Administrative Review
Requirements
Administrative Review

- Code of Federal Regulations (CFR) Requirements
- CACFP Administrative Review
  - How to Prepare for an Administrative Review?
  - What Are the Consequences of an Administrative Review?
  - How to Correct Findings?
CFR 7 Part 226-Review Requirements

- Must review 33.3 percent of all institutions annually
  - At least 15 percent of the total number of facility reviews must be unannounced
- Must review independent centers and sponsoring organizations of 1 to 100 facilities once every three years
  - Must review 10 percent of the sponsoring organization’s facilities
CFR 7 Part 226-Review Requirements

- Must review sponsoring organization with more than 100 facilities every two years
  - Must review 5 percent of the first 1,000 sponsoring organization’s facilities and 2.5 percent of the facilities in excess of 1000
- Must review new sponsoring organization with five or more facilities within the first 90 days of operation
CFR 7 Part 226-Program Irregularities

- Must investigate complaints regarding the operation of the Program
- Must maintain evidence of such investigation
CACFP Administrative Review

- Review new sponsors after 12 months on the program
  - May be announced or unannounced
  - Performed during normal hours of operation
  - Present photo ID

- Monitor current operation of the Sponsor, Site(s), and Food Service Management Company (FSMC)
  - Review last reimbursed claim month
    - Review all required records
  - Observe and analyze a meal
How to Prepare for an Administrative Review?

- Adhere to federal and state guidelines
- Implement checks and balances for each process
- Contact program staff for guidance when problems occur
How to Prepare for an Administrative Review?

▪ Maintenance of Required Documents
  • Maintain all required records
  • Maintain documentation of income and expenses

▪ Civil Rights Compliance
  • Collect racial and ethnic data of participants
  • Establish a Civil Rights complaint policy
  • Post the “...And Justice for All” poster in a prominent place
How to Prepare for an Administrative Review?

- **Attendance Record (AR)**
  - Prepare AR each month and keep up-to-date daily
  - Add participants as they enroll in the center
  - Enter participants’ exit date when they stop attending

- **Application (Outside School Hours)**
  - Approve applications correctly
  - Code categories (F, R and P) correctly on AR
How to Prepare for an Administrative Review?

- **Participants**
  - Calculate and claim participants correctly based on applications and/or AR
  - Enter data into claim correctly

- **Meal Counts**
  - Count participants served correctly
  - Compare to participants on attendance records correctly
  - Consolidate meal counts correctly
    - Enter data into site data correctly
How to Prepare for an Administrative Review?

- **Meal Count Records**
  - Take accurate (point of service) meal counts and record immediately
  - Complete attendance records

- **Sign-in/Sign-out, if required**
  - Claim meals for participants that were present and served
How to Prepare for an Administrative Review?

- **Reported Costs of Program**
  - Calculate costs correctly
  - Claim only allowable costs in the correct category
  - Budget bank account and internet fees and other expenses
  - Keep Budget up-to-date
  - Maintain a file to document all costs (receipts, invoices, allocations, cancelled checks, etc.)
How to Prepare for an Administrative Review?

- **Menu Records**
  - Serve all required components
  - Maintain CN label, if needed

- **Procurement**
  - Document procurement method
  - Document small purchase method
How to Prepare for an Administrative Review?

- **Fiscal Integrity**
  - Do not intermingle funds
  - Do not incur insufficient charges
  - Do not make cash withdrawals
  - Document all expenditures and revenues
    - BOEs
    - 5199 Revenue Code
    - 9341 Function Code
  - Keep bank balance below three months operating costs
  - Reconcile monthly budget, general journal and bank statement
How to Prepare for an Administrative Review?

- **Training**
  - Train staff on required topics

- **Licensing, if required**
  - Do not exceed license capacity for meal counts/participants
How to Prepare for an Administrative Review?

- **Monitoring**
  - Perform monitoring, if required
  - Complete monitoring forms
    - Ensure appropriate corrective action is taken
  - Follow SD procedures
  - Conduct parental contact when needed
How to Prepare for an Administrative Review?

- **Milk Analysis**
  - Purchase enough milk
  - Purchase correct milk

- **Serving Days**
  - Report serving days correctly

- **Proprietary 25% Free and Reduced (OSHCC)**
  - Meet 25% free and reduced requirement
What Are the Consequences of an Administrative Review?

• Findings
  ▫ **Serious Deficiencies**
    • Submission of false or fraudulent information to SDE
    • Health and safety sanitation issue
    • Failure to operate Program in compliance with regulations
    • Material deviation
    • Failure to respond to review
    • Failure to permanently correct findings
What Are the Consequences of an Administrative Review?

- Withhold program payment
- Appeal Procedures
- Termination
- National Disqualified List
How to Correct Findings?

• Adhere to timeframes
• Submit a corrective action plan that specifically states:
  ▫ **What** procedures will be implemented to permanently correct the finding(s)
  ▫ **Who** will be responsible for completing the task
  ▫ **When** the procedures for permanently correcting the finding were implemented, including a timeline for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually and when will they begin)
  ▫ **Where** the corrective action plan will be retained
  ▫ **How** the staff and facilities will be informed of the new policies and procedures (e.g., Handbook, training, website, etc.)
• Permanently implement the corrective action
Administrative Review

- Code of Federal Regulations (CFR) Requirements
- CACFP Administrative Review
  - How to Prepare for an Administrative Review?
  - What Are the Consequences of an Administrative Review?
  - How to Correct Findings?
Questions