



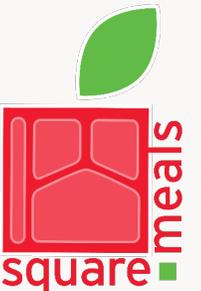
# Welcome!

## Program Integrity Rule & Administrative & Procurement Reviews

**Presenters: Brandi Broughton  
Sara Hernandez  
Kristy Angkinand**



**TEXAS DEPARTMENT OF AGRICULTURE  
COMMISSIONER SID MILLER**





# Meet our Speakers!

## Session Title



**Brandi Broughton**

Senior Administrative Review  
Specialist, Community Operations  
Texas Department of Agriculture



**Sara Hernandez**

Senior Administrative Review  
Specialist, Community Operations  
Texas Department of Agriculture



**Kristy Angkinand**

Senior Administrative Review  
Specialist, Community Operations  
Texas Department of Agriculture



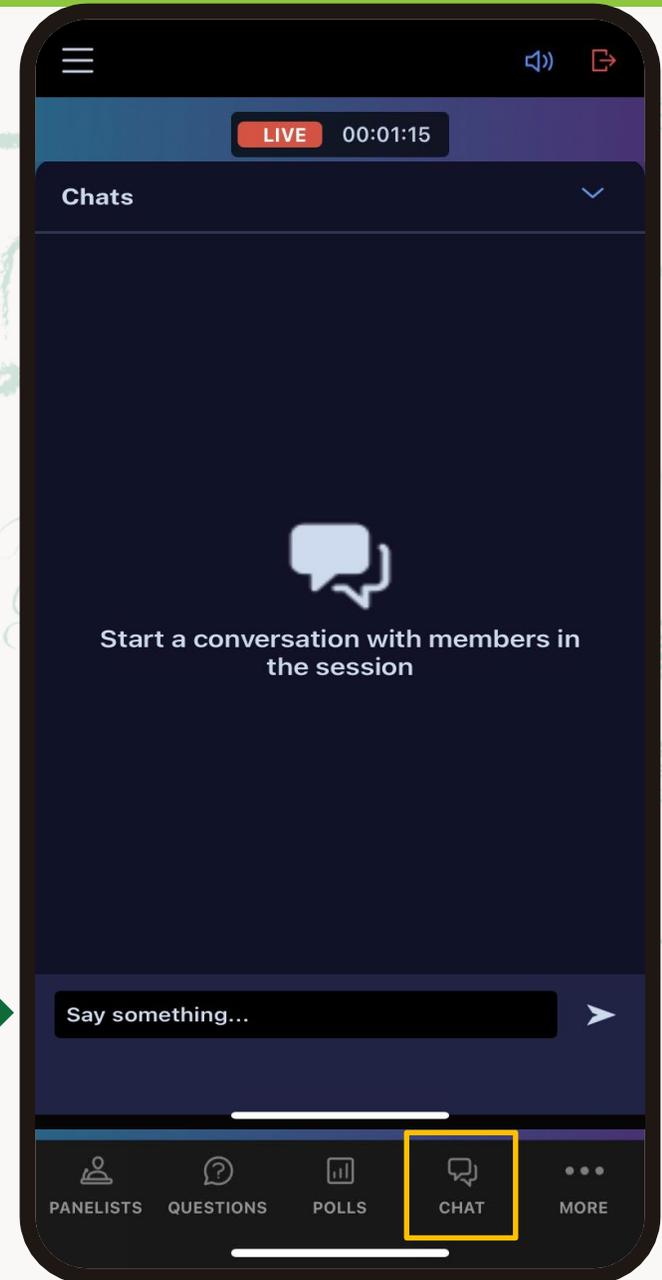
# Acknowledgement Statement

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

- 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.



### What's changed

- Maintains all current review requirements
- Adding:**
- Reviews at least once every 2 years:
- 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.



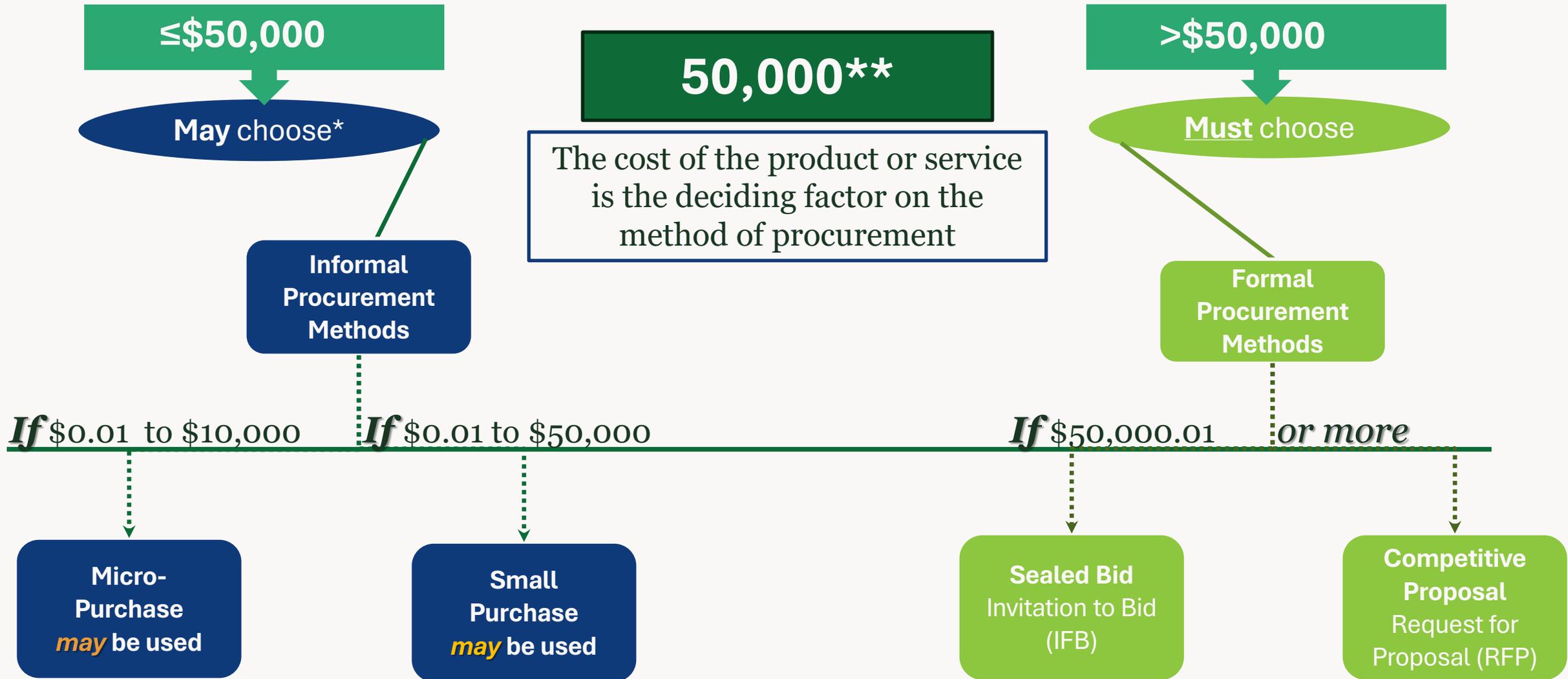


# Procurement Requirements in Texas

- 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, or Other Organizations
- 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** Search [Reset Search](#)

Form Name	Form Number	Form Download	Form Download (Alternative Format)	Instructions Download	Program Name*
			<input checked="" type="checkbox"/>		CACFP - Adult Day Care
Micro-Purchase Log			<input checked="" type="checkbox"/>		CACFP - Adult Day Care
Small Purchase Log			<input checked="" type="checkbox"/>		CACFP - At-Risk Afterschool
Micro-Purchase Log			<input checked="" type="checkbox"/>		CACFP - At-Risk Afterschool
Small Purchase Log			<input checked="" type="checkbox"/>		CACFP - Child Care Center
Micro-Purchase Log			<input checked="" type="checkbox"/>		CACFP - Child Care Center
Small Purchase Log			<input checked="" type="checkbox"/>		CACFP - Day Care Home
Micro-Purchase Log			<input checked="" type="checkbox"/>		CACFP - Day Care Home
Small Purchase Log			<input checked="" type="checkbox"/>		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.



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



# Resources



# 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

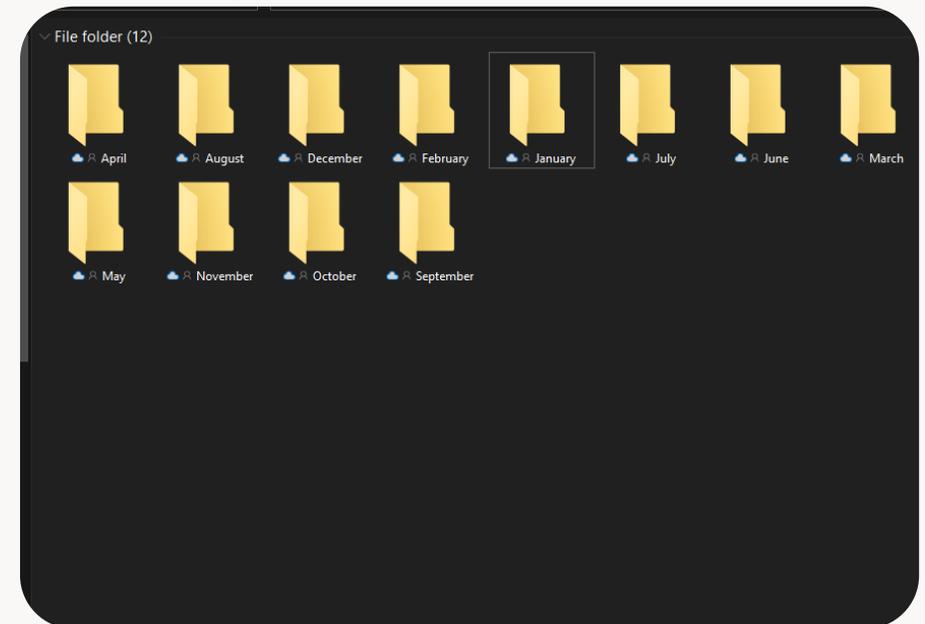
- Review any communication from the TDA Engagement letter
- Document Request Packet (DRP)
- Financial Sampling Tool (FST)





# 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



**Verify the  
required  
corrective action  
has been  
implemented**

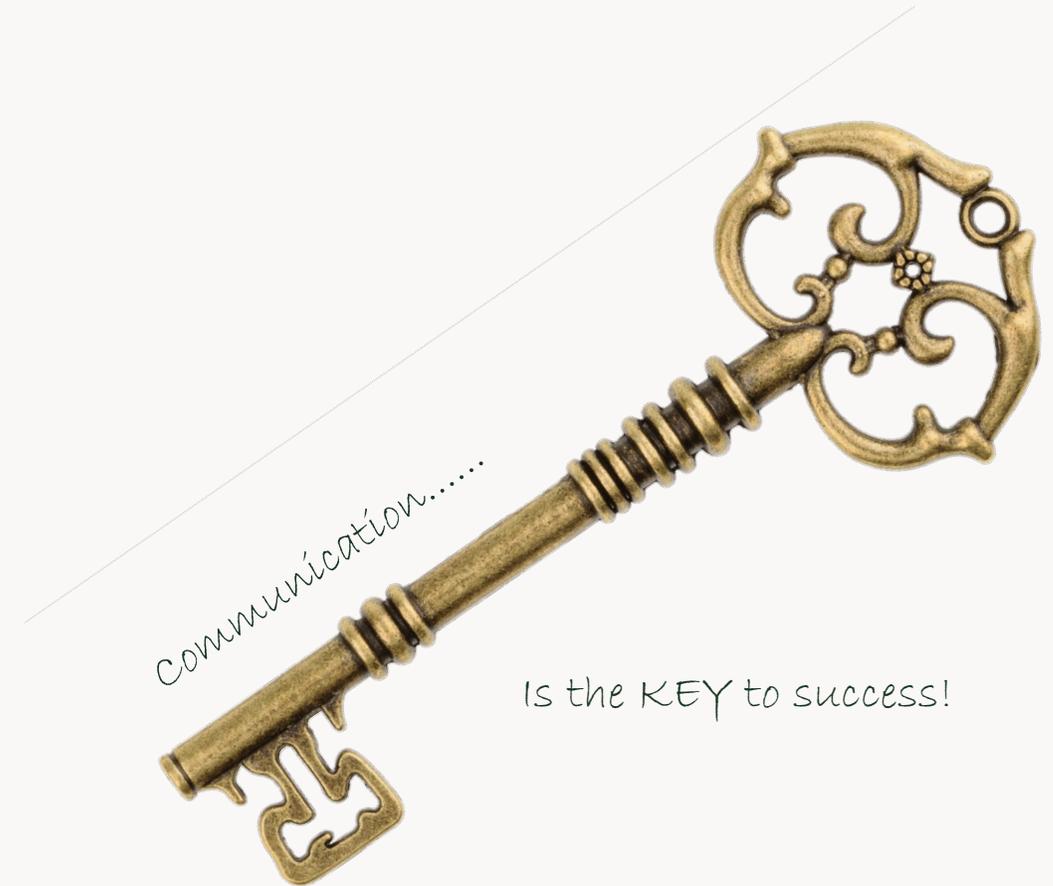


**Submit required  
documentation  
to show its  
implementation**



## 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\*

<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">CACFP Letter to the Household (R-Z).pdf</a>	CACFP Letter to the Household Alphabets (R-Z)	1/12/2025
<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">CACFP Letter to the Household (H-R).pdf</a>	CACFP Letter to the Household Alphabets (H-R)	1/12/2025
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<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">CACFP Sign In Out Sheets Oct 2024.pdf</a>	CACFP Sign In Out Sheets October 2024	1/12/2025
<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">CACFP Sign In Sign Out Sheets Oct 2024.pdf</a>	CACFP Sign In Sign Out Sheets October 2024	1/12/2025
<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">CACFP Sign-In Sign-Out Sheets October 2024.pdf</a>	Sign In-Out Sheets October 2024	1/12/2025
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<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">CACFP MBIE Forms (H-O).pdf</a>	CACFP Meal Benefit Eligibility Forms Alphabets (H-O)	1/12/2025
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<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">CACFP MBIE Forms (A-C).pdf</a>	CACFP Meal Benefit Eligibility Forms Alphabets (A-C)	1/12/2025
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<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">Bank Statements (Oct 1, 2024 - Dec 31, 2024).pdf</a>	Bank Statements October 1, 2024 - December 31, 2024	1/10/2025
<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">Bank Statements (Mar 1, 2024 - Sept 30, 2024).pdf</a>	Bank Statements March 1, 2024 - September 30, 2024	1/10/2025
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<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">Balance Sheet (September 30, 2023).pdf</a>	Balance Sheet September 30, 2023	1/09/2025
<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">Chart of Accounts for GL.pdf</a>	Chart of Accounts describing each GL Account	1/09/2025
<a href="#">View</a>   <a href="#">Modify</a>	<a href="#">General Ledger PY2024 ( Oct</a>	General Ledger PY2024 (Oct 1, 2024 - December 31,	1/09/2025



## A large, central graphic for a Q&amp;A session. The text 'Q&amp;A' is rendered in a large, white, bold, sans-serif font with a slight drop shadow. It is surrounded by numerous overlapping circles in various shades of green, from light to dark. Several of these circles contain a white question mark, creating a sense of inquiry and questions. The overall composition is dynamic and visually engaging.



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Session feedback

1. Session Rating \*  
★ ★ ★ ★ ★

2. The content is relevant to my current role and applicable to my daily work  
 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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