

**Alabama State Department of Education
Child Nutrition Programs
School Nutrition Programs**

Federal Grant Closeout Policy

A permanent agreement between a school food authority (SFA) and the Alabama State Department of Education (ALSDE) for participation in the U.S. Department of Agriculture (USDA) School Nutrition Programs (SNP) may be voluntarily ended by the SFA or involuntarily terminated by the ALSDE for cause when there are significant regulatory violations or noncompliance with Program requirements. The closeout requirements are explained in the voluntary withdrawal or termination letter from the State Superintendent of Education to the SFA. The SFA is encouraged to work closely with ALSDE SNP staff to ensure it adheres to all closeout regulations.

Voluntary Withdrawal

1. An SFA may voluntarily end its agreement with the ALSDE to operate Child Nutrition Programs in the following circumstances:
 - a. Prior to a standard five-year administrative review.
 - b. After receiving notification that an administrative review will be conducted, but before it starts.
 - c. After an administrative review is closed but before the follow-up targeted review in two years.
 - d. After a targeted review is conducted but before receiving the formal notification letter of findings.
2. The SFA must comply with all closeout requirements in the notice of withdrawal letter from the State Superintendent of Education.
3. An SFA that voluntarily withdraws from SNP may continue to operate other USDA Food and Nutrition Service programs (i.e., the Child and Adult Care Food Program and the Summer Food Service Program.)
4. If an SFA voluntarily terminates SNP participation to avoid termination for cause:
 - a. A targeted review is conducted of other CNP programs operated by the SFA to ensure compliance with all regulations.
 - b. The SFA is considered not in good standing in SNP until all outstanding issues have been resolved.

Termination for Cause

1. Termination for cause is initiated by the ALSDE for significant regulatory violations or noncompliance with Program requirements after a formal review.
2. The SFA or school has 15 days upon receiving the termination notice to request an appeal.
3. An SFA that is terminated for cause is not allowed to operate any USDA Child Nutrition Program.
4. The SFA must comply with all closeout requirements in the final notice of termination and disqualification from the State Superintendent of Education.

5. A terminated SFA is not eligible to participate in or reapply for any Child Nutrition Program as an institution or facility for a period of 12 months.
6. The school superintendent or highest-ranking official and the SFA's CNP Director at the terminated SFA are prohibited from serving as an administrator in any institution or facility operating Child Nutrition Program in Alabama for a period of 12 months from the effective date of disqualification. Names of the institutions and principals are added to the state disqualified list.

Post-Termination Program Costs

The SFA is not eligible to receive federal reimbursements for SNP once the permanent agreement is terminated, unless the costs are explicitly authorized by the ALDSE or USDA.

Reapplication

An SFA that voluntarily withdraws or is terminated for cause may apply in the future as a new SNP sponsor. Reapplication requires meeting current federal and state requirements in effect at the time of application.

- a. The SFA may not reapply within 12 months from the date of termination.
- b. All required corrective actions from any prior administrative review and targeted review must be approved and implementation verified through an on-site review.

Policy Approved: 10-2-2026

Appendix: Links to Resources

Real Property Disposition

2 CFR200.311(d)

[2 CFR200.311\(d\)](#)

Equipment

2 CFR 200.313

[2 CFR 200.313](#)

Closeout

2 CFR 200.344

[2 CFR 200.344](#)

Effects of Suspension and Termination

2 CFR 200.343

[2 CFR 200.343](#)

Collection of Amounts Due

2 CFR 200.346

[2 CFR 200.346](#)

Suspension, Termination, and Grant Closeout Procedures

7 CFR 210.25

[7 CFR 210.25](#)