This Notice is to clarify that a School Food Authority (SFA) has the responsibility under a fixed price per meal contract with a Food Service Management Company (FSMC) to determine that the costs are allowable nonprofit food service account expenditures. These responsibilities are directed toward ensuring that the contract terms and program requirements have been met.

For example, the SFA must determine that the invoice from the FSMC is mathematically correct, ensuring that the number of meals and meal equivalents billed equals the number of meals and meal equivalents served in the NSLP/SBP. Also, the SFA must ensure that the meals meet meal pattern and other contractual requirements and the meals are billed at the contractual fixed price per meal.

SFAs cannot use a fixed price meal contract to pay for otherwise unallowable costs, for example, the cost of lunches that do not meet meal pattern requirements.

Authority
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Contact
If you have any questions, please contact your Area Program Office.
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