



To: Applicants to the Summer Food Service Program (SFSP)
From: Brigette Hires, Administrator, Office of Nutrition
Date: December 19, 2024
Re: Submission of Full Management Plans

Introduction

On September 19, 2022, the USDA Food and Nutrition Service (FNS) published the [Final Rule: Streamlining Program Requirements and Improving Integrity in the SFSP](#). The final rule clarified the budget and management plan requirements for SFSP sponsors to meet three performance standards: financial viability and management; administrative capability; and internal controls for program accountability. State agencies are required to only approve the program applications of sponsors that meet the three performance standards. The state agency in Ohio is the Ohio Department of Education and Workforce, hereby known as the Department. The Department must deny applications that do not meet all these standards.

As part of application process, sponsors must demonstrate compliance with the performance standards in their management plan and administrative budget.

Child nutrition program performance standards are commonly referred to as “VCA,” which stands for viability, capability, and accountability.

1. Performance Standard One – Financial Viability and Management

The sponsor’s management plan must describe the community’s need for summer meals and the sponsor’s strategy for the recruitment of sites; describe the sponsor’s financial resources and financial history and submit supporting documentation; and ensure that all costs in the sponsor’s budget are reasonable, allocable, and necessary.

The sponsor must have enough income and sufficient resources to meet the program’s total operating obligations and debt commitments. Non-federal funds must be available to pay debts when fiscal claims are assessed against the sponsor. Sponsors can demonstrate this by maintaining documentation of current and historical financial performance. This sponsor must be financially solvent and run a healthy business which includes maintaining sufficient contingency funds; practicing appropriate fiscal activities; and communicating policies and procedures to staff with fiscal management responsibilities. The sponsor’s budget must reflect the anticipated needs and financial resources to operate the SFSP for the program year and include sufficient detail of the administrative earnings and expenses that may be used for program administration. Sponsors must account for all costs of operation through the consistent application of Generally Accepted Accounting Principles (U.S. GAAP).

2. Performance Standard Two – Administrative Capability

To demonstrate administrative capability, applying sponsors must have qualified staff; employ sufficient staff to ensure successful operation of the program; and have written policies and procedures that assign program responsibilities and duties and ensure compliance with civil rights requirements. The sponsor must have effective management practices that ensure an

adequate number and type of staff to operate the program. The staff must have the skills and training required to fulfill program responsibilities. In addition, the sponsor must have written policies and procedures that assign duties to responsible staff and document how the organization complies with civil rights requirements. This documentation should include job descriptions and training materials.

3. *Performance Standard Three – Internal Controls for Program Accountability*

To demonstrate program accountability, the sponsor must have a financial system and monitoring activities that prevent fraud and must maintain records to show compliance with program requirements. Program accountability is the sponsor's demonstration of having internal controls to prevent waste, fraud, and abuse; ensuring integrity and program compliance. Internal controls and management systems include written policies and procedures, edit checks, recordkeeping procedures, and safeguards for program funds. The sponsor must have appropriate oversight of their business and the program. Sponsors can refer to the United States Government Accountability Office's [Standards for Internal Control in the Federal Government](#) as a guide for best practices.

The VCA requirements are included in the full management plan, which is required to be submitted at least once every three years ([7 CFR 225.6\(e\)\(3\)](#)). Per [7 CFR 225.6\(e\)\(2\)](#) potential new sponsors and returning sponsors that have experienced significant operational problems in the prior year must submit a full management plan.

Operational Problems

The Department defines Operational Problems as meeting any one or combination of the following in the prior Program year:

1. Program violations resulting in a fiscal action amount greater than \$100 and over 5% of the review period's total SFSP reimbursement.
2. Notice of Serious Deficiency;
3. Health or Safety Violation;
4. A significant level of issues or corrective actions identified in any Child Nutrition Administrative Review or Management Evaluation that would indicate a need for additional Program oversight.

Sponsors that have experienced operational problems in the prior year have additional Program oversight which includes a Preapproval visit and Management Evaluation.

Full Management Plan

Management plans are required to be submitted annually. A full management plan must be submitted at least every three years for all sponsors. Per [7 CFR 225.6\(e\)\(4\)](#), school food authorities in good standing of the National School Lunch Program (NSLP) and institutions in good standing of the Child and Adult Care Food Program (CACFP) are not required to submit a management plan, unless required to do so by the Department. The components of a full management plan include the following:

This institution is an equal opportunity provider.

- (1) Management and Organizational structure: The management and organizational structure component are a snapshot of the sponsor as a whole entity. This includes responsible principals and individuals, such as food operations staff and members of the board of directors. This component includes information that demonstrates the sponsor's financial viability and financial management compliance, and program accountability.
- (2) Administrative requirements and operations: The administrative requirements and operations component is a comprehensive plan for how the sponsor will operate the SFSP. This plan includes assignments of staff for key duties, such as compiling data for the claim for reimbursement and ensuring that the meal pattern requirements are met.
- (3) Monitoring and training requirements: The monitoring and training component is the plan for ensuring that the Program is monitored as required under [7 CFR 225.15\(d\)\(2\)](#). The plan must include a list or description of staff assigned monitoring duties. Each of the components includes elements, functions, activities, and the records that are required to be maintained.

Policy

Management plans are required to be submitted annually, and a full management plan is required to be submitted at least once every three years. Potential new sponsors and returning sponsors that have experienced significant operational problems in the prior year must submit a full management plan with the application. Sponsors in good standing of the NSLP and CACFP are not required to submit a management plan unless required to do so by the Department. The Department, on a case-by-case basis, may ask for the full management plan or elements of the full management plan such as the financial audits, administrative budgets, hiring plans, or other documents from NSLP and CACFP sponsors as evidence of meeting the Performance Standards. The Department exempts government agencies with annual state audits from submitting the financial documents to complete the rubrics for Performance Standard One and Performance Standard Three as these are reviewed through the audit process. The Department may request the audit results at any time.

Sponsors will submit the full management plan through a two-step process:

- (1) Submission of the Full Management Plan VCA Checklist via email to the Department.
- (2) Completion of the online application in the Claims Reimbursement and Reporting System (CRRS).

The Department will notify Sponsors required to submit the Full Management Plan and VCA checklist by January of the application year.

See the [Summer Food Service Program Viability, Capability, and Accountability Checklist](#)

This institution is an equal opportunity provider.

and complimentary [Summer Food Service Program Viability, Capability, and Accountability Document Guide](#) for a complete listing of required documents to be included. Additional information about the management plans can be found in the policy memo [Guidance on Performance Standards, Budgets, and Management Plans in the Summer Food Service Program](#) and the [Summer Food Service Program Administrative Guide](#).

Please contact your assigned Education Program Specialist or the Office of Nutrition at (614) 466-2945 with any questions.

This institution is an equal opportunity provider.