on-line in the Claims Reimbursement Reporting System (CRRS) by the 45 th day
Monthly	Reimbursement are due	after the end of each claiming month. www.education.ohio.gov Search CRRS
	Commodity Allocations	Log-in to CRRS and access CATS to complete the monthly release/order for Government Donated
	Tracking System (CATS)	Foods and make payment for the monthly CATS invoice. <u>www.education.ohio.gov</u> Search CRRS
	Basic Training classes	Monthly training course that reviews the requirements of the National School Lunch, School Breakfast and After-School Care Snack Programs. www.education.ohio.gov Search Basic Training (Create SAFE)
	Dasic Training classes	account to self-register)
	Beginning of Program Year	account to self register)
	(July 1)	
July	CRRS New Program-Year Application	Submit the new program-year application in CRRS by July 31st. www.education.ohio.gov Search CRRS
	Student Applications for Free	Prototype published annually on the ODE/OCN website. Student Meal Applications are only required if
	and Reduced-Priced Meals &	the RCCI feeds meals to Day-only students (non-residents). <u>www.education.ohio.gov</u> Search School
	Letter to Parents	Meals, Documents and Forms.
		Prototype published annually on ODE/OCN website. Public release is only required if the RCCI feeds
	Public Release	meals to Day-only students (non-residents). <u>www.education.ohio.gov</u> Search School Meals, Documents and Forms
		Written parent or guardian consent is required before students' free and reduced-price eligibility can be
	Sharing of Information form	disclosed to any local education programs <u>including the waiver of student instructional fees</u> . Please
	is published	contact your Regional Consultant for more guidance. 800-808-6325 Eligibility Manual for School
	II 1d Co III 1d	Meals, January 2008 at <u>www.education.ohio.gov</u> Search in School Meals.
	Healthy Start, Healthy Families	Prototype published annually on the ODE/OCN website. <u>www.education.ohio.gov</u> Search School Meals, Documents and Forms
	Child Nutrition Summer	Register with the ODE/OCN office to attend the Child Nutrition Summer Regional Workshops (held
	Regional Workshops	yearly in July and August). Call 800-808-6325 for more information.
		Contact your Information Technology Center (ITC) to obtain the Direct Certification (DC) list. Non
July/August	Direct Certification lists are	Public Schools, Community Schools, and Residential Child Care Institutions may send an Electronic
July/August	available	Media Request Form to ODE OCN to receive the list on CD. Only required for RCCIs with Day-only
		students. <u>www.education.ohio.gov</u> Search School Meals, Documents and Forms or in CRRS.
First 4 weeks	After School Care Snack	All sites that serve the After School Care Snacks must conduct a self-review by the LEA within the first
of Operation	Program	4-weeks of operation. A second review must be completed once more during the school year. Keep all
		records on file. <u>www.education.ohio.gov</u> Search School Meals, Documents and Forms
Every other Fall	Fall Management Conference	ODE/OCN holds a Fall Management Conference biennially.

	esidentiai Ciniu Care institutio	nis (RCCI)
September and/or October	Pre CRE review workshops	ODE/OCN Regional Consultants conduct a Pre-CRE review workshop for all schools that will receive their five-year cycle review. Contact your Regional Consultant for more information. 800-808-6325
October 1	Date in which the Verification Process begins	Verification activities begin at the LEA level. Refer to the "Verification Information Packet" or call your Regional Consultant for more information. 800-808-6325 www.education.ohio.gov Search School Meals, Documents and Forms
October 15	Current Program-Year CRRS Application approval deadline	Returning LEAs must have an approved Application in CRRS in order to submit an August claim. www.education.ohio.gov Search CRRS
30 th School Operating Day	Deadline for new Student Meal Applications	Student meal applications from the prior year may only be used for the first 30-operating days of the current school year. <i>Eligibility Manual for School Meals</i> , <i>Manual at www.education.ohio.gov Search in School Meals</i> .
31 st Operating Day	Change eligibility status	Eligibility for those students without new program-year applications must be changed to Full-paid status and claimed as such. <i>Eligibility Manual for School Meals at www.education.ohio.gov Search in School Meals</i> .
November 15	Verification deadline	The Verification Process must be completed in each LEA (this is <i>not</i> the date required to submit Verification Summary in CRRS)
	Food Service Management Company (FSMC) bid writing and publishing	All FSMC bids and contracts must be pre-approved by ODE OCN before they are published and signed, respectively. Please note that this process may take several months to complete so plan accordingly.
On or before January 14	Verification Summary Report submission deadline	Log-on to CRRS and submit the Verification Summary Report. Must be submitted without error prior to making November claim for reimbursement. only required if the RCCI feeds meals to Day-only students (non-residents). www.education.ohio.gov Search CRRS
February	Summer Food Service Program (SFSP) training	Register with the ODE OCN office to attend a SFSP training session for either New or Existing Sponsors.
February 1	On-site accountability reviews are required to be completed	All LEAs with multiple sites are required to complete an On-Site Accountability review for each site by February 1 of each year. Review forms available on the ODE web site. www.education.ohio.gov Search School Meals, Documents and Forms
March	Child Nutrition Summer Regional Training Workshops	Plan to attend the Child Nutrition Summer Regional Training Workshops (held in June, July and/or August) Call your Regional School Meal Programs Consultant for more information
May	Next Program-Year application is published in CRRS	Next Program-Year Application is available in CRRS. <u>www.education.ohio.gov</u> Search CRRS
	Health Inspection Report	Submit the prior year's Health Inspection Report (included in the new Program-Year CRRS Application). Must be completed before current Program-Year CRRS Application may be approved. www.education.ohio.gov Search CRRS
June	End of Program Year (June 30)	