



Welcome!

Program Integrity Rule & Administrative & Procurement Reviews

**Presenters: Brandi Broughton
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Kristy Angkinand**



**TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER**





Meet our Speakers!

Session Title



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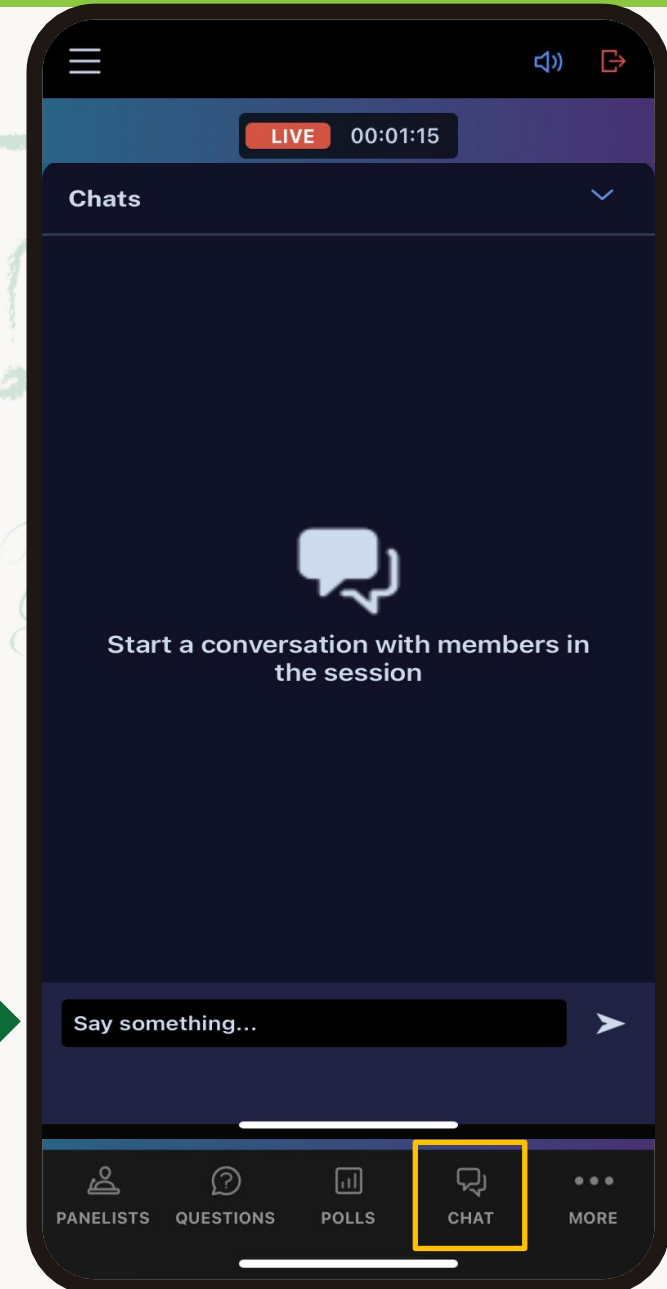
Acknowledgement Statement

You understand and acknowledge that:

- The training you are about to take does not cover the entire scope of the program; and that
- You are responsible for knowing and understanding all handbooks, manuals, alerts, notices, and guidance, as well as any other forms of communication that provide further guidance, clarification, or instruction on operating the program.



Submit ALL Questions Via The App





Program Integrity Final Rule: Why it Matters

- The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) published a final rule on program integrity to ensure that child nutrition programs are properly operated and managed to protect federal funds and taxpayer dollars.
- Program integrity is crucial in ensuring that children and adults participating in CACFP receive nutritious meals for their health and development. The final rule's provisions will increase oversight and accountability for CACFP operators.



The Final Rule Strengthens Program Integrity



Finalizing provisions in the CACFP.

More frequent oversight of the organizations at risk of serious management issues.

Financial transactions are appropriately reviewed.

Improving the ability to address severe or repeated violations.




How does it affect CACFP Administrative and Procurement Review Procedures in Texas?

- Changes to the review processes and requirements.
- Importance of implementing an accurate and thorough recordkeeping system.
- Strategies to prepare and submit records efficiently.





CACFP Provision Changes: Review Cycles

Current Regulations/Guidance		What's changed
<ul style="list-style-type: none">• State agency to annually review at least 33.3% of all institutions participating in the CACFP.• Sponsoring organizations (<100 sites) and independent centers must be reviewed every 3 years.• Sponsoring organizations >100 facilities (sites) must be reviewed every 2 years.• New sponsoring organizations >5 facilities (sites) must be reviewed within 90 days of operation.		<ul style="list-style-type: none">• Maintains all current review requirements <p><u>Adding:</u></p> <p>Reviews at least once every 2 years:</p> <ul style="list-style-type: none">• Institutions that engage in activities other than CACFP, and• Institutions that have had serious management problems in previous reviews or are at risk of having serious management problems.



Activities and institutions that would be subject to a 2-year review cycle include:

- Contract services, such as training and administrative services;
- Community-based organizations;
- Large nonprofit and for-profit institutions, such as multi-state sponsoring organizations;
- Food banks; and/or
- For-profit charter schools.

More frequent reviews are around the corner.



CACFP Provision Changes

Financial Review of Sponsoring Organizations

Current Regulations/Guidance

State agency reviews:

- Budgets (to ensure that CACFP funds are used only for allowable expenses.)
- Administrative costs must not exceed 15%.



What's changed

Annually review:

ALL sponsoring organization

- At least 1 month of the sponsoring organization's bank account activity against other associated records.

Sponsor of **unaffiliated centers**.

- Actual expenditures of CACFP funds and the meal reimbursement funds retained from their unaffiliated centers for administrative costs.



CACFP Financial Review Requirement Changes in Texas

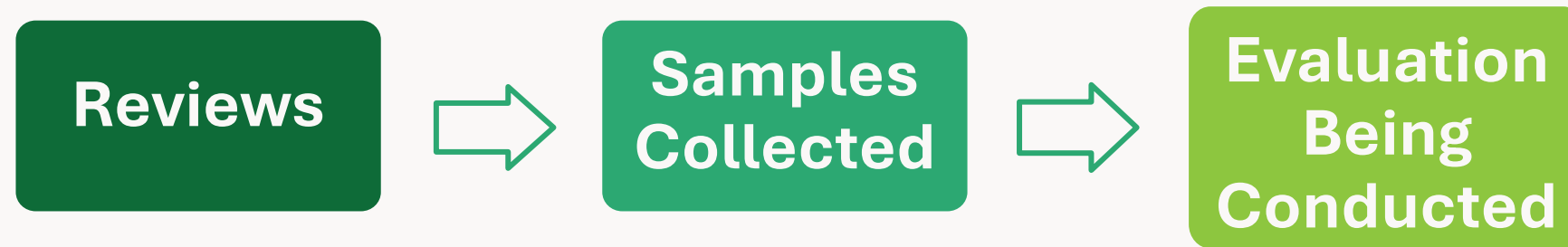
- Texas Department of Agriculture (TDA) must **annually** verify bank account activity and actual expenditures for **ALL** sponsoring organizations in CACFP.
- TDA must **annually** review CACFP actual expenditures, and the funds retained by **sponsoring organizations of unaffiliated centers**.

All sponsoring organizations will be required to submit the required financial records to TDA every year.



Integrity Rule & Procurement Requirements

No substantial changes in the procurement requirements from the integrity rule to CACFP.



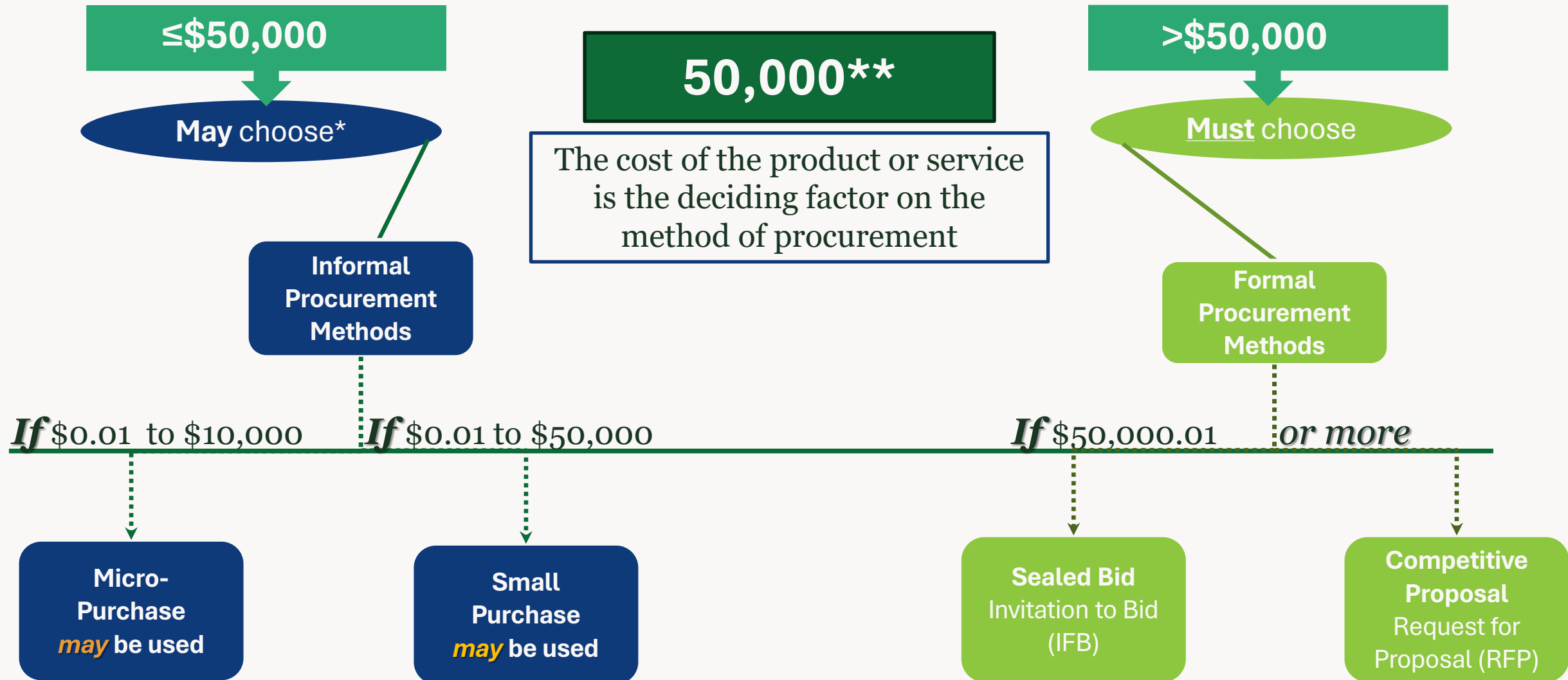


Procurement Requirements in Texas

- Texas has a more restrictive simplified acquisition threshold than the federal threshold.
- Institutions must have procurement procedures in place that provide the steps and actions that will be taken **to properly procure goods and services.**



What is **Simplified Acquisition Threshold in Texas?**



* While a CE is not required to use formal procurement for amounts less than \$50,000, the CE may choose to do so.



Common Findings In Procurement

- Lack of written procurement procedures.
- Lack of recordkeeping.
- Lack of conducting cost-price analysis.
- Procurement thresholds are not adhered to.

Available Resources in TX



7300	Procurement
7310	Procurement Procedures
7320	Procurement Methods
7320.1	Micro Purchases
7320.2	Small Purchases
7320.3	Competitive Sealed Bids
7320.4	Competitive Proposals
7320.5	Non-Competitive Proposals
7320.6	Geographic Preferences
7330	Procurements using Cooperatives, Agencies
7340	Contracts
7340.1	Vended Meals
7340.2	Contract Provisions
7340.3	Compensation for Purchased Services
7340.4	Contract Duration and Renewal Options
7350	Documentation and Contract Record Keeping

CACFP Forms					Program Name ¹
log		Search	Reset Search	Instructions Download	
Form Name	Form Number	Form Download	Form Download (Alternative Format)		
Micro-Purchase Log					CACFP - Adult Day Care
Small Purchase Log					CACFP - Adult Day Care
Micro-Purchase Log					CACFP - At-Risk Afterschool
Small Purchase Log					CACFP - At-Risk Afterschool
Micro-Purchase Log					CACFP - Child Care Center
Small Purchase Log					CACFP - Child Care Center
Micro-Purchase Log					CACFP - Day Care Home
Small Purchase Log					CACFP - Day Care Home



Record Keeping





Record Keeping

- Managing an organization's information.
- Controlling & maintaining records of business transactions & activities.
- Accounting for costs & maintaining supporting records.
- Capturing all financial transactions & activities.



Record Keeping Requirements

Records should be:





Types of Records: (including, but not limited to)

Copies of financial documents, including but not limited to

- Cash register tapes, invoices, delivery slips, and receipts
- Receiving reports from vendors signed by authorized staff
- Itemized purchase invoices
- Records showing costs of processing, distributing, transporting, storing, and handling food (if these costs are in addition to the cost on the purchase invoice)
- Credits - if they are not shown on invoices
- Canceled checks or other forms of receipts for payments
- Inventory records (including records of major inventory adjustments)
- Records of insurance claims and collections
- Mileage logs to support transportation costs
- Payroll records (such as payroll ledgers, IRS Form W-2, IRS Form 941, and cancelled payroll checks, time distribution reports)
- Records of all income to the Program
- Records of donations to the Program, such as food, services, supplies or labor
- Bank statements
- General ledgers
- Copies of audits
- Records of dates and amounts of food service payment to each of a sponsor's sites/providers
- Enrollment records for each child/participant



Note:

Sponsors and sites that scan original documents for storage must maintain **the original (source) documentation** on file if that documentation contains signatures.



Resources

Squaremeals.org
Administration/Forms
Policy/Handbooks
Section 4000 Managing the Program
Section 7000 Financial Management
FNS Instructions 796-2 Financial Management
Education Service Center





The Importance of Implementing an Accurate & Thorough Recordkeeping System





Failure to Maintain Adequate Records

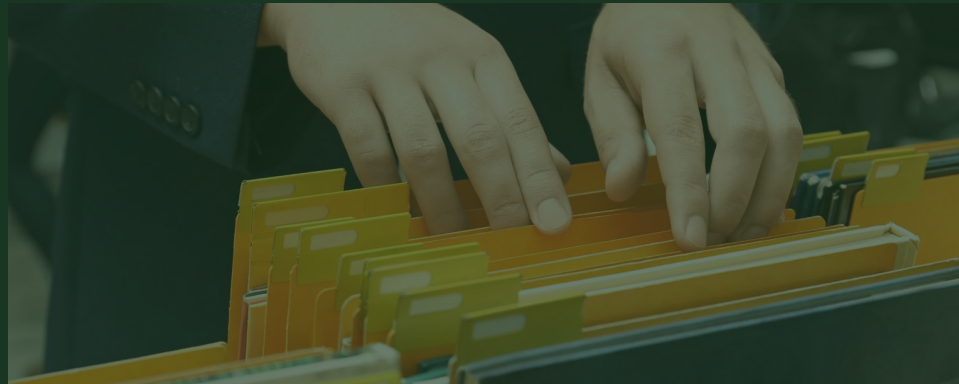
- Findings/Non-compliances
- Disallowed claims/meals
- Unallowed Costs
- Serious Deficiency (SD)
Determination
- Proposed
Termination/Disqualification





Strategies

How to Prepare and Submit Records Efficiently





How to Prepare and Submit Records Efficiently

Understand the scope and type of review

**New
CE**

**Follow
Up**

**High
Risk**

**Schedule
2-3 years**

Complaint



Strategies on How to Prepare and Submit Records Efficiently

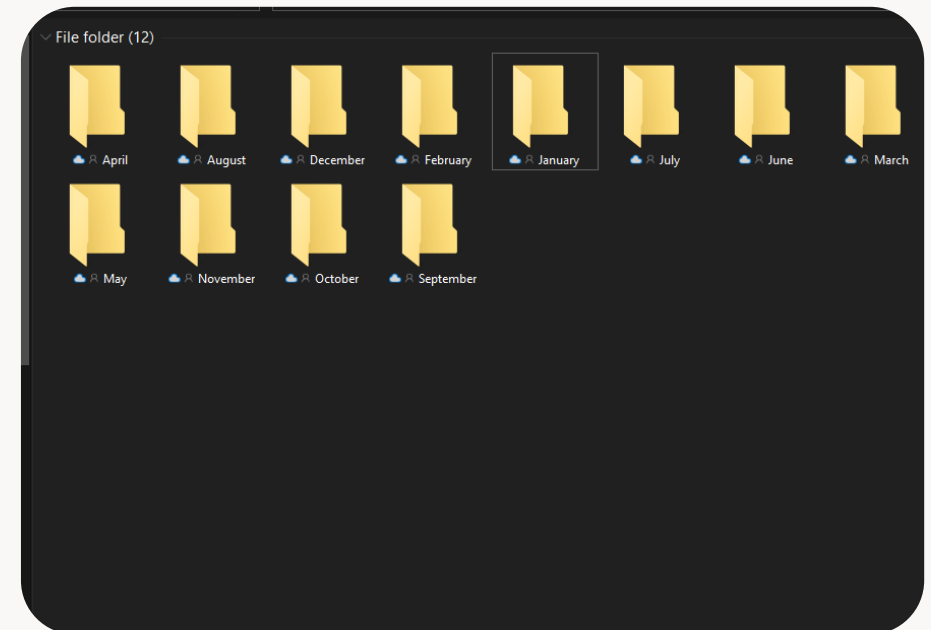
- Review any communication from the TDA Engagement letter
- Document Request Packet (DRP)
- Financial Sampling Tool (FST)





Strategies on How to Prepare and Submit Records Efficiently

- Organize documentation
- Gather financial records, policies, procedures, and all necessary documents related to the CACFP
- Ensure all files are up to date, easily accessible, and properly labeled





Strategies on How to Prepare and Submit Records Efficiently



Train Staff

Ensure staff & sponsored sites are aware of the review process.



Strategies on How to Prepare and Submit Records Efficiently

Review past non-compliances



Strategies on How to Prepare and Submit Records Efficiently

- Communicate
 - Clarify expectations
 - Ask questions
 - Establish a point of contact





Strategies on How to Prepare and Submit Records Efficiently

Document Request Packet (DRP)

- Serves as a Checklist
- Upload documents in the order requested on the DRP
- Create a document listing all the items that do not apply to your organization
- Pay attention to **DUE DATES**

Document Request Packet (DRP)

Records To Be Uploaded to TX-UNPS

Reference:

Section 4530 – Types of Records, of the CACFP ADC/CCC Handbook.
Section 5320 – Review of Records, of the CACFP CCC Handbook.

PART I – PROGRAM MANAGEMENT

This requested documentation must be received no later than June 30, 2025

Upload legible copies of the following records into TX-UNPS:

ENROLLMENT

- An alphabetized list of children participants enrolled in the center and eligibility category for the test month.
- CACFP enrollment forms (or other forms used to capture all the required CACFP enrollment information) are alphabetized for all children/adult participants enrolled for the test month.
- Infant feeding preference forms, if applicable.
- Participant sign-in / sign-out sheets for the test month.
- Copy of your official Enrollment Policy.

MEAL BENEFIT INCOME ELIGIBILITY FORMS

- Meal Benefit Income Eligibility Forms for children participants claimed in the free or reduced-price category for the test month, prepared in the following manner:
 1. Pull only the eligibility forms for the children's participants claimed for the test month.
 2. Put the eligibility forms in alphabetical order for comparison to enrollment and attendance records.
- Meal Benefit Income Eligibility Form Letter to Households.
- Documentation of eligibility for free meals due to participation in an Early Head Start, Head Start or Even Start Program for all children claimed in the free category in the test month based on Head Start or Even Start participation, if applicable.

DAILY MEAL COUNT AND ATTENDANCE RECORDS

- Daily Meal Count and Attendance Records (Centers and Emergency Shelters), or alternate forms for the test month.
- Documentation to support field trip activities if meals were served and claimed during a field trip.
- Claim for Reimbursement Worksheet (H4502) or alternate claim consolidation records for the test month.
- Documentation to support second meals, if applicable.

DAILY MEAL PRODUCTION RECORDS

- Daily Meal Production Records Child Care (H1530) or alternate forms for the test month.
- Daily Meal Production Records Infants (H1530-A).
- CACFP Infant Feeding Preference.
- Copies of Child Nutrition (CN) labels, Manufacturers' Product Analysis/Product Formulation Statements, or Manufacturer's Specification for processed combination foods.
- Ingredients listings and nutrition facts labels found on food items (e.g., grains and items with sugar limits, such as yogurt and cereal), except for fresh fruit and vegetables, for the test month.
- Documentation of special diets, if applicable.
- Medical statements from licensed physicians for disabled children/adult participants who require meal component substitutions.
- Milk/food purchase receipts, documentation of food donations, and documentation of leftover/recycled milk/food for the test month of April 2024.



Strategies on How to Prepare and Submit Records Efficiently

- TX-UNPS*
 - ✓ Naming convention according to document type
 - ✓ Enter a description of the document in the “description” field
- *TANS PY26*

View Modify	CACFP Letter to the Household (R-Z).pdf	CACFP Letter to the Household Alphabets (R-Z)	1/12/2025
View Modify	CACFP Letter to the Household (H-R).pdf	CACFP Letter to the Household Alphabets (H-R)	1/12/2025
View Modify	CACFP Letter to the Household (A-G).pdf	CACFP Letter to the Household Alphabets (A-G)	1/12/2025
View Modify	CACFP Sign In Out Sheets Oct 2024.pdf	CACFP Sign In Out Sheets October 2024	1/12/2025
View Modify	CACFP Sign In Sign Out Sheets Oct 2024.pdf	CACFP Sign In Sign Out Sheets October 2024	1/12/2025
View Modify	CACFP Sign-In Sign-Out Sheets October 2024.pdf	Sign In-Out Sheets October 2024	1/12/2025
View Modify	CACFP Enrollment Policy.pdf	CACFP Enrollment Policy	1/12/2025
View Modify	CACFP Enrollment Forms (R-Z).pdf	CACFP Enrollment Forms (R-Z)	1/12/2025
View Modify	CACFP Enrollment Forms (H-R).pdf	CACFP Enrollment Forms (H-R)	1/12/2025
View Modify	CACFP Enrollment Forms (A-H).pdf	CACFP Enrollment Forms (A-H)	1/12/2025
View Modify	CACFP MBIE Forms (W-Z).pdf	CACFP Meal Benefit Eligibility Forms Alphabets (W-Z)	1/12/2025
View Modify	CACFP MBIE Forms (S-W).pdf	CACFP Meal Benefit Eligibility Forms Alphabets (S-W)	1/12/2025
View Modify	CACFP MBIE Forms (P-S).pdf	CACFP Meal Benefit Eligibility Forms Alphabets (P-S)	1/12/2025
View Modify	CACFP MBIE Forms (H-O).pdf	CACFP Meal Benefit Eligibility Forms Alphabets (H-O)	1/12/2025
View Modify	CACFP MBIE Forms (C-H).pdf	CACFP Meal Eligibility Forms Alphabets (C-H)	1/12/2025
View Modify	CACFP MBIE Forms (A-C).pdf	CACFP Meal Benefit Eligibility Forms Alphabets (A-C)	1/12/2025
View Modify	CACFP Participants Report (October 2024).pdf	CACFP Participants Report and eligibility Report for October 2024	1/12/2025
View Modify	Bank Statements (Oct 1, 2024 - Dec 31, 2024).pdf	Bank Statements October 1, 2024 - December 31, 2024	1/10/2025
View Modify	Bank Statements (Mar 1, 2024 - Sept 30, 2024).pdf	Bank Statements March 1, 2024 - September 30, 2024	1/10/2025
View Modify	Bank Statements (Oct 1, 2023 - Feb 29, 2024).pdf	Bank Statements October 1, 2023 - February 29, 2024	1/10/2025
View Modify	Income Statements (Oct 1, 2024 - Dec 31, 2024).pdf	Income Statements (October 1, 2024 - December 31, 2024)	1/09/2025
View Modify	Income Statements (Oct 1, 2023 - Sept 30, 2024).pdf	Income Statements (October 1, 2023 - September 30, 2024)	1/09/2025
View Modify	Balance Sheet (September 30, 2024).pdf	Balance Sheet September 30, 2024	1/09/2025
View Modify	Balance Sheet (September 30, 2023).pdf	Balance Sheet September 30, 2023	1/09/2025
View Modify	Chart of Accounts for GL.pdf	Chart of Accounts describing each GL Account	1/09/2025
View Modify	General Ledger PY2024 (Oct 1, 2024 - Dec 31, 2024).pdf	General Ledger PY2024 (Oct 1, 2024 - December 31, 2024)	1/09/2025





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☐ Agree
☐ Disagree

3. I feel confident in applying the knowledge gained in this presentation. *

☐ Agree
☐ Disagree

4. The presenter's delivery of the content was effective. *

☐ Agree
☐ Disagree

5. The session was engaging and interactive.

☐ Agree
☐ Disagree

6. The presenter encouraged questions and discussions.

☐ Agree
☐ Disagree



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U.S. Department of Agriculture
Office of the Assistant Secretary for
Civil Rights 1400 Independence
Avenue, SW Washington, D.C.
20250-9410; or

2. fax:

(833) 256-1665 or (202) 690-7442; or

3. email:

program.intake@usda.gov

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