

Commissioner's Memo
9/7/2017

Regulations and Processes Impacting the Payment of the Child Nutrition Claims for Reimbursement

Memo Information

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Memo Type Regulatory

Unit Child Nutrition

Regulatory Authority 7 CFR 210.8

Response Required NO

Attention Superintendents; Principals

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Memo Text

ATTENTION: SUPERINTENDENTS, CO-OP DIRECTORS, PRINCIPALS, CHILD NUTRITION DIRECTORS, FINANCIAL OFFICERS

The purpose of this memo is to clarify the regulatory requirements related to the Child Nutrition Monthly Claims for Reimbursement. The regulatory citations below are from the National School Lunch Program (NLSP) regulations. Regulations specific to the School Breakfast Program are available at 7 CFR 220.

Internal Controls:

7 CFR 210.8(a) states: The school food authority shall establish internal controls which ensure the accuracy of meal counts prior to the submission of the monthly Claim for Reimbursement.

The Child Nutrition On-Line Claim System was developed with a built in mechanism of internal control. That is three (3) persons from the district must review and agree with the claim data before it is "approved" and sent to the Child Nutrition Unit for payment.

7 CFR 210.8(a) (2) states: Prior to the submission of a monthly Claim for Reimbursement, each school food authority shall review the lunch count data for each school under its jurisdiction to ensure the accuracy of the monthly Claim for Reimbursement. The objective of this review is to ensure that monthly claims include only the number of free, reduced price and paid lunches served on any day of operation to children currently eligible for such lunches.

7 CFR 210.8(a) (3)(i) states: The school food authority shall compare each school's daily counts of free, reduced price and paid lunches against the product of the number of children in that school currently eligible for free, reduced price and paid lunches, respectively, times an attendance factor.

Claim Submission Timelines:

7 CFR 210.8(b) states: A final Claim for Reimbursement shall be postmarked or submitted to the State agency not later than 60 days following the last day of the full month covered by the claim. State agencies may establish shorter deadlines at their discretion. Claims not postmarked and/or submitted within 60 days shall not be paid with Program funds unless otherwise authorized by Food Nutrition Services (FNS).

Child Nutrition Unit's Responsibility to Audit Claims and Limitations on Adjusting Claims:

7 CFR 210.8(b) (2) states: The State agency shall review each school food authority's Claim for Reimbursement, on a monthly basis, in an effort to ensure that monthly claims are limited to the number of free and reduced price lunches served, by type, to eligible children.

7 CFR 210.8(b) (3) The State agency shall promptly follow-up through phone contact, on-site visits, or other means when the claims review process suggests the likelihood of lunch count problems.

7 CFR 210.8(b) (4) The State agency shall promptly take corrective action with respect to any Claim for Reimbursement which includes more than the number of lunches served, by type, to eligible children. In taking corrective action, State agencies may make adjustments on claims filed within the 60-day deadline if such adjustments are completed within 90 days of the last day of the claim month and are reflected in the final Report of School Program Operations (FNS-10) for the claim month required under §210.5(d) of this part.

Upward adjustments in Program funds claimed which are not reflected in the final FNS-10 for the claim month shall not be made unless authorized by FNS. Except that, upward adjustments for the current and prior fiscal years resulting from any review or audit may be made, at the discretion of the State agency. Upward adjustments are under claims or claiming fewer meals than were served.

Downward adjustments in amounts claimed shall always be made, without FNS authorization, regardless of when it is determined that such adjustments are necessary. Downward adjustments are over claims or claiming more meals than were served.

Process for Filing Claims and District Action:

In consultation with the Southwest Regional Office, United States Department of Agriculture (USDA), the Child Nutrition Unit has developed two (2) flowcharts related to claims processing. The first is for ORIGINAL claims, and the second is for REVISED claims. The information used in the development of these flowcharts is from the 60/90 Day Guidance, USDA, August 2001. The 60/90 Day Guidance is attached to this memo.

Revision to Claims Not Already Paid:

Any claim that was approved by the district in error and has not been processed and paid by the Child Nutrition Unit can be deleted and re-entered into the Child Nutrition On-Line Claim System. Please call 501-324-9502 for assistance.

Revision to Claims Already Paid:

Any claim that was approved by the district in error and has already been processed and paid by the Child Nutrition Unit should be sent to the Claims Processor at Child Nutrition by fax (501) 324-9505 or email to Saraj Goldberg (saraj.goldberg@arkansas.gov). The Claim Revision Request Form attached to this memo must accompany every request for claim revision. The form must have original signatures by the Superintendent and the Child Nutrition Director.

Districts must fully implement the internal control process of the claim approval system by having each of the three (3) staff members review the supporting documentation for the claim and the claim as entered in the on-line system prior to "submitting" or "approving" for payment. If this process is followed there should be few errors on approved claims.

Districts are reminded that there are penalties of prosecution for knowingly or willfully making false statements, filing false reports or false claims with possible fines of up to \$250,000 or imprisonment of up to five (5) years or both and that each claim approved by the district includes the attestation statement below.

Text Box: I CERTIFY that to the best of my knowledge and belief, this claim is true and correct in all aspects and that records (supporting documentation) are available to support this claim. I understand that all supporting documents for this Claim for Reimbursement are subject to review and/or audit by State/Federal Agency officials. I also understand that this

information is being given in connection with the receipt of Federal United States Department of Agriculture Funds. Further, I fully understand that I may be prosecuted under applicable provisions of the Criminal Code of the United States for knowingly or willfully making a False Statement, Filing a False Report(s) and/or Filing a False Claim(s) For Reimbursement and if convicted may be fined up to \$250,000 or imprisoned up to five (5) years, or both, pursuant to 18 U.S.C. 1001 (False Statements), 18 U.S.C. 287 (False Claim(s)). I understand that I may be prosecuted under other applicable provisions of the Criminal and Civil Code of the United States and applicable laws of the Arkansas Criminal Code Annotated.

ATTACHMENTS:

Flowchart for Original Claim Submission

Flowchart for Claim Revision Processing

Claim Revision Request Form

60/90 Day Guidance for Child Nutrition Programs

Attachments

- [CNU-18-016--60-90_DAY_GUIDANCE_for_Child_Nutrition_Programs.pdf](#)
- [CNU-18-016--Claim_Revision_Request_Form.pdf](#)
- [CNU-18-016--60-90_Day_Claim_Approval__Flowchart.pdf](#)
- [CNU-18-016--60-90_Day_Claim_Revision__Flowchart.pdf.pdf](#)