This Notice is to remind you of your responsibilities if you contract with a Food Service Management Company (FSMC).

You may contract with a FSMC to manage your school food service operations, however, you may not delegate certain duties. In accordance with the terms of your NSLP Agreement, you not a FSMC, are responsible for:

- observing the limitations on the use of your nonprofit food service revenues account, including using nonprofit food service account funds to pay only allowable costs regardless of the costs billed by the FSMC;
- determining the eligibility of children for free and reduced price meals; and
- ensuring that only reimbursable meals are included on the claim for reimbursement, regardless of the number of meals billed by the FSMC.

Note: You may not allow all income and expenses to accrue the FSMC.

You must have specific procedures in place to determine the validity of meals claimed for reimbursement. To ensure the validity of the meal counting and claiming systems at your schools, you must conduct an annual on-site review of each school prior to February 1 of each school year. When that review identifies problems with a school’s meal counting or claiming procedures, you must

- ensure the school implements corrective action, and
- conduct a follow-up on-site review within 45 days of the review to determine if the corrective action resolved the problems.

Whether you operate your food service or use a FSMC, you must conduct this on-site review and remain responsible for ensuring that deficiencies are identified and effective actions are taken to correct any deficiencies that are found.

If you have any questions, please contact your area program office.