

IowaCNP Agreement Number 5940000	State of Iowa DEPARTMENT OF EDUCATION Bureau of Nutrition and Health Services Grimes State Office Building Des Moines, Iowa 50319-0146	Revised (6/21)
<p align="center">AGREEMENT BETWEEN CHILD NUTRITION ORGANIZATION AND BUREAU OF NUTRITION and HEALTH SERVICES</p> <p align="center">(National School Lunch Program, School Breakfast Program, Fresh Fruit and Vegetable Program, Special Milk Program, Afterschool Care Snack Program, Child and Adult Care Food Program, Summer Food Service Program)</p>		

NAME OF CHILD NUTRITION ORGANIZATION:	Belmond-Klemme Comm School District
ADDRESS: (include Zip Code)	303 E. Main Street Belmond, IA 50421

INSTRUCTIONS:

- (1) **SIGNING OF AGREEMENT:** An original and one copy of this agreement must be signed and submitted to the Bureau of Nutrition and Health Services
- (2) **Complete the Organization and Site applications on IowaCNP (New Child Nutrition Organizations Only)**
- (3) **CHILD NUTRITION ORGANIZATIONS COPY:** When this Agreement is approved, a copy will be located in IowaCNP.

The State of Iowa Bureau of Nutrition and Health Services hereinafter referred to as the "Bureau" and Child Nutrition Organization hereinafter referred to as "Organization", whose name and address appear above, acting on behalf of each organization site identified on IowaCNP do hereby make and enter into this Agreement (Agreement), as required by the National School Lunch Act, the Child Nutrition Act, as amended and the following program regulations: The National School Lunch Program (NSLP), 7 Code of Federal Regulations (CFR) part 210; the Special Milk Program (SMP), 7 CFR part 215; the School Breakfast Program (SBP), 7 CFR part 220; the Summer Food Service Program (SFSP), 7 CFR part 225; USDA Foods 7 CFR part 250.4c; and the Child and Adult Care Food Program (CACFP) 7 CFR part 226.

In order to effectuate the purpose of the following statutes: The Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) The Richard B. Russell National School Lunch Act (NSLA), as amended, (42 U.S.C. 1751-1760, 1761, 1762a, 1765, 1766, 1771, 1772, 1773, 1776, 1779), and P.L. 113-79, The Child Nutrition Act (CNA) of 1966, as amended (42 U.S.C. 1771-1774, 1775, 1776, 1777, 1778, 1780, 1781, 1782, 1783, 1784, 1785, 1786, 1787, 1788, 1791, 1793 5 U.S.C. 301), and P.L. 111-296, The Agricultural Act of 1949, as amended, (7 U.S.C. 1431), The Agricultural Act of 1956, as amended, (7 U.S.C. 1859), The Act of September 6, 1958, as amended, (7 U.S.C. 1431b, 7 U.S.C. 1431nt), The Act of August 24, 1935, as amended, (7 U.S.C. 612c, 15 U.S.C. 713c), The Mutual Security Act of 1954, as amended, (22 U.S.C. 1922), The Disaster Relief Act of 1974, as amended, (42 U.S.C. 5179, 5180), The Food and Agricultural Act of 1965, as amended, (7 U.S.C. 1446 a-1), The Older Americans Act of 1965, as amended, (42 U.S.C. 3030a, 3057c), The Agriculture and Consumer Protection Act of 1973, as amended, (7 U.S.C. 612cnt), The Food and Agriculture Act of 1977, as amended, (7 U.S.C. 2011-2027).

Certification Regarding Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The organization certifies, to the best of his or her knowledge and belief, that:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any persons for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

ASSURANCE OF CIVIL RIGHTS COMPLIANCE

The Sponsor hereby agrees that it will comply with:

- I. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);
- II. Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.);
- III. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);
- IV. Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.);
- V. Title II and Title III of the Americans with Disabilities Act (ADA) of 1990 as amended by the ADA Amendment Act of 2008 (42 U.S.C. 12131-12189);
- VI. Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency." (August 11, 2000);
- VII. All provisions required by the implementing regulations of the Department of Agriculture (USDA) (7 CFR Part 15 et seq.);
- VIII. Department of Justice Enforcement Guidelines (28 CFR Parts 35, 42 and 50.3);
- IX. Food and Nutrition Service (FNS) directives and guidelines to the effect that, no person shall, on the grounds of race, color, national origin, sex, age, or disability, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity for which the Program applicant receives Federal financial assistance from USDA; and hereby gives assurance that it will immediately take measures necessary to effectuate this Agreement.
- X. The USDA non-discrimination statement that in accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

This assurance is given in consideration of and for the purpose of obtaining any and all Federal financial assistance, grants, and loans of Federal funds, reimbursable expenditures, grant, or donation of Federal property and interest in property, the detail of Federal personnel, the sale and lease of, and the permission to use Federal property or interest in such property or the furnishing of services without consideration or at a nominal consideration, or at a consideration that is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease, or furnishing of services to the recipient, or any improvements made with Federal financial assistance

extended to the Program applicant by USDA. This includes any Federal agreement, arrangement, or other contract that has as one of its purposes the provision of cash assistance for the purchase of food, and cash assistance for purchase or rental of food service equipment or any other financial assistance extended in reliance on the representations and agreements made in this assurance.

By accepting this assurance, the Sponsor agrees to compile data, maintain records, and submit records and reports as required, to permit effective enforcement of nondiscrimination laws and permit authorized USDA personnel during hours of program operation to review and copy such records, books, and accounts, access such facilities and interview such personnel as needed to ascertain compliance with the nondiscrimination laws. If there are any violations of this assurance, the Department of Agriculture, FNS, shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Sponsor, its successors, transferees and assignees as long as it receives assistance or retains possession of any assistance from USDA. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Sponsor.

The above-named organization applies for, and agrees to operate the Program(s) listed below, which are indicated by an (X) in the applicable boxes. If the Bureau terminates the organization from one or more of the programs organization is operating, but allows the organization to continue to operate other programs, at the Bureau's option, the organization must enter into a new agreement with the Bureau to operate the remaining programs or amend this Agreement to state which programs the Organization will continue to Operate.

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| National School Lunch Program (Section 2) | Child and Adult Care Food Program (Section 3) | X Summer Food Service Program (Section 4) |
| X National School Lunch Program (2A) | Center-Based Organizations (3B) | |
| X School Breakfast Program (2B) | At-Risk Meal Program (3B) | X USDA Foods (Section 5) |
| Fresh Fruit and Vegetable Program (2C) | Day Care Homes (3C) | |
| Afterschool Care Snack Program (2D) | | |
| Special Milk Program (2E) | | |
| X Seamless Summer Option (2F) | | |

Note: At Risk School Program- Select At Risk CACFP

This agreement shall be affected for the period commencing on the approval date indicated on this Agreement and shall remain in effect until terminated or cancelled herein. The Bureau may amend the Agreement by notice in writing.

The Agreement may be terminated upon 60 days written notice on the part of either party hereto. The Bureau may terminate this Agreement immediately upon receipt of evidence that the terms and conditions of this Agreement or of the regulations have not been fully complied with by the Organization. Any termination of this Agreement by the Bureau shall be in accord with applicable laws and regulations. The terms of this Agreement shall not be modified or changed in any way other than by the consent in writing of both parties hereto or by amendment.

SIGNATURE ON BEHALF OF THE ORGANIZATION's USDA CNP Authorized Representative	STATE OF IOWA DEPARTMENT OF EDUCATION BUREAU OF NUTRITION AND HEALTH SERVICES
BY (SIGNATURE)	BY (SIGNATURE)
PRINTED NAME	PRINTED NAME Patti Harding
TITLE	TITLE Administrative Consultant
DATE	DATE

I. CONTRACT PROGRAM ADMINISTRATION AND FINANCIAL MANAGEMENT

THE BUREAU AGREES THAT, to the extent of funds available, to reimburse the Organization for the programs operated by it, as designated on IowaCNP in accordance with whichever of the following regulations are applicable to such programs: National School Lunch Program (7 CFR part 210), Special Milk Program (7 CFR part 215), School Breakfast Program (7 CFR part 220), Fresh Fruit and Vegetable Program (NSLA, P.L.111-296), Summer Food Service Program (7 CFR part 225), and Child and Adult Care Food Program (7 CFR part 226), and any amendments thereto. The Bureau agrees further to make payments, where applicable, in accordance with the Cash in Lieu of Commodities Regulations (7 CFR part 240), and any amendments thereto; and to donate foods in accordance with Donation of Foods for Use in the United States, its Territories and Possessions and Areas under its Jurisdiction Regulations (7 CFR part 250), and any amendments thereto.

THE ORGANIZATION AGREES TO:

1. Accept Federal funds and/or donated foods in accordance with the applicable regulations and any amendments thereto, and to comply with all provisions thereof, and with any instructions or procedures issued in connection therewith.
2. Administer programs funded under this Agreement in accordance with provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR part 200.
3. Update the Organization/Sponsor Application and Site Applications on IowaCNP annually as prescribed by the Bureau.
4. Submit claims for reimbursement in accordance with procedures established by the Bureau in accordance with program regulations.
5. Submit original or revised claim for reimbursement within 60 days. Claims for reimbursement not filed within 60 days following the claiming month will be disallowed. Exceptions to this requirement will be made at the discretion of the Bureau or Food and Nutrition Service (FNS).
6. Upon request, make all accounts and records pertaining to the Program available to State, Federal, or other authorized officials for audit or administrative review, at a reasonable time and place. Such records shall be retained for a period of three years after the date of the final claim for reimbursement for the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for resolution of the issues raised by the audit
7. Maintain records of revenue and expenditures in such a manner as to reflect the status of the nonprofit food service account, where applicable.
8. Obtain an audit in the following year if it expends \$750,000 or more in federal funds in the current year and that the audit will be conducted in accordance with Office of Management and Budget Super circular [2 CFR 200](#), if it is a non-profit or public organization.
9. Comply with recordkeeping requirements.
10. In the storage, preparation and service of food, maintain proper sanitation and health standards in conformance with all applicable Federal, State and local laws and regulations;
11. Keep financial and supporting documents, statistical records, and any other records pertinent to the services for which a claim was submitted in the manner and detail prescribed by the Bureau. Unless otherwise provided by state or federal law, the records and documents will be retained for a period of 3 years, including eligibility documentation, after the end of the program year. If any litigation, claim, negotiation, audit, or other action involving these records begins before such period expires, the organization will keep the records and documents until all audit findings, claims or litigation are resolved or until the end of the 3-year period, whichever is later. The case is considered resolved when there is a final order issued in litigation, or a written agreement is entered into between the Bureau and the organization. The organization will keep records of non-expendable property acquired under the contract for 3 years after final disposition of the property;
12. Establish a method to secure the confidentiality of records and other information relating to clients in accordance with the applicable federal law, rules, and regulations, as well as the applicable state law and regulations. The provision shall not be construed as limiting the Bureau's right of access to recipient case records or other information relating to clients served under this contract;
13. Local educational agencies, school food authorities, schools, child care institutions and contractors must cooperate in studies and evaluations conducted by or on behalf of the Department, related to programs authorized under the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966.

THE BUREAU AND THE ORGANIZATION MUTUALLY AGREE THAT:

1. IowaCNP, the Bureau's current data system, where applicable, is part of this Agreement. The Organization is approved to operate the USDA Child Nutrition Programs Identified on the Organization and Site Applications in IowaCNP
2. A school/site may be added or closed in the Organization Application Packet on IowaCNP as the need arises. Any changes in IowaCNP to reflect current Program operations must be approved by the Bureau.

3. The Bureau shall promptly notify the Organization of any change in meal requirements or the assigned rates of reimbursement.
4. No member or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

THE ORGANIZATION AGREES THAT,

1. For each site identified in IowaCNP, it will administer the indicated program(s) in compliance with all provisions of 7 CFR parts 210, 215, 220, 225, 226, 245 and [2 CFR part 400](#), 415 and the other United States Department of Agriculture (USDA) and the State of Iowa regulations and will conform to the following requirements in the conduct of each program for each program checked above.
2. For each Program checked in the section above, it will follow all requirements listed below as they pertain to the USDA Child Nutrition Program(s) it sponsors.

IIA. NATIONAL SCHOOL LUNCH PROGRAM (NSLP)

THE ORGANIZATION AGREES TO:

1. Comply with all provisions of [7 CFR part 210](#) and [7 CFR part 245](#) and submit for approval a Free and Reduced price Policy Statement. Maintain files of currently approved and denied free and reduced-price certification documentation. and direct certification documentation.
2. Apply for participation in the National School Lunch Program only for schools accredited in Iowa.
3. Operate a nonprofit food service and use program revenue only for program purposes, as authorized by Federal and State law and comply with part 210.14.
4. SFAs entering into an arrangement with a Food Service Management Company (FSMC) must comply with 7 CFR part 210.16. SFAs must contact the Bureau for prior approval by February 1 to start the process. SFAs must use the Bureau prototype documents and all preliminary paperwork and final contract must be approved.
5. Maintain records as listed below:
 - a. Daily number of meals served to children, by category and type of meal;
 - b. Revenue from children's payments, Federal reimbursement, food sales to adults, other sources, including loans to the program, and all a la carte sales;
 - c. Food service expenditures (supported by invoices, receipts, or other evidence of expenditures) for food, labor, and other expenditures, including repayment of loans to the program.
 - d. Menus and production records for all programs.
 - e. For further recordkeeping information, contact the Bureau.
6. Price the meal as a unit, except in non-pricing meal programs where no specific charge is made.
7. Access the Direct Certification information at a frequency scheduled by the Bureau (RCCIs are exempted but may use the Elookup feature). Maintain files of the names of children currently approved for free and reduced-price meals through direct certification with the supporting documentation, as specified in §245.6(b)(5), which must be readily retrievable by school. Documentation for direct certification must include information obtained directly from the appropriate State or local agency, or other appropriate individual, as specified by FNS.
8. Conduct verification of free and reduced-price applications in a timely manner.
9. Conduct an on-site review of each school by February 1. If the review discloses problems with the school's counting or claiming procedures, corrective action and follow-up action must be completed within 45 days
10. Maintain food safety plans based upon Hazard Analysis Critical Control Point principles and updated as needed and that appropriate logs of activity shall be completed and maintained on file. SFAs will comply with the food safety requirements of §210.13
11. Obtain a minimum of two food safety inspections per school year conducted by a State or local governmental agency responsible for food safety inspections. Schools participating in more than one child nutrition program shall only be required to obtain a minimum of two food safety inspections per school year if the food preparation and service for all meal programs take place at the same facility. Schools shall post in a publicly visible location a report of the most recent inspection conducted, and provide a copy of the inspection report to a member of the public upon request.
12. Receive donated foods as required by [7 CFR part 250](#) as applicable. Accept and use, in as large quantities as may be efficiently utilized in its nonprofit school food service, such foods as may be offered as a donation by the Department.
13. Comply with the Smart Snacks standards (7 CFR 210.11) when selling food and beverage during the school day. The school day is any time before the first bell until 30 minutes after the last bell.

14. Maintain Site Enrollment. Report on IowaCNP under the Site Enrollment section for all schools/sites the number of enrolled children that have been determined eligible for free or reduced-price meals as of the last operating day in October.
15. Share upon the request from a CACFP day care home sponsor organization information on the boundaries of the attendance areas for the schools identified as having 50 percent or more of enrolled children certified eligible for free or reduced-price meals.
16. Serve lunches, during the lunch period, which meet the minimum requirements prescribed in part 210.10.
17. Claim reimbursement at the assigned rates only for reimbursable free, reduced price and paid lunches served to eligible children in accordance with 7 CFR part 210. Agree that the school food authority official signing the claim shall be responsible for reviewing and analyzing meal counts to ensure accuracy as specified in §210.8 governing claims for reimbursement. Acknowledge that failure to submit accurate claims will result in the recovery of an overclaim and may result in the withholding of payments, suspension or termination of the program as specified in §210.25. Acknowledge that if failure to submit accurate claims reflects embezzlement, willful misapplication of funds, theft, or fraudulent activity, the penalties specified in §210.26 shall apply;
18. Count the number of free, reduced price and paid reimbursable meals served to eligible children at the point of service, or through another counting system if approved by the Bureau;
19. Serve lunches free or at a reduced price to all children who are determined to be eligible for such meals under 7 CFR part 245.
20. Maintain a nonprofit school food service program account. Child Nutrition funds cannot be used to purchase land or buildings or to construct buildings.
21. Limit its net cash resources to an amount that does not exceed three months average expenditure for its nonprofit school food service program.

THE BUREAU AGREES TO:

1. Provide an adequate number of consultative, technical and managerial personnel to administer programs and monitor performance in complying with all Program requirements.
2. Ensure that school food authorities comply with the requirements to account for all revenues and expenditures of their nonprofit school food service. School food authorities shall meet the requirements for the allowability of nonprofit school food service expenditures in accordance with this part and, 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415, as applicable. All costs resulting from contracts that do not meet the requirements of this part are unallowable nonprofit school food service account expenses.
3. Ensure compliance with the requirements to limit net cash resources and shall provide for approval of net cash resources in excess of three months' average expenditures.
4. Ensure that school food authorities comply with the requirements for pricing paid lunches and nonprogram foods as required in §210.14(e) and §210.14(f).
5. Work with the school food authority toward improving the school food authority's management practices where the Bureau has found poor food service management practices leading to decreasing or low child participation, menu acceptance, or program efficiency. The Bureau will provide training and technical assistance to the school food authority or direct the school food authority to places to obtain such resources, such as the Institute of Child Nutrition.
6. Require that school food authorities comply with the applicable regulations through audits, administrative reviews, technical assistance, training guidance materials or by other means.
7. Promptly investigate complaints received or irregularities noted in connection with the operation of the Program, and shall take appropriate action to correct any irregularities. State agencies shall maintain on file evidence of such investigations and actions. FNS and OIG may make reviews or investigations at the request of the Bureau or where FNS or OIG determines reviews or investigations are appropriate.
8. Review each contract annually (including all supporting documentation) between any school food authority and food service management company to ensure compliance with all the provisions and standards set forth in this part before execution of the contract by either party.
9. Ensure Program integrity at the school food authority level. Will take fiscal action against school food authorities for Claims for Reimbursement that are not properly payable, including, if warranted, the disallowance of funds for failure to take corrective action to comply with requirements in parts 210, 215, and 220 of this chapter. In taking fiscal action, State agencies must use their own procedures within the constraints of this part and must maintain all records pertaining to action taken under this section. The Bureau may refer to FNS for assistance in making a claim determination under this part.

IIB. SCHOOL BREAKFAST PROGRAM

THE ORGANIZATION AGREES TO:

1. Comply with all provisions of [7 CFR part 220](#) and [7 CFR part 245](#).” This agreement shall provide that each school food authority shall, with respect to participating schools under its jurisdiction.
2. Maintain full and accurate records of the Child Nutrition program(s) to serve as a basis for claims for reimbursement and for audit and review purposes. The records, which should be kept with respect to each program, include the following:
 - a. Daily number of meals served to children, by category and type of meal;
 - b. Revenue from children’s payments, Federal reimbursement, food sales to adults, other sources, including loans to the program, and all a la carte sales;
 - c. Food service expenditures (supported by invoices, receipts, or other evidence of expenditures) for food, labor, and other expenditures, including repayment of loans to the program.
 - d. Menus and production records for all programs.
3. Obtain a minimum of two food safety inspections per school year conducted by a State or local governmental agency responsible for food safety inspections. Schools participating in more than one child nutrition program shall only be required to obtain a minimum of two food safety inspections per school year if the food preparation and service for all meal programs take place at the same facility. Schools shall post in a publicly visible location a report of the most recent inspection conducted, and provide a copy of the inspection report to a member of the public upon request.
4. Implement a food safety program meeting the requirements of §210.13(c) and 210.15(b)(5) of this chapter at each facility or part of a facility where food is stored, prepared, or served.
5. Comply with all Food Service Management Company contract requirements in 220.7.
6. Maintain a nonprofit school food service program account. Child Nutrition funds shall not be used to purchase land or buildings or to construct buildings.
7. Limit its net cash resources to an amount that does not exceed three months average expenditure for its nonprofit school food service program.
8. Observe the limitations on any competitive food service as set forth in §220.12 of this part.
9. Serve breakfasts which meet the minimum requirements prescribed in §220.8, during a period designated as the breakfast period by the school. Price the breakfast as a unit.
10. Supply breakfast without cost or at reduced price to all children who are determined by the School Food Authority to be unable to pay the full price. Make no discrimination against any child because of his inability to pay the full price of the breakfasts.
11. Purchase, in as large quantities as may be efficiently utilized in its nonprofit school food service. Accept and use, in as large quantities as may be efficiently utilized in its nonprofit school food service, such foods as may be offered as a donation by the Department; Maintain necessary facilities for storing, preparing, and serving food.
12. Serve breakfasts free or at a reduced price to all children who are determined to be eligible for such meals under 7 CFR part 245. Maintain documentation of eligibility by application or direct certification.

THE BUREAU AGREES TO:

1. Maintain Program records as necessary to support the reimbursement payments made to School Food Authorities under §220.9 and the reports submitted to FNS under §220.13(b)(2).
2. Monitor school food authority compliance with the food safety inspection requirement in §220.7(a)(2).
3. Provide program assistance as follows:
 - a. Consultative, technical, and managerial personnel to administer programs, monitor performance, and measure progress toward achieving program goals.
 - b. Conduct administrative reviews of the school meal programs specified in §210.18 of this chapter to ensure that schools participating in the designated programs comply with Program regulations
 - c. Adequately safeguard all assets and monitor resource management as required under §210.18 of this chapter, and in conformance with the procedures specified in the *FNS Administrative Review Manual*, to assure that assets are used solely for authorized purposes.
 - d. Establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. The system shall prescribe the allowability of nonprofit school food service expenditures in accordance with this part and 2 CFR part 200, subpart D and E, as applicable, and USDA implementing regulations 2 CFR part 400 and part 415, as applicable.

IIC. FRESH FRUIT AND VEGETABLE PROGRAM (FFVP)

THE ORGANIZATION AGREES TO:

1. Use the funds for the purposes authorized by Section 4304 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-234) and Section 19 of the [National School Lunch Act \(NSLA\)](#).
2. Provide funds to the approved schools within its jurisdiction for the service of approved fresh fruits and vegetables in accordance with local, State, and Federal regulations and requirements.
3. Implement the program, at approved school(s), in accordance with the plan outlined in the Fresh Fruit and Vegetable Program grant application.
4. Make free fresh fruit and vegetables available to all enrolled children attending the participating school.
5. Offer the Program during the regular school year, excluding holidays and summer break.
6. Serve fresh fruits and vegetables to students during the school day, at least twice a week, and separately from the National School Lunch Program and School Breakfast Program service times.
7. Offer a variety of fresh fruits and vegetables to children. The types of fruits and vegetables and portion sizes should reflect the ages and preferences of students. Frozen, canned, dried and other types of processed fruits and vegetables are not allowed.
8. Provide fat-free or low-fat dip for vegetables, limited to a 2-ounce serving size. Dip for fruit is not allowed.
9. Limit the service of cooked fresh vegetables to no more than once each week and only when included as part of a nutrition education lesson. Other ingredients in the cooked fresh vegetable dish must be fat-free or low fat and are not reimbursable,
10. Publicize the availability of free fresh fruit and vegetables for children widely within the school through use of the public address system, flyers and other usual means of communication and ensure that the only adults allowed to receive FFVP components are teachers who are in the classroom with the students during the FFVP food service,
11. Integrate Program activities with other school efforts to promote health, nutrition, healthy weight and physical activity,
12. Participate in Program training offered by the school food authority and/or Bureau, as applicable.
13. Use Program funds primarily for the purchase of fresh fruits and vegetables.
14. Maintain a financial management system as prescribed by the Bureau and obligate funds on a timely manner,
15. Limit the amount of allowable non-food costs of the school's total grant.
16. Submit timely program expenditure information to the school food authority to enable the school food authority to submit consolidated reimbursement claims for the purchase of fresh fruits and vegetables served to students and allowable non-food expenses only.
17. Acknowledge that failure to submit accurate expenditure information will result in the disallowance of payments and may result in suspension or termination from the Program.
18. Comply with the applicable procurement requirements.
19. Follow hazard analysis and critical control point (HACCP) principles, and sanitation and health standards established under State and local law and regulations in conformance with § 210.13 and § 220.7, respectively, of this chapter for schools participating in the National School Lunch and School Breakfast Programs.
20. Abide by all Program requirements as established by law, regulations and FNS guidance that reflects current program operations.
21. Partner with entities that can provide non-Federal resources to the Program, when possible.
22. Encourage the involvement of parents and the community in activities that enhance the Program such as seeking program partners and other support activities as determined by the school.

THE BUREAU AGREES TO:

1. Conduct outreach to all elementary schools that participate in the NSLP and have the highest proportion of students certified eligible for free and reduced price NSLP meals in the State.
2. Allocate from \$50 to \$75 per student to operate the Program each school year. The per-student allocation for each school may vary by school within the established allocation range.
3. Select Elementary schools that meet the following criteria may be selected for participation in the Program:
 - a. Schools in which not less than 50 percent of the students are certified eligible for free or reduced-price school lunches, with priority for selection given to those schools that serve the highest percentage of free and reduced-price certified students.
 - b. Schools that have submitted an application for participation; and
 - c. Schools that have not been documented as being deficient in managing any FNS program or that have no outstanding administrative findings documenting violations of the requirements of any FNS program.
 - d. Applicant schools in which fewer than 50 percent of the students are certified as eligible for free and reduced-price meals shall only be selected to participate in the program if all of the eligible higher need schools in the State have been selected for participation in the Program and the Bureau has not reached its statewide participation goal. When selecting such schools, priority shall be given to

schools in descending order beginning with those schools that serve the highest percentage of free and reduced-price certified students.

4. Solicit applications for participation from the elementary schools with the highest number of children certified for free and reduced-price meals.
5. Provide training and technical assistance to the school food authorities to enable them to operate the Program successfully in selected schools.
6. Review the Program performance for compliance. This review may take place in conjunction with any administrative review.
7. Withhold Program payments, in whole or in part, to any school food authority that has failed to comply with the provisions of the Program. Program payments must be withheld until the school food authority takes corrective action satisfactory to the Bureau, or gives evidence that such corrective action will be taken, or until the Bureau terminates the grant. Subsequent to the Bureau's acceptance of the corrective actions, payments will be released for any claims.
8. Disallow any portion of a claim and recover any payment made to a school food authority that was not properly payable.

GENERAL CONDITIONS:

1. This Agreement is non-transferable and is subject to availability of funding from USDA.
2. Neither the Bureau nor the Organization has an obligation to renew this agreement.

11D. AFTERSCHOOL CARE SNACK PROGRAM

THE ORGANIZATION AGREES TO:

Afterschool care requirements. Those school food authorities with eligible schools (as defined in §210.10(n)(1)) that elect to serve meal supplements during afterschool care programs, shall agree to:

1. Serve meal supplements which meet the minimum requirements prescribed in §210.10; and maintain food production records listing the foods served and the serving sizes of each food item to document the meal pattern below are met.
2. Price the meal supplement as a unit and solely as part of an afterschool care program, or programs, the SFA operates, each such program providing regularly-scheduled education or enrichment activities in an organized, structured, and supervised environment and fully described in the site application in IowaCNP. Under no circumstances can organized athletic programs engaged in interscholastic sports be approved as after school care program.
3. Serve meal supplements free or at a reduced price to all children who are determined by the school food authority to be eligible for free or reduced-price school meals under 7 CFR part 245;
4. If charging for meals, the charge for a reduced-price meal supplement shall not exceed 15 cents;
5. Claim reimbursement at the assigned rates (eligibility category) only for meal supplements served in accordance with the agreement;
6. Claim reimbursement for no more than one meal supplement per child per day for children from birth to age 18 years, or a student of any age who is disabled, are eligible. (If a student's 19th birthday occurs during the school year, snacks may be served and reimbursement claimed for that student for the remainder of the school year;
7. Review each afterschool care program two times a year; the first review shall be made during the first four weeks that the school is in operation each school year, except that an afterschool care program operating year-round shall be reviewed during the first four weeks of its initial year of operation, once more during its first year of operation, and twice each school year thereafter;
8. Comply with all requirements of part 210, except that, claims for reimbursement need not be based on "point of service" meal supplement counts (as required by §210.9(b)(9)) but at the time they are served and agrees to maintain a roster list, sign-in sheet, or other means to determine that children are present on a given day.
9. Maintain the following records, and follow the retention requirements per 7 CFR §210.23 (c).
 - a. If all meals are claimed free based on the site's eligibility (see item I, above), maintain documentation establishing each site's eligibility;
 - b. For all other sites, documentation of free and reduced-price eligibility for all children for whom free and reduced-price snacks are claimed;
 - c. Meal counts, by type, for each site for each serving day;
 - d. Documentation of individual children's attendance on a daily basis; and,
 - e. Menus and production records to document compliance with snack pattern requirements.

THE BUREAU AGREES TO:

1. Provide program assistance as follows:

- a. Consultative, technical, and managerial personnel to administer programs, monitor performance, and measure progress toward achieving program goals.
- b. Conduct administrative reviews of the program operations as required.

II.E. SPECIAL MILK PROGRAM

THE ORGANIZATION AGREES TO:

1. Comply with all provisions of 7 CFR parts 215 and 245. This agreement shall provide that each school food authority shall, with respect to participating schools under its jurisdiction.
2. Allow any school or nonprofit child care institution to participate in the Special Milk Program upon request provided it does not participate in a meal service program authorized under the Child Nutrition Act of 1966 or the National School Lunch Act; except that schools with such meal service may receive the Special Milk Program upon request only for the children attending split-session kindergarten programs who do not have access to the meal service and only claim milk for students that don't have access to the National School Lunch Program or School Breakfast Program
3. Operate a nonprofit milk service. However, school food authorities may use facilities, equipment, and personnel supported with funds provided to a school food authority under this part to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 *et seq.*).

THE BUREAU AGREES TO:

1. Provide consultative, technical, and managerial personnel to administer the Program and monitor performance of schools and child-care institutions and to measure progress toward achieving Program goals.
2. Conduct reviews of organizations participating in the Program for compliance with regulations. Compliance reviews shall focus on the reviewed school's/site's compliance with the required certification, counting, claiming, and milk service procedures.

II.F. SEAMLESS SUMMER OPTION

The Seamless Summer Option (SSO) combines features of the National School Lunch Program (NSLP), the School Breakfast Program (SBP), and the Summer Food Service Program (SFSP). Only SFAs administering the NSLP or SBP may participate in the SSO. SFAs will follow requirements, where applicable, in the NSLP, SBP, and SFSP regulations at 7 CFR part 210, 220, and 225 for this option.

THE ORGANIZATION AGREES TO:

1. Comply with provisions of [7 CFR part 210](#), [7 CFR part 220](#), and [7 CFR part 225](#), where applicable.
2. Serve meals in areas in which poor economic conditions exist that are not served in whole or in part by another, if not a camp, as required under §225.6(d)(1).
3. Operate a nonprofit food service during the period specified, as follows:
 - a. From May through September for children on school vacation;
 - b. At any time of the year, in the case of sponsors administering the Program under a continuous school calendar system;
 - c. During the period from October through April, if it serves an area affected by an unanticipated school closure due to a natural disaster, major building repairs, court orders related to school safety or other issues, labor- management disputes, or, when approved by the Bureau, a similar cause.
4. Maintain a nonprofit school food service and observe the requirements for and limitations on the use of nonprofit school food service revenues set forth in §210.14.
5. Comply with the Smart Snacks standards as set forth in §210.11 if the site is also operating summer school and serving NSLP meals on campus.
6. Limit net cash resources to an amount that does not exceed three months average expenditures for its nonprofit school food service.
7. Maintain a financial management system as prescribed under §210.14(c).
8. Serve lunches, during the lunch period, which meet the minimum requirements prescribed in §210.10.
9. Serve breakfasts, during the breakfast period, which meet the minimum requirements prescribed in §220.2 and §220.8.
10. Serve meals/snacks without cost to all children, except that camps may charge for meals served to children who are not served meals under the Program.
11. Price the meals/snacks as a unit, at camps.
12. Count the number of reimbursable meals served to eligible children at the point of service, or through another counting system, if approved by the Bureau.

13. Receive donated foods as required by [7 CFR part 250](#) as applicable. Accept and use, in as large quantities as may be efficiently utilized in its nonprofit school food service, such foods as may be offered as a donation by the Department.
14. Maintain children on site while meals are consumed.
15. Review each SSO site for compliance with meal counting, claiming, menu planning, and food safety requirements at least once during its operation and maintain on file documentation of site visits.

THE BUREAU AGREES TO:

1. Provide an adequate number of consultative, technical and managerial personnel to administer programs and monitor performance in complying with all Program requirements.
2. Require that school food authorities comply with the applicable regulations through audits, administrative reviews, technical assistance, training guidance materials or by other means.
3. Promptly investigate complaints received or irregularities noted in connection with the operation of the Program, and shall take appropriate action to correct any irregularities. State agencies shall maintain on file evidence of such investigations and actions. FNS and OIG may make reviews or investigations at the request of the Bureau or where FNS or OIG determines reviews or investigations are appropriate.
4. Ensure Program integrity at the school food authority level. Will take fiscal action against school food authorities for Claims for Reimbursement that are not properly payable, including, if warranted, the disallowance of funds for failure to take corrective action to comply with requirements in parts 210, 215, and 220 of this chapter. In taking fiscal action, State agencies must use their own procedures within the constraints of this part and must maintain all records pertaining to action taken under this section. The Bureau may refer to FNS for assistance in making a claim determination under this part.

III. Child and Adult Care Food Program (CACFP)

III.A All CACFP Organizations (Centers and Day Care Homes)

THE ORGANIZATION AGREES TO:

1. Comply with applicable CACFP requirements included in CACFP Regulations [7 CFR part 226](#).
2. For organizations sponsoring both the Center and CACFP Home Sponsor programs, report and maintain separate documentation of expenses for each program.
3. Employ sufficient staff to adequately perform required CACFP recordkeeping, supervisory and monitoring tasks related to both the organization and sponsored facilities, and operational functions compliant with CACFP regulations and State requirements.
4. Conduct and document pre-approval visits and monitoring reviews of facilities to assess compliance according to CACFP regulations and State requirements, as applicable.
5. Acknowledge seriously deficient findings may result in potential placement of the organization and/or its principals on the National Disqualified List (NDL).
6. Follow accepted internal control practices, and comply with CACFP Performance Standards: Financial Viability and Financial Management, Administrative Capability, and Program Accountability. CACFP procurement guidelines will be followed when needed CACFP purchases meet required thresholds.
7. Provide annual CACFP program training, consultation, and technical assistance for CACFP staff members and maintain required documentation.

THE BUREAU AGREES TO:

1. Conduct compliance reviews of the organization's CACFP administrative records and facilities according to times and conditions in CACFP regulations and State requirements.
2. Notify CACFP organizations of the Bureau, the U.S. Department of Agriculture (Department) or any Federal officials' responsibilities to conduct announced or unannounced reviews of a sponsor's CACFP operations and/or of facilities participating in CACFP during normal CACFP hours. Reviewers are required to show photo identification demonstrating employment with one of these entities.

IIIB. Center-Based Organizations (Child and Adult Care Centers; At-Risk Meal Programs; Outside School Hours Child Care Centers; Adult Care, Emergency Shelters; and Preschools) –

THE ORGANIZATION AGREES TO:

1. Accept final financial and administrative responsibility for management of a proper, efficient, and effective food service, and will comply with all applicable CACFP requirements included in the Iowa CACFP

Administrative Manual for center-based organizations, located on the the CACFP Resources Google website - link provided upon request.

2. Document and report administrative costs separate from food service expenses, when CACFP administrative costs are reported.
3. Provide or accept responsibility for the provision of organized, non-residential child or adult care (except in emergency shelters) and immediately report to the appropriate Bureau, any suspected violations of licensing standards or suspected abuse of children or adults in centers (sponsored or independent);
4. Submit for Bureau approval applications and agreements for any center for which the organization intends to sponsor;
5. Allow the Bureau, the Department, and other State or Federal officials to make announced or unannounced reviews of their operations during the institution's normal hours of child or adult care operations, and that anyone making such reviews must show photo identification that demonstrates that they are employees of one of these entities
6. Remain apprised of Program updates through [State updates](#) that include changes in USDA policy communicated by memorandums posted on its [website](#).
7. If the organization is for-profit organization it agrees it:
 - a. will not sponsor non-profit center-based sites, unaffiliated At-Risk sites or family child care homes.
 - b. may receive additional post-award audits; the Bureau will identify and notify organizations required to receive an audit, and will determine who will conduct the audit and procedures to be followed.

THE BUREAU AGREES TO:

1. Reimburse the organization in the following manner:
 - a. Center-based facilities shall be paid reimbursement based on actual meal counts times current rates. Organizations convey annually on the Program application their preference to receive commodities or cash-in-lieu of commodities (CIL), and receive what the majority of organizations prefer. If CIL is preferred, it is added to each lunch and supper claimed and increases the reimbursement by an amount that is determined annually,
 - b. CACFP Proprietary For-Profit Centers will be paid reimbursement during months of operation for each center in which 25% or more of their enrolled participants or licensed capacity, who attend at least one day in the month, meet Income Eligibility Guidelines for free and reduced-price meals.
2. Implement a fair hearing procedure outlined in the current Program regulations for Bureau findings against the organization and/or their sponsored facility that involve downward claim adjustments, suspension, disqualification or termination of the organization and/or their facility and responsible principals and individuals from Program participation for uncorrected seriously deficient practice(s) as applicable.

IIIC. Day Care Home Sponsor Organizations of Registered Child Care Homes and Child Care Homes with CCA Provider Agreements

THE ORGANIZATION AGREES TO:

1. Be a public organization or a private-nonprofit organization with current IRS nonprofit tax-exempt status operating as a verified nonprofit corporation.
 - a. Accept final CACFP administrative responsibilities of all sponsored homes.
 - b. Comply with certification statements and narrative in the IowaCNP Application, Board Member information, and current Budget and Management Plan.
 - c. Present the most recent sponsor's CACFP administrative review during a board meeting.
 - d. Follow the requirement not to charge an organizational or administrative fee to providers participating in CACFP.
 - e. Maintain tier and seriously deficient records for a longer period of time.
 - f. Submit the news media annually in the organization's service area.
2. Report to the appropriate State authorities (including the Bureau) immediately, any observed violations of Department of Human Services (DHS) health and safety standards or suspected abuse of children in homes;
3. Conduct outreach efforts according to the current Management Plan without incentive payments to providers or to employees.
4. Discuss requirements described in the Provider – Sponsor Program Agreement (CNP-123), and sign the document with each provider.
5. Inform providers of available training opportunities during each monitoring review. Track and document as providers complete a training.
6. Determine, track, and re-evaluate provider Tier eligibility.
7. Complete household contacts and document resolution of findings annually.

8. Follow required CACFP seriously deficient procedures when there is a seriously deficient finding based on monitoring review observations or evaluation of provider CACFP records, and suspension procedures if there is an imminent threat to children or the public.
9. Compare and evaluate required provider CACFP records (menus, enrollments, attendance, meal participation) for compliance each month according to CACFP regulations and State CACFP requirements. Accurate monthly claims based on the sponsor's calculation of a provider's meal totals and Tier eligibility will be submitted on a provider's behalf.
 - a. Maintain Tier eligibility of children enrolled in Tier 2 Mixed homes confidentially from providers.
 - b. Maintain income from individual parent or provider households, and provider Tier eligibility confidentially. Access is limited to persons directly connected with CACFP administration and enforcement.
 - c. Pay meal reimbursement to providers within five working days of receipt.

THE BUREAU AGREES TO:

1. Pay reimbursement to home sponsor organizations, subject to the availability of USDA funds,
 - a. Pay administrative payments are based on the number of homes submitting claims each month multiplied by current CACFP administrative reimbursement rates.
 - b. Calculate monthly meal reimbursement by multiplying the number of meals submitted based on each home's Tier eligibility (Tier 1, Tier 2 Mixed, or Tier 2) by current CACFP meal reimbursement rates.
 - c. Evaluate advance payments approved by the Bureau and adjust as needed each month. Advance payments are to be used solely for CACFP home sponsor administrative costs.
 - d. Pay administrative start-up or expansion funds for a specific time period based on an approved Program application, agreement, and budget. Evaluate and determine close-out costs when a home sponsor organization indicates the program will close and requests close-out funds.
 - e. Evaluate and pay administrative funding requests to help home providers correct defects impeding their DHS registration approval.
2. Follow seriously deficient or suspension procedures according to CACFP regulations and State requirements if the sponsor organization and/or any principal is non-compliant with CACFP requirements.
3. Offer training and technical assistance regarding CACFP regulations and State requirements.
4. Provide the following documents to home sponsor organizations annually:
 - a. List of current eligible public schools meeting the 50% eligibility requirement for Tier 1 School eligibility.
 - b. Notification of the revised maps showing areas eligible for Tier 1 Census.
 - c. Income Eligibility Guidelines to determine Tier 1 income eligibility.
 - d. Tier 1 and Tier 2 reimbursement rates for meals, and administrative reimbursement rates.
 - e. Iowa Appeal Procedures.
5. Review home sponsor IowaCNP documents (Applications, Advance Requests, Management Plan, Budget, and supporting documents) for compliance when submitted; and when applicable, the start-up/expansion application/budget; and a sponsor's application for administrative dollars to assist unregistered home providers with registration costs when applicable.
6. Calculate and notify home sponsor organizations of carryover administrative funds annually at ten (10) percent or less, or request repayment of administrative funds in excess of 10 percent.
7. Implement fair hearing procedures for providers who requested an appeal after receiving proposed terminations.
8. Evaluate unapproved IowaCNP provider applications every month.
9. Maintain a list of providers determined to be seriously deficient, and those terminated from CACFP participation and placed on the NDL. Provider requests to be reinstated to CACFP participation will be reviewed following SA procedures.

IV. SUMMER FOOD SERVICE PROGRAM

THE ORGANIZATION AGREES TO:

1. Comply with all applicable SFSP requirements included in [7 CFR part 225](#).
2. Serve meals in areas in which poor economic conditions exist that are not served in whole or in part by another, if not a camp, as required under §225.6(d)(1).
3. Operate a nonprofit food service during the period specified, as follows:
 - a. From May through September for children on school vacation;
 - b. At any time of the year, in the case of sponsors administering the Program under a continuous school calendar system;

- c. During the period from October through April, if it serves an area affected by an unanticipated school closure due to a natural disaster, major building repairs, court orders related to school safety or other issues, labor- management disputes, or, when approved by the Bureau, a similar cause.
4. Offer meals which meet the requirements and provisions set forth in §225.16 during times designated as meal service periods by the sponsor, and offer the same meals to all children, for school food authorities.
5. Serve meals which meet the requirements and provisions set forth in §225.16 during times designated as meal service periods by the sponsor, and serve the same meals to all children, for all other sponsors.
6. Serve meals without cost to all children, except that camps may charge for meals served to children who are not served meals under the Program.
7. Open the meal service to children residing in the area as well as the summer school students, at sites that provide summer school sessions in accordance with §225.14(d)(2).
8. Issue a free meal policy statement in accordance with §225.6(c).
9. Meet the training requirements for its administrative and site personnel, as required under §225.15(d)(1).
10. Claim reimbursement only for the type or types of meals specified in the agreement and served without charge to children at approved sites during the approved meal service period, except that camps shall claim reimbursement only for the type or types of meals specified in the agreement and served without charge who meet the Program's income standards. The agreement shall specify the approved levels of meal service for the sponsor's sites if such levels are required under §225.6(d)(2). No permanent changes may be made in the serving time of any meal unless the changes are approved by the Bureau.
11. Accept and use, in quantities that may be efficiently utilized in the Program, such foods as may be offered as a donation by the Department.
12. Have access to facilities necessary for storing, preparing, and serving food.
13. Maintain a financial management system and demonstrate financial and administrative capability for Program operations.
14. Maintain on file documentation of site visits and reviews in accordance with §225.15(d)(2) and (3).
15. Maintain children on site while meals are consumed.
16. Retain final financial and administrative responsibility for its program.
17. Certify that all advance funds will be used for SFSP purposes only and that the amount advanced will be returned to the Bureau in the form of a reduction of the first claim for reimbursement following the advance.
18. Repay any advance Program payment in excess of the amount cited on a valid claim for reimbursement (including unearned advance program payments resulting from claim denials) in accordance with §225.9(c)(6).
19. Acknowledge that seriously deficient findings may result in termination of the Program agreement.

THE BUREAU AGREES TO:

1. Provide sufficient qualified consultative, technical, and managerial personnel to administer the Program, monitor performance, and measure progress in achieving Program goals.
2. Inform all of the previous year's sponsors which meet current eligibility requirements and all other potential sponsors of the deadline date for submitting a written application for participation in the Program.
3. Inform potential sponsors of the procedure for applying for advance operating and administrative costs payments as provided for in §225.9(c). Where applicable, each Bureau shall inform sponsors of the procedure for applying for start-up payments provided for in §225.9(a).
4. Notify the applicant of its approval or disapproval, within 30 days of receiving a complete and correct application. If an incomplete application is received, the Bureau shall notify the applicant within 15 days and shall provide technical assistance for the purpose of completing the application. Any disapproved applicant shall be notified of its right to appeal under §225.13.
5. Determine the eligibility of sponsors applying for participation in the Program in accordance with the applicant sponsor eligibility criteria outlined in §225.14.
6. Use the following priority system in approving applicants to operate sites that propose to serve the same area or the same enrolled children:
 - a. Public or nonprofit private school food authorities;
 - b. Public agencies and private nonprofit organizations that have demonstrated successful program performance in a prior year;
 - c. New public agencies; and
 - d. New private nonprofit organizations.
 - e. If two or more sponsors that qualify under paragraph (b)(5)(ii) of this section apply to serve the same area, the Bureau must determine on a case-by-case basis which sponsor or sponsors it will select to serve the needy children in the area. The Bureau should consider the resources and capabilities of each applicant.
7. Not approve any sponsor to operate more than 200 sites or to serve more than an average of 50,000 children per day. However, the Bureau may approve exceptions if the applicant can demonstrate that it has the capability of managing a program larger than these limits.

8. Review each applicant's administrative budget as a part of the application approval process in order to assess the applicant's ability to operate in compliance with these regulations within its projected reimbursement.
9. Not approve the application of any applicant sponsor identifiable through its organization or principals as a sponsor which has been determined to be seriously deficient as described in §225.11(c).
10. Notify the applicant sponsor in writing, if the sponsor's application to participate is denied, stating all of the grounds on which the Bureau based the denial.
11. Not approve the application of any applicant sponsor which submits fraudulent information or documentation when applying for Program participation or which knowingly withholds information that may lead to the disapproval of its application.
12. Inform the organization of its right to request a review of decisions made by the Department, which affect the participation of the organization in the SFSP or the organization's claim for reimbursement.
13. Implement a fair hearing procedure as outlined in the current Program regulations in §225.13(b) for adverse decisions by the Bureau that involve a denial of an application for participation, a denial of a sponsor's request for advance payment, a denial of a sponsor's claim for reimbursement (except for late submissions under §225.9(d)(6)), a Bureau's refusal to forward to FNS an exception request by the sponsor for payment of a late claim or a request for an upward adjustment to a claim, a claim against the sponsor for remittance of a payment, the termination of the sponsor or site, or a denial of a sponsor's application for a site.
14. Terminate the organization's participation in the SFSP by written notice whenever it is determined by the Department that the sponsor has failed to comply with the rules of the SFSP.

V. Food Distribution (USDA Foods)

THE ORGANIZATION AGREES TO:

1. Comply with all applicable Food Distribution requirements included in [7 CFR part 250](#).
2. Accept donated foods in accordance with the applicable state and federal regulations and any amendments thereto, and to comply with all provisions thereof, and with any instructions or procedures issued in connection therewith.
3. Not process any donated foods commercially into different end products, without prior approval from the Bureau.
4. Provide such information as may be requested and to cooperate to the extent necessary to sustain an effective food distribution program.
5. Properly store and safeguard against theft, spoilage, and other loss donated foods in accordance with §250.14
 - a. SFAs may commingle donated foods along with commercially purchased products utilizing Single Inventory Record Keeping. SFAs must safeguard donated foods as they would any commercially purchased foods.
 - b. The Bureau may ask to conduct inspections of storage space at any time.
 - c. If donated foods are stored in a facility not owned and operated by the SFA, the SFA agrees to inspect the facility, at least annually, and to report the date of this inspection to Bureau consultant.
6. Promptly pay storage, handling, delivery, and any applicable processing fees as assessed by Bureau contracted distributor within 30 days of receiving.
7. Acknowledge the title and value of donated foods are fully realized upon delivery and receiving at SFA designated location.
8. Keep books and records pertaining to the receipt and use of donated foods for a period of three (3) years from the close of the fiscal year to which they pertain, or as necessary to resolve any claims/audits.
9. Provide requested information to the Bureau about any concerns, food safety or otherwise, with donated foods upon discovery when an instance occurs. The SFA will hold affected product in an isolated area, until given instruction for disposal by the Bureau.
10. Provide donated foods for disaster feeding relief per §250.69, in accordance with Bureau instructions when an instance occurs. Every effort will be made by the Bureau to compensate for foods provided during disaster feeding.
11. Upon the happening of any event creating any right against a warehouseman, carrier, or any other person for improper distribution or loss of or damage to any USDA Food at any time subsequent to the transfer of title of the USDA Food to the SFA, the SFA shall immediately prosecute loss or damage claims against the person(s) responsible for the loss or damage.
 - a. Amounts collected by the SFA on such claims shall be used to purchase similar foods or be expended for program purposes.
12. Notify the Bureau upon decision to stop participating in the donated foods program, merging with another organization, or physically closing.

For Organizations in NSLP and SFSP:

1. Designate an individual to obtain and receive a username and password for Bureau designated donated foods system.
2. If Participating in direct ordering of donated foods the SFA Agrees to:
 - a. Request quantities of donated foods that can be fully utilized within a time frame that protects against the loss of quality and safety of foods received.
 - b. Accept deliveries of donated foods from Bureau contracted distributor between the hours of 7:00 am to 4:00pm.
 - i. Special arrangements may be made between the SFA and distributor.
 - c. Report instances of overages, damages, or shortages to Bureau consultant, as discovered, within a timely manner via Bureau instructions.
3. If Participating in processor diversion (NSLP only) the SFA agrees to:
 - a. Request pounds that can be fully drawn down within the school year.
 - b. Designate an individual to obtain and receive a username and password for designated manufacturer tracking sites.
 - c. Alert manufacturers of changes in distributor in a timely manner.
 - d. Verify sales orders in a timely manner through manufacturer specified means.
4. If Participating in DoD Fresh Fruit and Vegetable program the SFA agrees to:
 - a. Designate an individual to obtain and receive a username and password for the DoD specified ordering system.
 - b. Receipt orders as required.
 - c. Report shortages, damages, and non-domestic produce as needed.

THE BUREAU AGREES TO:

For Organizations in NSLP:

1. Allocate an SFAs Planned Assistance Level (PAL) using the previous school year's total number of reimbursable NSLP lunches multiplied by the effective federal meal rate.
 - a. Federal Meal rate is determined by USDA and posted in the federal register in July.
2. Offer the opportunity to use PAL funds through direct ordering of donated foods, through processor diversion, and through the DoD Fresh fruit and vegetable partnership as applicable.
3. Offer SFAs a chance, at least annually, to provide input on the types and quantities of donated foods made available throughout the school year.
4. Assign a value to each type of donated foods in accordance with §250.58(e)
5. Adjust PAL funds promptly in response to reported overages, damages, or shortages of deliveries from the Bureau contracted distributor.
6. Provide an end of year report detailing the value of donated foods received through all available means, with any needed adjustments, for the designated school year.
7. Allow donated foods to be used by SFA in training students in Family Consumer Science, or similar, classes.
 - a. However, donated foods should not be the sole source of products used.

For Organizations in SFSP:

1. Allocate donated foods to eligible participants in accordance with the number of meals served in the previous program year.
2. Offer the opportunity to receive donated foods through direct ordering and/or through the DoD Fresh fruit and Vegetable partnership.

For Organizations in CACFP:

1. Offer the choice between receiving donated foods or cash in lieu of donated foods.
2. Allocate donated foods to eligible participants in accordance with the number of lunches and suppers served in the previous program year

For all Organizations:

1. Allow participants to use donated foods in a contract with a food service management company.

The Bureau has and preserves a right to assert a claim against another person(s) to whom donated foods are delivered for care, handling or distribution.