Overview of SFSP Eligibility

Participant Eligibility (7 CFR §225.2 Definitions, Attachment 1)

Children age 18 and under may receive meals through SFSP. A person 19 years of age and over who has a mental or physical disability (as determined by a State or local educational agency) and who participates during the school year in a public or private non-profit school program (established for the mentally or physically disabled) is also eligible to receive meals.

In certain circumstances, pregnant women who receive Early Head Start services are also eligible to receive meals through SFSP if they are age 18 or under. To establish eligibility, prospective mothers must be enrolled in Early Head Start and be eligible to receive school meals through the NSLP or another child nutrition program.

Sponsor Eligibility (7 CFR §§225.14(b), (c), and (d))

Every potential or currently participating sponsor must meet certain requirements. These requirements are discussed below.

Types of Organizations

Only certain types of organizations can sponsor the Program. Sponsors must be:

- a public or private non-profit school food authority (SFA);
- a public or private non-profit residential camp;
- a public or private non-profit college or university participating in the National Youth Sports Program;
- a unit of local, county, municipal, State or Federal Government; or
- any other type of private non-profit organization

Note: Special rules apply to private non-profit organizations. Private nonprofit sponsors must be tax exempt under section 501(c) of the Internal Revenue Code of 1986. Although churches must be tax-exempt, there is no Federal requirement that they provide documentation of their taxexempt status. Therefore, churches are the only private nonprofit organizations that may be exempted from obtaining documentation of Federal tax exempt status; all other private non-profit organizations must provide documentation from the IRS of their tax-exempt status. For purposes of program participation, a *church* could be its integrated auxiliaries, or a convention or association of churches, synagogue, religious order, or religious organization that is an integral part of a church, and that it is engaged in carrying out the functions of a church (IRS Publication 557, Tax-Exempt Status for Your Organization). Your State agency can provide more specific details about the participation of all private non-profit organizations (SFSP Memorandum 09-2013, Tax Exempt Status for Private Nonprofit Organizations and Churches in the Child and Adult Care Food Program and the Summer Food Service Program, January 24, 2013).

Please note that prior to October 1, 2010, private non-profit organizations were subject to additional limits on site locations, the total number of sites they were permitted to operate, and the maximum number of participants they were permitted to serve. The Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296, removed these limits. These sponsors are now subject only to the limits applied to all sponsors (see Chapter 2, Operating Limitations) (SFSP Memorandum 02-2011, Child Nutrition Reauthorization 2010: Eligibility Requirements and Site Limits for Private Nonprofit Organizations, January 14, 2011).

SFAs and Child and Adult Care Food Program Sponsors

SFAs and other sponsors currently in good standing in the NSLP, School Breakfast Program (SBP) or Child and Adult Care Food Program (CACFP) are not required to submit further evidence of financial and administrative capability when applying for SFSP participation. Typically, SFAs and CACFP sponsors participating in other Child Nutrition Programs have already demonstrated that they have the financial and administrative capability necessary to operate the NSLP, SBP, or CACFP. An SFA or CACFP sponsor is considered to be in good standing if it has been reviewed during the previous 12 months and had no significant deficiencies. However, the State agency has the discretion, and is encouraged, to deny the applications or, at a minimum, require additional evidence of financial and administrative capability from SFAs and CACFP sponsors that have had significant problems operating the NSLP, SBP, or CACFP (SFSP Memorandum 5-2012: Simplifying Application Procedures in SFSP, October 31, 2011 and SFSP Memorandum 4-2013: Summer Feeding Options for School Food Authorities, November 23, 2012).

Sponsor Responsibilities (7 CFR §225.14) Sponsors must:

<u>Demonstrate Financial and Administrative Capability</u>: Potential and returning sponsors are required to demonstrate that they have the necessary financial and administrative capability to comply with Program requirements. They must accept final financial and administrative responsibility for all of their sites.

<u>Not Be Seriously Deficient</u>: To be approved, applicants must not have been declared seriously deficient or terminated from the SFSP or any other Federal Child Nutrition Program in previous years. However, such an applicant may be approved if the State agency determines that it has taken appropriate corrective actions to prevent recurrence of the deficiencies and has repaid any outstanding debts.

<u>Serve Low-Income Children</u>: Sponsors must agree to provide regularly scheduled meal service for children in designated low-income areas (called

"areas in which poor economic conditions exist") or they must agree to serve low-income children. Camps do not need to meet this criterion.

<u>Conduct a Nonprofit Food Service</u>: Sponsors must conduct food services through SFSP that are not for profit. A sponsor is operating a nonprofit food service if the food service operations conducted by the institution are principally for the benefit of participating children and all of the program reimbursement funds are used solely for the operation or improvement of such food service. This does not mean the program must break even or operate at a loss, but that all income must be used for the sole purpose of operating a nonprofit food service.

<u>Provide Year-Round Service</u>: Sponsors must provide a year-round public service to the area in which they intend to provide the SFSP. State agencies may grant exceptions to this year-round service requirement for sponsors of residential camps, migrant sites and in certain other limited circumstances.

Exercise Management Control Over Sites: New applicants and returning sponsors (not exempted by the State agency) must demonstrate in their application that they will exercise management control over the meal service at all of their sites. Management control of the meal service means that the sponsor is responsible for maintaining contact with meal service staff, ensuring that there is adequately trained meal service staff on site, and monitoring site operations throughout the period of program participation. At their discretion, State agencies also may require experienced sponsors to demonstrate in their application that they will exercise management control over the meal service at all of their sites.

Management responsibilities cannot be delegated below the sponsor level. The quality of the meal service, the conduct of site personnel, and the adequacy of recordkeeping reflect directly upon the sponsor's performance. This performance is subject to audit by the State agency, by the USDA Office of the Inspector General, and by the Government Accountability Office.

<u>Conduct Pre-Operational Visits</u>: Sponsors must certify that all sites have been visited and are capable of providing meal service for the number of children as planned.

<u>Sign Written Agreements</u>: Approved sponsors must sign a written permanent agreement with the State agency.

Note: Certain sponsor types will have to provide more specific information to be approved (7 CFR 225.14(d)). Interested organizations should consult the State agency for more detailed information. Attachment 8 contains a chart that compares the Federal application requirements for new (first-time) sponsors and continuing sponsors.