

Performance Standards, Budgets, and Management Plans in the Summer Food Service Program

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Performance Standards, Budgets, and Management Plans in the Summer Food Service Program

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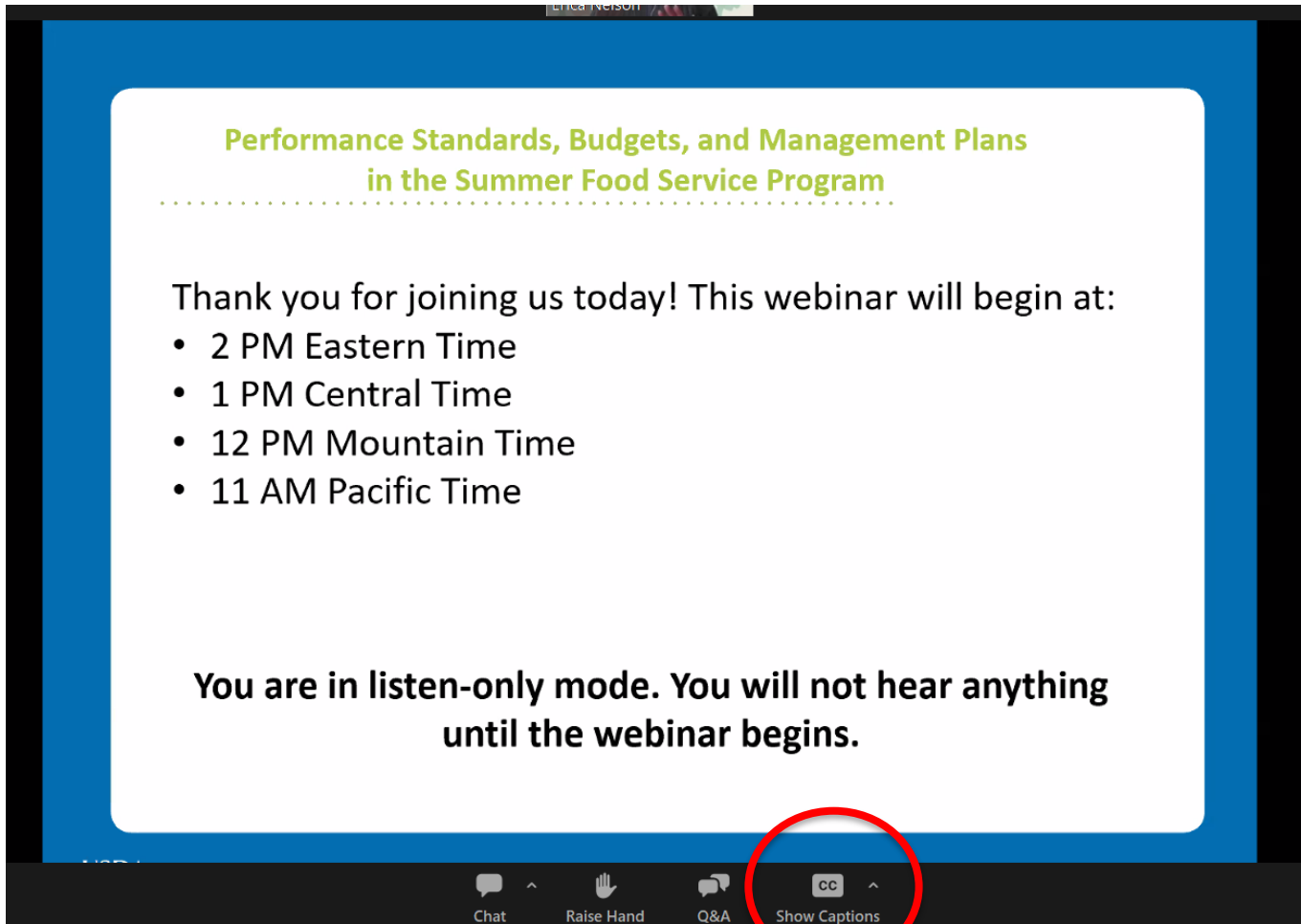
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Captioning Available

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*Submit questions using
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Chat Raise Hand **Q&A** Show Captions



Performance Standards, Budgets, and Management Plans in the Summer Food Service Program

Community Meals Program Monitoring Branch
Program Monitoring and Operational Support Division
April 2023



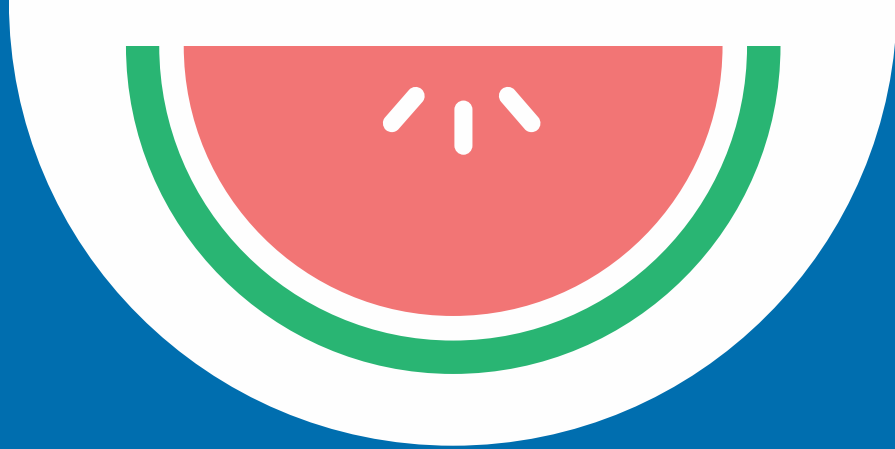
United States Department of Agriculture



Learning Objectives

- ✓ Overview of the Summer Streamlining rule
- ✓ Define and discuss Performance Standards in the Summer Food Service Program
- ✓ Review Budget requirements in the Summer Food Service Program
- ✓ Examine Management Plans in the Summer Food Service Program





Streamlining Program Requirements



Streamlining Program Requirements

- Application procedures for new sponsors
- Demonstration of financial and administrative capability
- Performance standards for evaluating sponsor viability, capability, and accountability



Application Procedures for New Sponsors

Previous Requirement	Policy Guidance	Final Rule
Includes different requirements for new and experienced sponsors applying for participation in the SFSP	Allows new CACFP or NSLP applicant sponsors in good standing to apply for participation in SFSP using streamlined procedures for experienced sponsors	Allows new CACFP or NSLP applicant sponsors in good standing to apply for participation in SFSP using streamlined procedures for experienced sponsors

Demonstration of Financial and Administrative Capability

Previous Requirement	Policy Guidance	Final Rule
Requires sponsors to demonstrate financial and administrative capability prior to approval to operate the program	SFAs and CACFP institutions in good standing do not have to submit further evidence of financial and administrative capability	SFAs and CACFP institutions in good standing do not have to submit further evidence of financial and administrative capability State agencies establish information sharing processes

Performance Standards for Evaluating Sponsor Viability, Capability, and Accountability

Previous Requirement	Final Rule
Requires sponsors to demonstrate financial and administrative capability prior to approval to operate the program	<p>Clarifies existing requirements and provides guidance to State agencies when evaluating sponsor applications</p> <p>Requires submission of a management plan addressing performance standards that correspond to CACFP:</p> <ul style="list-style-type: none">• Financial viability and financial management• Administrative capability• Program accountability



Performance Standards in the Summer Food Service Program



Child Nutrition Performance Standards

- ✓ Performance standard 1.
Financial Viability and Financial Management
- ✓ Performance standard 2.
Administrative Capability
- ✓ Performance standard 3.
Internal Controls for Program Accountability



Child Nutrition Performance Standards

- ✓ Ensure integrity
- ✓ Reenforce compliance
- ✓ Maintain equity

Performance Standard 1

The applying sponsor must **document** the following:

- Describe the community's need for summer meals and the sponsor's recruitment strategy;
- Describe the sponsor's financial resources and financial history;
- Ensure all costs in the sponsor's budget are reasonable, allowable, necessary, and documented.



**Financial Viability and
Financial Management**

Performance Standard 2

The applying sponsor must **document** it meets the following:

- Has an adequate number and type of qualified staff to ensure the operation of the Program
- Has written policies and procedures that assign Program responsibilities and duties and ensure compliance with civil rights requirements



Administrative Capability

Performance Standard 3

The applying sponsor must **document** it can meet the following:

- Demonstrate that the sponsor has a financial system with management controls specified in written operational policies
- Maintain appropriate records to document compliance with Program requirements



**Internal Controls for
Program Accountability**

Child Nutrition Performance Standards

- Required for participation
- Documented
- Demonstrated





Financial Viability and Financial Management



What is Financial Viability and Management

- Description of Need
- Financial Resources and History
- Budget



Financial Viability and Financial Management



Applying sponsors must demonstrate that Program funds will be used and tracked, consistent with:

- ✓ 7 CFR 225;
- ✓ 2 CFR part 200, subpart D; and
- ✓ USDA regulations 2 CFR parts 400 and 415.

Financial Viability and Financial Management



- 1) The community's need for summer meals and the sponsor's recruitment strategy

7 CFR
225.6(d)(1)

Financial Viability and Financial Management



2) Financial resources and financial history

7 CFR
225.6(d)(1)

Financial Viability and Financial Management

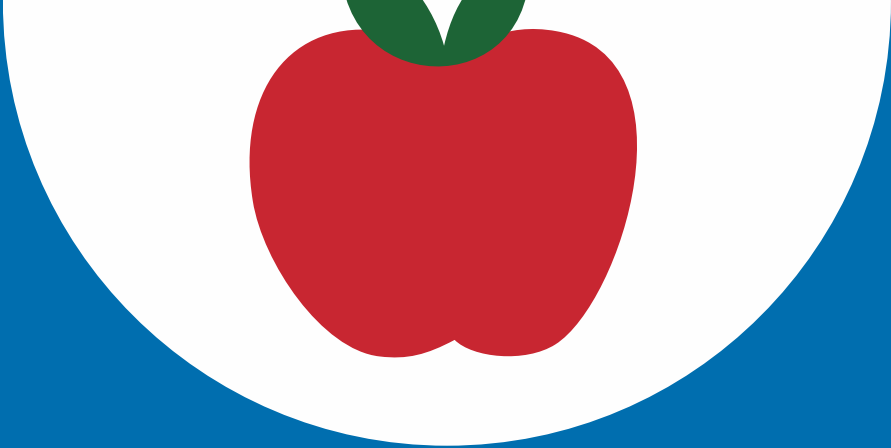


3) Costs are necessary,
reasonable, allowable

7 CFR
225.6(d)(1)

Assessing Financial Viability and Management

- Supporting documentation
 - Financial statements, official ledgers
 - Standard procedures for financial management
 - Sources of revenue
 - Site recruitment strategy
- Historical
- Detailed
- Expenses are RAN
 - Reasonable
 - Allowable
 - Necessary



Administrative Capability



Administrative Capability

- Appropriate and effective management practices
 - Adequate and qualified staff
 - Written policies and procedures

7 CFR
225.6(d)(2)

Administrative Capability

Adequate
Staff

Must have measurable capacity of staff and systems to meet organization-wide and SFSP objectives

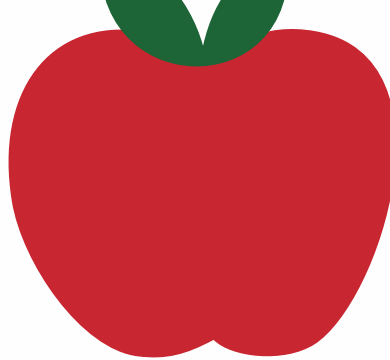
Administrative Capability

Policies and Procedures

- Must recruit, hire, train, and maintain staff with the skills necessary to fulfill Program responsibilities
- Must have systems and resources to effectively operate the Program and organization-wide objectives

Assessing Administrative Capability

- Supporting documentation
 - Written standard operating procedures
 - Staffing patterns
- Sufficient staff
- Detailed
- Demonstrated
- Meets regulations and State agency requirements



Internal Controls for Program Accountability

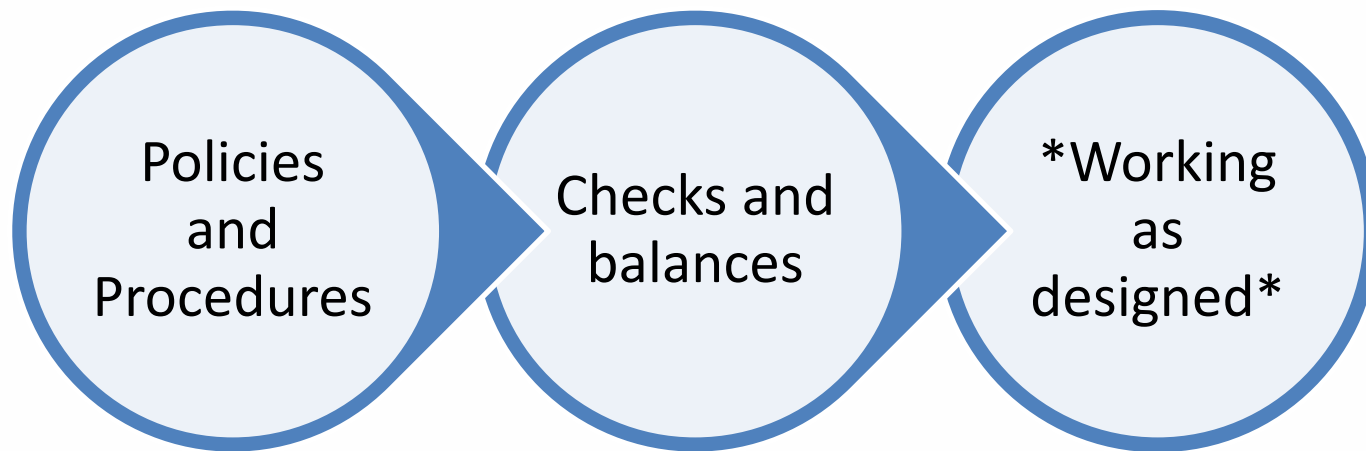


Program Accountability

- Management control
- Adequate Oversight
- Edit checks
- Fiscal safeguards
- Recordkeeping

7 CFR
225.6(d)(3)

Internal Controls



7 CFR
225.6(d)(3)

Financial Systems and Controls

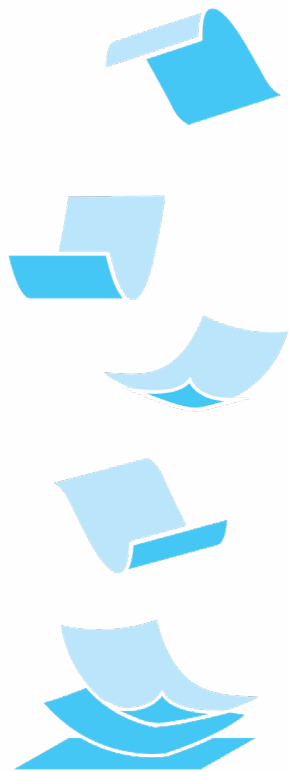
- 7 CFR 225
- 2 CFR part 200, subpart D
- USDA regulations 2 CFR parts 400 and 415



Edit Checks and Safeguards

- Edit Checks
 - Meal counts
 - Meal pattern requirements
- Safeguards
 - Nonprofit food service account
 - Assigned duties and responsibilities
 - Adequate oversight

Recordkeeping

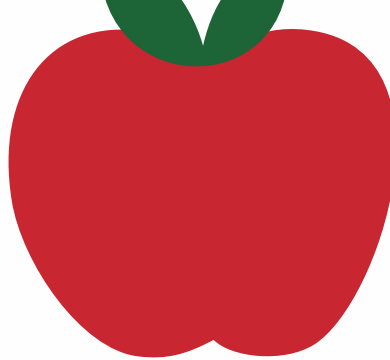


- Budgets
- Accounting Records
 - Ledgers
 - Bank statements
- Management Plans
- Site Operations
 - Physical address
 - Site contact
 - Site eligibility
 - Operating information
 - Civil Rights data collection

Assessing Internal Controls for Program Accountability

- Documented
- Detailed
- Sufficient Edit Checks
- Records, records, records





Budgets in the Summer Food Service Program



Budgets in the Summer Food Service Program

- Creates a financial plan and roadmap
- Allocates resources
- Demonstrates financial performance
- Supports mission-related goals
- Outlines income



Why are budgets important?



- ✓ Show a positive relationship between revenue and expenses
- ✓ Possess skill sets that demonstrate the sponsor is capable of operating a business
- ✓ Demonstrate the ability to record, track, and report key information

Components of a Budget

Estimated Revenue:



Program Funds

- + SFSP Administrative Reimbursement
- + Board Designated funds
- + Proceeds from the sale of property purchased with FNS funds

Non-Program Funds

- + Donations or fundraisers
- + Grants
- + Unrestricted funds

Estimated Expenses:



Program Costs

- Food, travel reimbursement, rent expense, etc.

Program Costs Must Be Allowable!

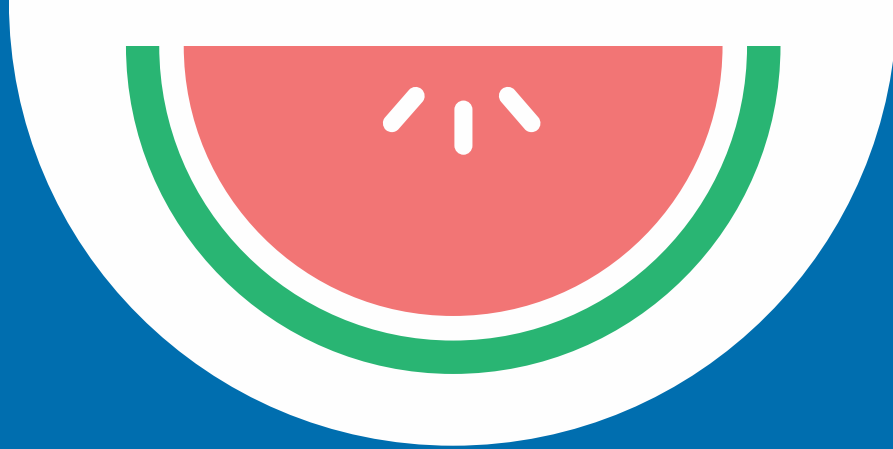
Non-Program Costs

- Food for non-Program participants

Assessing a Budget

- ✓ Documented
- ✓ Detailed calculation
- ✓ Justified
- ✓ Sufficient resources
- ✓ Costs are RAN





Management Plans in the Summer Food Service Program



What is a Management Plan?



- ✓ Document the sponsor's policies and procedures for operating the SFSP
- ✓ Demonstrate the sponsor's ability to fulfill their responsibilities
- ✓ Show compliance with the SFSP regulations, including the performance standards
 - ✓ **Viability**
 - ✓ **Capability**
 - ✓ **Accountability**

Management Plan Submission

New sponsors

Full management plan as part of complete application



Sponsors with previous management problems

Full management plan as part of complete application



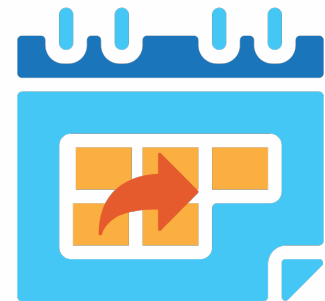
Experienced Sponsors

Simplified or full management plan (at least once in 3 years)



SFAs and CACFP institutions in good standing

Required at State agency discretion

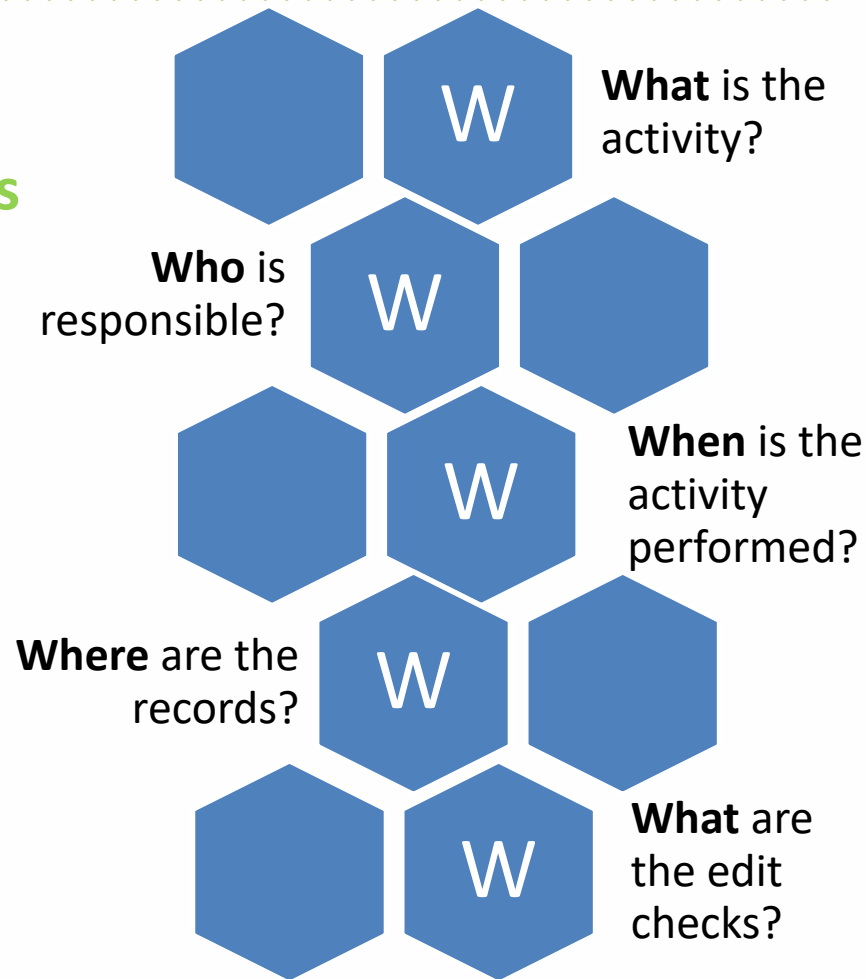


Components of the Full Management Plan



Components of the Full Management Plan

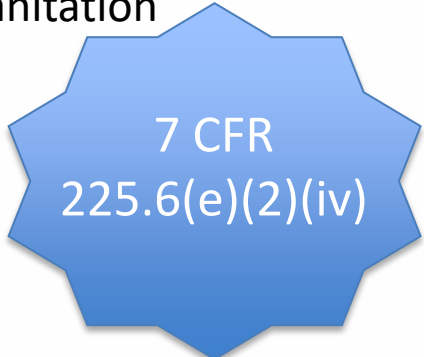
The Five W's



Components of the Full Management Plan

Demonstrate that the sponsor will:

- Provide training not less than annually, as required by 7 CFR 225.15(d)(1)
- Perform monitoring consistent with the regulations at 7 CFR 225.15(d)(2) and (3)
- Accurately classify sites
- Demonstrate compliance with the meal service, recordkeeping, and other operational functions
- Provide meals that meet the meal pattern requirements, in accordance with 7 CFR 225.16
- Conduct a meal service that complies with health and sanitation requirements
- Comply with civil rights requirements
- Maintain complete and appropriate records
- Claim reimbursement for only eligible meals



7 CFR
225.6(e)(2)(iv)

Full Management Plan Submission

Management and Organizational Structure

- ✓ UEI, EIN, tax exempt status
- ✓ Board of Directors, organization chart, responsible principals and individuals
- ✓ Staffing patterns, assignment of duties/job descriptions
- ✓ Budget and financial history, independent single audit
- ✓ Community need/recruitment strategy, media release
- ✓ Certification Statements

Full Management Plan Submission

Administrative Requirements and Operations

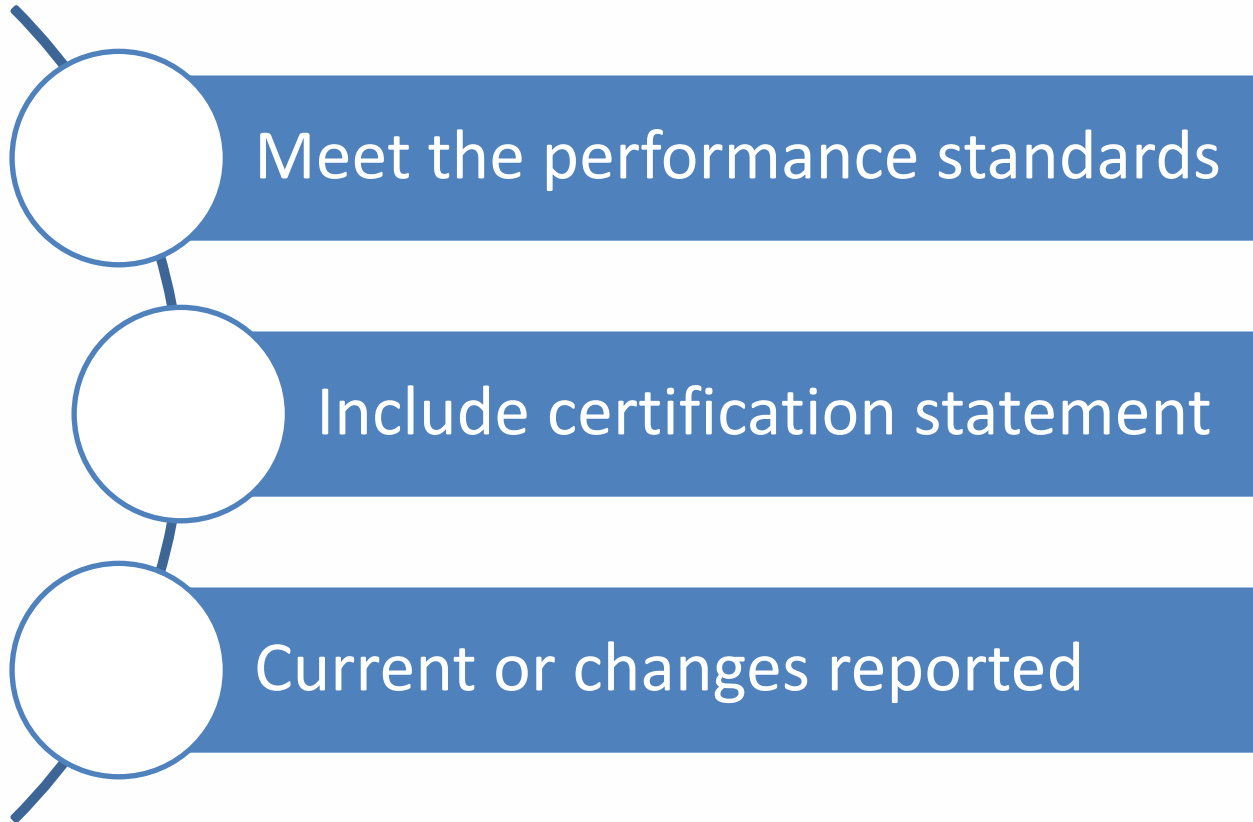
- ✓ Standard operating procedures and internal controls
- ✓ Sample menus
- ✓ Civil Rights data collection
- ✓ Site Information
 - Eligibility classifications
 - Agreements

Full Management Plan Submission

Monitoring and Training

- ✓ Proposed training schedule
- ✓ Proposed monitoring schedule
 - Preoperational visit
 - First visit
 - Routine and follow up
- ✓ Monitoring staffing pattern

Components of a Simplified Management Plan



Assessing Management Plans

- ✓ Detailed
- ✓ Complete
- ✓ The Five W's
- ✓ Certification
- ✓ Supported by documentation



Resources

- 7 CFR 225
- SFSP 03-2023 *Guidance on Performance Standards, Budgets, and Management Plans*
- Final Rule: *Streamlining Program Requirements and Improving Integrity in the Summer Food Service Program (SFSP)*
- 2 CFR part 200, subpart D
- USDA regulations 2 CFR parts 400 and 415

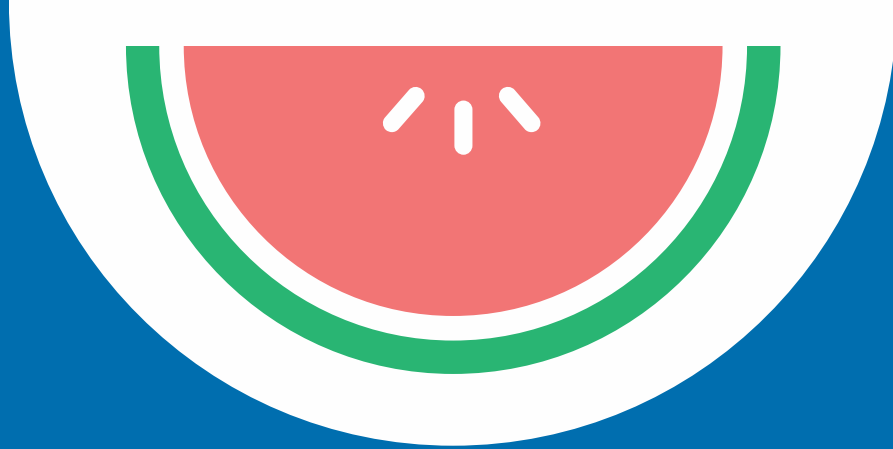


Waiver to Delay Implementation



Streamlining Program Requirements and Improving Integrity in the SFSP Final Rule

- Allows for a delay in the compliance date published as May 1, 2023
- Approved waivers will delay compliance date until January 1, 2024
- State agencies will use the normal 12(l) process to submit their request



Questions & Answers





Thank you

