

Food Service Management Company (FSMC) Contract Audit Review Form

School Administrative Unit (SAU) use this form to review the FSMC's operation of the program according to the contract.

Purpose

The SAU/SFA is responsible for ensuring the FSMC operates the program according to the contract and in compliance with all regulations and guidance. Contracting with an FSMC does not release the SAU from any responsibilities for the Child Nutrition Programs (7 CFR 210.16).

This form must be used as a contract management tool for reviewing the FSMC's operation of the program according to the contract. A SAU/SFA may use local contract management tools in addition to this form.

The review must be conducted by the SAU employee responsible for oversight of the FSMC contract or SAU-employed designee.

For additional FSMC guidance, see USDA: [Guidance for School Food Authorities](#).

Frequency

This form must be completed bi-annually for one site and be available for review by New Hampshire Education Department (NHED) Office of Nutrition Programs and Service (ONPS) upon request. The SAU must review a different site type (Elementary School, Middle School, High School, etc.) per review. If an SAU has multiple FSMC, then this form must be completed bi-annually for each FSMC.

Record Retention

Completed forms must be kept onsite and made available on request.

Schools are required to keep documentation relating to FSMC Contracts for Years from the start of the FSMC Contracts. All records pertaining to Child Nutrition Programs are 3 plus the current year.

Directions

General Information

- **School Administrative Unit (SAU) Name:** Record the name of the SAU in the designated space.
- **SAU Number:** Record the ID number of the SAU in the designated space.
- **Date of Review:** Record the date the review was completed.
- **Site Name:** Record the site or school location name in the designated space.

Parts I–XIII

- **Answer each question** by marking the appropriate box under *Yes* or *No* and fill in any blank spaces as requested. If the question is not applicable, select “no” and explain in the comments box at the end of each part.
- **Write a comment to explain all answers** in the comment box at the end of each part (*Yes or No*). Please use an additional sheet of paper if additional space is needed.
- **Review the FSMC's documentation** related to each question topic area.
 - Is the documentation readily accessible?
 - Is the documentation accurate?
 - Is the documentation kept in an organized manner?
 - Does the documentation support the answer?
 - If not, what changes need to be made to ensure that the FSMC is implementing the program correctly?

- **Compare results from the FSMC monitoring form** to previous assessments. If corrective action was previously required, was it resolved?
- **Develop strategies to address areas of need or non-compliance.**

Part XIV

- Determine if any of the answers to Parts I–XIII require a corrective action plan (CAP).
- Mark the appropriate response once that determination is made.
- Record any comments, notes, process changes, or observations about the corrective action in the comment box.

Part XV

- If a CAP is required, complete a follow-up review within 45 days.
- Record any comments about the follow-up that will help to improve the school nutrition program in the comment box.

Part XVI

- Have the reviewer sign in the designated space.
- Have the FSMC/site manager sign in the designated space.

SAU Name:

Date of

SAU Number:

Review:

Name (site):

Meal Service Reviewed:

Contract Type:

I. Eligibility and Verification	<u>Yes</u>	<u>No</u>
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1. Is the FSMC involved in application processing?
Who is responsible for determining student eligibility?
Name/Title:
2. Is the FSMC involved in application verification?
Who is responsible for determining student eligibility?
Name/Title:

NOTE: The FSMC may not assist with eligibility and verification duties. If the answer is Yes to either question, a Corrective Action Plan (CAP) is required.

SAU Comments –Provide a rationale for all responses in Part I:

II. Menu Cycle/Meal Pattern	<u>Yes</u>	<u>No</u>
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3. Has the FSMC followed the 21-day cycle menu, as described in the contract, for the first 21 days of the contract?
NOTE: Monitored during the first year of contract only unless otherwise noted per the state agency.
4. Is the FSMC serving products that meet the specifications from initial solicitation?
Provide 3 examples of specifications reviewed:
5. Did the FSMC obtain approval from the SAU and utilize the advisory board for all menu changes made after the first 21 days of the contract?
6. Have all menus been developed to meet the meal pattern requirements for the appropriate age/grade groups and the nutrient specifications?
7. Is the FSMC serving reimbursable meals as described in the contract and in compliance with program regulations?
8. Does the FSMC provide meal service to all enrolled students as specified in the contract?
9. Are food production records completed each day for all meals served?
10. Has the FSMC used an advisory committee of parents, students, and teachers to advise in menu planning?
11. Has the FSMC implemented meal accommodations based on medical statements provided by authorized medical authorities and Individualized Education Plans (IEP) or special dietary accommodations based on SAU policy?

Attach a current menu to reflect the responses above.

SAU Comments – Provide a rationale for all responses in Part II:

III. Competitive Foods

Yes No

12. Is the FSMC following Competitive Food Nutrition Standards?
13. Is the FSMC following the local policy related to fundraisers?

SAU Comments – Provide a rationale for all responses in Part III:

IV. USDA Foods

Yes No

14. Is the FSMC storing and managing USDA Foods received on behalf of the SAU?
15. Has the FSMC ensured the SAU has received credit for the full value of USDA Foods received during the school year or fiscal year?
What is the amount received to date? \$
16. Does the FSMC provide the SAU with clear documentation that demonstrates that the SAU has received credit for the value of its USDA Foods?
If yes, please file a copy of the documentation with this form for verification.
NOTE: This includes crediting for the value of donated foods, including brown box, Department of Defense (DOD) Fresh, and processed end products.
17. How often does the SAU receive credit for the value of USDA Foods?
Check all that apply
 - Monthly
 - Quarterly
 - End of the school year
 - Other:
18. How is the SAU credited for the value of donated foods?
Check all that apply
 - Invoice reductions
 - Refunds
 - Discounts
 - Other:
19. For cost-reimbursable contracts, does the FSMC ensure that its system of inventory management does not result in the SAU being charged for USDA Foods? For fixed-rate contracts, skip this question.
20. Does the FSMC ensure that SAU retains ownership of all USDA Foods including processed foods, if applicable?
21. Does the FSMC use USDA Foods to the maximum extent possible? Provide examples in the comments below.
What is the SAU/SFA current entitlement balance? \$

22. Does the FSMC use all donated ground beef, ground pork, and all processed end products in the SAU's food service without substitution, if applicable?

Attach a copy of the recent USDA Foods reports/invoice.

SAU Comments – Provide a rationale for all responses in Part IV:

V. Inventory

Yes

No

23. Does the FSMC have an organized method for storing, preserving, and accounting for the SAU's food inventory?
24. Does the FSMC storage ensure that the food items are stored in a manner that is consistent with all health and safety rules that apply to the stored items?

SAU Comments – Provide a rationale for all responses in Part V:

VI. Meal Count System

Yes

No

25. Has the FSMC implemented a point of service (POS) system that allows for the collection of accurate data for meals served by the eligibility category, a la carte sales, and adult sales without overt identification?
26. Are meals counted after the last food or menu item is served/selected to ensure that only reimbursable meals are claimed?
27. Does the FSMC have a backup system to ensure that all counting and claiming data is maintained?

Describe the system:

28. Does the FSMC maintain records to support all claims reports?
29. Does the FSMC complete the Daily Record/Accuclaim form for the SAU/SFA to validate or provide the data the SAU/SFA needs to complete the Daily Record/Accuclaim form?
30. Does the FSMC provide accurate claiming reports to the SAU at the end of each day and month and counts for other types of food service?

SAU Comments – Provide a rationale for all responses in Part VI:

VII. Financial, Accounting**Yes No**

31. Does the FSMC monthly invoice reconcile with the point of service (POS) counting and claiming report? In the comments, explain how the invoice meal counts are reconciled with the POS count each month.
32. Do the FSMC's food service daily income records, such as end of day POS reports, accurately reflect the revenue received by meal type (student meals, adult meals, a la carte, etc.)?
33. Has the SAU received all applicable discounts, credits, and rebates from the FSMC?
34. Does the FSMC ensure that all invoice statements are accurate, and that unallowable costs and duplicative services are not billed to the SAU?
35. Does all income to the program accrue to the nonprofit school food service account?
36. Does the FSMC provide the SAU with all information and documentation needed for the SAU to calculate its program and nonprogram revenue and cost proportion as required by regulations? (For example: POS records, cost per meal data, and inventory or financial reports)
37. Does the FSMC provide documentation that allows the SAU to ensure that the financial system is operated in compliance with all regulations and that all financial reports are accurate?
FOR EXAMPLE: Is there documentation that NHED approval was requested and given for all capital expenditures (single items over \$5,000)?

Attach the most recent FSMC invoice.**SAU Comments – Provide a rationale for all responses in Part VII:****VIII. Financial, Procurement****Yes No**

38. Does the FSMC follow the SAU's internal process to ensure that foods are procured in compliance with the Buy American provision?
39. For fixed-rate contracts, does the FSMC accurately charge the number of meals claimed to the SAU/SFA at the fixed-rate price according to the contract? For cost-reimbursable contracts, skip this question.
40. For cost-reimbursable contracts, does the FSMC follow all procurement regulations when purchasing on behalf of the SAU/SFA? For fixed-rate contracts, skip this question.
41. For cost-reimbursable contracts, does the FSMC provide sufficient documentation for the SAU/SFA to determine if all procurement was conducted correctly and in compliance with all applicable federal and state regulations? For fixed-rate contracts, skip this question.

SAU Comments – Provide a rationale for all responses in Part VIII:**IX. Facilities****Yes No**

42. Does the FSMC have a Health Analysis and Critical Control Points (HACCP) plan in place (separate HACCP plans specific to each site that meals are being provided and claimed for) and is there evidence of its implementation?
43. Do employees practice safe food-handling procedures?

- 44. Does the FSMC ensure that all facilities have up to date food licenses and health inspections as required by law?
- 45. Are facilities and equipment adequately maintained for safety and sanitation?
- 46. Is the FSMC's use of the facilities consistent with the facility use clauses included in the contract?

SAU Comments – Provide a rationale for all responses in Part IX:

X. Local Wellness Policy

Yes No

- 47. Does the FSMC follow the SAU's local wellness policy?

SAU Comments – Provide a rationale for all responses in Part X:

XI. Staffing

Yes No

- 48. Has the FSMC staffing plan been approved by the SAU/SFA according to State Regulations?
- 49. Is the FSMC's staffing plan consistent with the staffing clauses included in the contract?
 # Full-time employees (FTEs) in contract:
 # FTEs (current):
- 50. Does the FSMC ensure that all Child Nutrition staff have the required training?
- 51. Does the FSMC ensure that the director's position meets the USDA professional hiring standards (7 CFR 210.30)?
- 52. Does the FSMC maintain documentation that demonstrates the professional standards for training all staff related to the contract and the director's position are compliant with all regulations?

Attach a copy of the approved staffing plan and organization chart.

SAU Comments – Provide a rationale for all responses in Part XI:

XII. Record Retention

Yes No

- 53. Does the FSMC have a system to transfer all records to be retained for long-term storage to the SAU?
- 54. Does the FSMC provide all documentation required to demonstrate the SAU is compliant with all regulations—local, state, and federal?

SAU Comments – Provide a rationale for all responses in Part XII:

XIII. General Terms of the Contract

Yes No

55. Does the FSMC operate and manage the program(s) contracted to operate as defined by the terms of the contract?

56. Was an additional contract or addendum to the NHED ONPS contract signed?

Note: Please submit a copy of the additional contract or addendum to NHED ONPS.

SAU Comments – Provide a rationale for all responses in Part XIII:

XIV. Results of Review

Yes No

57. Is a corrective action plan (CAP) required?

SAU Comments – Provide a rationale for all responses in Part XIV:

XV. Corrective Action

Yes No

58. If a corrective action plan (CAP) is required, will the SAU conduct a follow-up review within 45 days?

Date the follow-up review was completed:

SAU Comments – Provide a rationale for all responses in Part XV:

XVI. Attestation and Signatures

I attest that this information is true, accurate, and complete to the best of my knowledge.

Signature of SAU Reviewer

Signature of FSMC/Site Manager

Printed Name of SAU Reviewer

Printed Name of FSMC/Site Manager

Title of SAU Reviewer

Title of FSMC/Site Manager