



To: Child Nutrition Program Sponsors
From: Brigitte Hires, Administrator, Office of Nutrition
Date: October 18, 2024
Re: Audit Policy for For-Profit and Nonprofit Agencies

The Ohio Department of Education and Workforce (the Department) will utilize the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 for all agencies (for-profit and nonprofit) participating in federal child nutrition programs. Child nutrition programs consist of the Child and Adult Care Food Program (CACFP), National School Lunch and Breakfast Programs (School Meals) and Summer Food Service Program (SFSP).

Each January, the Office of Grants Administration compiles Claims Reimbursement and Reporting System (CRRS) expenditure data from the previous program year to determine which for-profit and nonprofit entities receiving CACFP and SFSP funds must have an audit performed in compliance with this policy. This information is maintained in a tracking log utilized by the Office of Grants Administration. The tracking log is reviewed monthly and any audits that have been released are collected at that time.

Each June, the Office of Grants Administration reviews payment information generated by the Department's Accounting System and determines which entities have not remitted Audit reports for the previous Program year for all entities receiving federal funds from the Department.

Each entity is classified in one of four categories: (1) School districts over \$1,000,000, (2) school districts under \$1,000,000, (3) all other entities over \$1,000,000 and (4) other entities under \$1,000,000. CACFP and SFSP entities are represented in the third classification group. Per this office policy, CACFP and SFSP must be included as audited programs for for-profits that participate in these child nutrition programs

Entities expending \$1,000,000 or more in Federal awards during the entity's fiscal year must meet the audit requirements in 2 CFR 200.501 for that fiscal year. The Office of Grants Administration maintains a tracking log for entities that have submitted audits.

Entities must submit the audit within nine months from the end of the audit period to the Office of Grants Administration. Written request is made to those entities requiring remittance of audit reports for any entity that does not submit within the nine months or does not post the audit report on the Federal Clearinghouse. Entities unable to produce audit reports will be

declared seriously deficient, sent a Seriously Deficient certified letter or email and will be required to send Corrective Action by certified mail or as an upload to the Claims Reimbursement and Reporting System (CRRS) within a 15-calendar day response time. Corrective Action Plans are reviewed by the Office of Nutrition and the Office of Grants Management external auditor and appropriate follow-up is completed (i.e. telephone calls, correspondence, etc.).

An *Intent to Terminate* letter (with the ability to appeal clause) is sent certified mail to entities failing to submit a satisfactory Plan of Corrective Action by the due date. Entities have 15 calendar days to appeal the decision to terminate. In accordance with Section 17(d)(5)(D) of the Richard B. Russell National School Lunch Act, reimbursement will continue to be paid during the complete 45-day cycle or, if the action has been appealed, until a hearing decision has been made final.

Upon expiration of the period of time allowed for the filing of an appeal, a *Final Termination* letter will be sent (certified mail or email) to the entity. The letter will include the termination date as the first day following the appeal request deadline.

Effective 1/1/02; Revised 1/7/09, Revised 10/1/09, Revised 3/31/10, Revised 5/28/2010, Revised 10/29/2012, Revised 5/9/2017, Revised 7/22/2021, Revised 10/1/2024

This institution is an equal opportunity provider.