

## **School Food Authority Responsibilities When Contracting for Meals and/or Services**

For School Food Authorities (SFA) that contract with a Food Service Management Company (FSMC), Vendor, another SFA and/or any other type of contractor, the SFA must maintain responsibility for the overall operation of the Programs. The SFA cannot relinquish their control or responsibility for the administration of the meal programs to a contractor. It is important that the SFA understand that the agreement with the State Agency to administer the School Nutrition Programs (SNP), is between the State Agency and the SFA, not the contractor. The contractor may work as an agent or perform certain portions of an SFAs tasks but there are some limitations and the SFA is ultimately responsible for adhering to all applicable federal and state rules and regulations. Per [USDA Guidance](#), the SFA must remain responsible for:

**Preparation of Solicitation and Contract Documents:** The SFA must prepare all solicitation documents, evaluation, and scoring criteria for contract award and obtain State Agency approval of the contract prior to contract execution, if applicable. Contractors that develop or draft specifications, requirements, statements of work, or invitation for bids or requests for proposals must be excluded from competing for such contracts, as per 2 CFR 200.319(a).

**SFA Program Oversight:** The SFA remains responsible for Program operations and cannot, therefore, relinquish control of the Program to the contractor. The SFA must ensure that the food service is in conformance with the SFA's agreement with the State Agency and that responsibility for all contractual agreements entered in connection with the Programs operated remains with the SFA.

**State Agency Monitoring (Administrative, Resource Management & Procurement Reviews):** SFAs must be the responsible party in resolving findings resulting from program reviews and audits. The SFA must be involved in the review process and are responsible for the submission of any required corrective actions. The SFA is held responsible for any areas of noncompliance and subsequent fiscal action found during an Administrative Review (AR). However, since State Agencies agreement is with the SFA, the SFA may recoup funds from the contractor for related program violations.

**SFA On-Site Monitoring:** The SFA must monitor the food service operation through periodic on-site visits in all schools operating the Programs, per 7 CFR 210.16(a)(3), including USDA Foods in accordance with 7 CFR 250.54(c).

- [On-Site Review Form Assessment Of School Meal Counting and Claiming Procedures](#)
- [SFA-FSMC Monitoring Form](#)

**Control the Quality, Extent, and Nature of Food Service:** The SFA must retain control of the quality, extent, and general nature of the food service and the prices to be charged to the children for meals. This includes retaining control of the nonprofit school food service account and overall financial responsibility for the Programs operated; establishing all prices for all meals served under the nonprofit school food service account (e.g., pricing for reimbursable meals and non-program foods and meals, i.e., a la carte food services, adult meals, and other food service Programs operated, as applicable).

**Nonprofit school food service account** (7 CFR 210.2) means the restricted account in which all of the revenue from all food service operations conducted by the school food authority principally for the benefit of school children is retained and used only for the operation or improvement of the nonprofit school food service. This account shall include, as appropriate, non-Federal funds used to support paid lunches as provided in [§210.14\(e\)](#), and proceeds from nonprogram foods as provided in [§ 210.14\(f\)](#).

**Signature Authority:** The SFA must retain signature authority on the agreement between the SFA and the State Agency to participate in the Programs operated, including the SFA's online application, free and reduced-price policy statement, permanent agreement, and the Claim for Reimbursement.

**Free and Reduced-Price Meal Process:** The SFA must maintain responsibility for the implementation of free and reduced-price policy in accordance with 7 CFR 245. Such responsibilities include conducting hearings related to such determinations and verification of applications for free and reduced-price meals. An employee of the contractor may act as an agent for the SFA/LEA and perform, on behalf of the SFA, various aspects of the application, certification, and verification process of eligibility for school meal programs, if a provision for this service is included in the scope of the original solicitation. The company's employee must comply with all requirements for these processes, including limited disclosure of individual eligibility information. However, the SFA is ultimately responsible for ensuring that all requirements are met and that the household eligibility determinations are accurate. The information related to household eligibility remains the property of the SFA and cannot be used by the contractor for any reasons other than determination of eligibility.

**USDA Foods:** The SFA must retain title to all USDA Foods and ensure that all USDA Foods received by the SFA are made available to the contractor, including processed USDA Foods and that the value of the USDA Foods in processed end products accrue only to the benefit of the SFA's nonprofit school food service and are fully utilized therein. This provision also applies to any refunds, rebates, discounts, and credits received from processors. The SFA must ensure that the contractor has credited it for the value of all USDA Foods received for use in the meal service in the school year. The SFA must ensure compliance with 7 CFR 250.50 – 250.54.

**Health Certification:** The SFA must ensure the contractor maintains applicable health certification(s) and assures that all State and local regulations are being met by a contractor in preparing or serving meals at an SFA facility.

**Establishment of an Advisory Board:** The SFA must establish and maintain an advisory board composed of parents, teachers, and students to assist in menu planning.

**SFA Staffing:** The SFA must have a sufficient number of knowledgeable staff to:

- Develop, conduct, and evaluate the competitive procurement process;
- Negotiate with the contract representatives;
- Conduct performance management of the contract through on-site monitoring of the contracted requirements;
- Use and ensure crediting of USDA Foods to the nonprofit food service account (required in fixed-price and cost-reimbursable contracts);
- Ensure the appropriate return of discounts, rebates, and credits (cost-reimbursable contracts) when the solicitation and contract includes purchasing services;
- Coordinate with the contractor on behalf of the SFA in all aspects of Program and local education agency (LEA) operations, review Claims for Reimbursement;
- Control the food service operations; and
- Perform the responsibilities that must be retained by the SFA

**Professional Standards:** The SFA must have a SFA Food Service Director, even if they contract their food service and/or operations, the SFA must have a staff member employed directly by the SFA that is deemed the SFA Food Service Director. This SFA Food Service Director must complete the USDA annual training requirements for a Director and must ensure that training requirements are completed and tracked for all other food service staff, including contracted staff. For more information on the required training hours and topics visit the [USDA Professional Standards Guidance](#).