



Department of Education

Mike DeWine, Governor
Paolo DeMaria, Superintendent of Public Instruction

To: Sponsors Participating in Ohio School Nutrition Programs

From: Andrea Denning, Director
Office of Integrated Student Supports

Date: July 2, 2018 (Revised March 6, 2019)

Re: Procurement Review Frequently Asked Questions

What is a procurement review?

A procurement review is an audit of a sponsor's procurement activities related to school nutrition programs. The procurement review serves to ensure that sponsors follow federal, state and local procurement rules and regulations.

Are there any procurement review trainings available?

The Office of Integrated Student Supports (ISS) currently offers recurring webinars. Please contact ISS or your lead reviewer if you would like to participate in an upcoming webinar. Additionally, the [procurement review presentations](#) are available on the Ohio Department of Education website. For more information, visit education.ohio.gov, search keywords: *procurement review*.

Can my procurement review be moved to another year?

No, procurement reviews are scheduled to be completed on the same schedule as administrative reviews. The U.S. Department of Agriculture (USDA) and state agency maintain the right to adjust the three-year review cycle up to five years per the current flexibility allowed. If there is a situation where required staff members are unavailable, sponsors may request an extension for the review.

What if required staff members are unavailable when the procurement review notice is received?

A sponsor may request an extension for the procurement review. The food service director, treasurer and superintendent receive the procurement review notification. The sponsor may respond and request an extension for review. To receive an extension, the sponsor must provide ISS with a plan of action, reason and expected completion of the procurement review. ISS has the discretion to approve or deny extension requests.

How do I request an extension for the procurement review?

A sponsor requesting an extension must write and submit a plan of action to ISS. The plan of action must include an expected completion date and reason for the extension. If the required staff are out for the season, the expected completion date should be within a reasonable amount of time from their return date to work. It is the discretion of ISS to approve or deny the request for extension.

Does a sponsor need to complete a procurement review if they are vending or have a food service management company (FSMC)?

Yes, a procurement review is required. The FSMC or vended meal company contract must be listed in the SFA procurement table along with any other processing or formal contracts that were conducted.

What is a vendor paid list?

A vendor paid list is a summary list of all vendors used for the purchase of food in the assigned procurement review year. A vendor paid list is sometimes known as a summary report of expenditures or a budget ledger report.

This list notes all vendors paid from the non-profit school food service account during the review period. It must include the name of the vendor and the total amount paid to the vendor broken out by line item or invoice.

If the sponsor uses the Uniform School Accounting System (USAS), then the sponsor may generate a Financial Detail (FINDET) report. Contact the assigned lead reviewer for the FINDET report parameters.

If the sponsor uses the USAS, what are the FINDET report parameters?

The following FINDET report parameters will produce a report that can be used as your vendor paid list. Upload this report in **Review Attachments** found in the **Procurement Review Dashboard**.

```
Summary or Detail Report? (S,D) D
Output file: FINDET.TXT
Type: CSV
Print options page? (Y,N) Y
Select description format: (1,2,3,4) 4
Sort options: FS,VN
Subtotal options: FS,VN
Date Selection From: 07/01/2017
To: 06/30/2018
Include funds with zero balances in all fields? (Y,N) Y
Include funds with no activity during the period? (Y,N) Y
Include outstanding encumbrances on report? (I,S,N) I
Include or Exclude: I
Wildcard: 006 **** * 4** *** ***** *** ** ***
: I
Wildcard: 006 **** * 5** *** ***** *** ** ***
: I
Wildcard: 006 **** * 6** *** ***** *** ** ***
: I
Wildcard: 006 **** * 7** *** ***** *** ** ***
: I
Wildcard: 006 **** * 8** *** ***** *** ** ***
: I
Wildcard: 006 **** * 9** *** ***** *** ** ***
```

Where can I find my local education agency (LEA) small purchase threshold?

The LEA purchase threshold is set by the LEA - not the state agency. Consult with your treasurer or business office to identify if there is a LEA small purchase threshold. If it differs from the federal threshold of \$250,000 it will need to be listed in the SFA procurement table.

What is a processing contract?

A processing contract is a formal agreement with a commercial food processor for further processing of USDA foods into end products. Schools can purchase USDA foods using planned assistance level (PAL) and send these foods directly to a processor, usually through direct diversion. For example, a school may enter into a contract with a processor to divert flour, cheese and tomato paste to be processed into pizza. The processed end products are generally purchased through a broad line distributor, although in some cases they will be purchased directly from the processor.

What does the “minimum selection requirements have not been met” popup window on the procurement module mean?

When a sponsor completes the SFA procurement table, a popup window may appear stating, “minimum selection requirements have not been met.” This notification is designed for the state agency’s use and should be disregarded by the sponsor. No response is required from the sponsor.

How do I list my FSMC contract if the invoices were under a certain threshold (i.e. micro purchase)?

All expenditures should be reported based on the agreement type regardless of amount. If a school has an FSMC contract in place, all expenditures related to that contract will be listed in the FSMC contract section.

What is a Vendor ID?

A vendor ID is a unique identification number, which is assigned by the sponsor for each vendor. The sponsor’s accounting system may arbitrarily assign a vendor ID or the sponsor may manually assign the number. If the sponsor does not use vendor IDs in its system, the sponsor can designate a number when entering the vendors in the SFA procurement table.

What is a procurement code of conduct?

Per federal regulations, sponsors are required to maintain standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts [2 CFR 200.318(c) and 7 CFR 210.21(c)]. In other words, sponsors are required to maintain a written set of guidelines detailing the ethical standards when conducting procurement activities. A code of conduct serves to outline conflicts of interests, prohibit corruption or illegal activities and provide procedural safeguards during the procurement process. As public school districts are covered by the [Ohio Ethics Law](#), a policy stating that all employees involved in procurement transactions are subject to the provisions and penalties prescribed in the law is sufficient to meet this requirement.

If I am a member of a cooperative or group purchasing organization that procures contracts for processing and distribution of USDA foods, do I still need to list these contracts?

If you are a member of a cooperative or group purchasing organization that procures contracts for processing and distribution of USDA Foods, you are still required to list and provide these contracts in your procurement review. You will likely have separate contracts for processing and distribution. The processing contract(s) will be categorized as a processing contract whereas the distribution contract will most likely be categorized as a formal contract. Your group purchasing organization should be able to provide you with the necessary details for your procurement review. If you

have any questions or need clarifications regarding group purchasing contracts, contact your assigned lead reviewer.