

Section 20

Counting & Claiming

Section 20, Counting & Claiming

Update Guide

May 31, 2024	Corrected the instructions for calculating Attendance Factor
August 4, 2023	Relocated universal free guidance from Section 20 to Section 19.
May 19, 2023	Clarified guidance on the following topics: <ul style="list-style-type: none">- Program costs related to universal free feeding sites- Unacceptable meal counting methods- Onsite monitoring review of school sites Created new <i>Definitions</i> and <i>Contact Information</i> sections, located at the beginning of the <i>Administrator's Reference Manual (ARM)</i> . Removed definitions and contact information from this section.
September 29, 2022	Clarified guidance on the following topics: <ul style="list-style-type: none">- Point of service- Visiting students, special provision sites

Table of Contents

- Programs..... 7
- Effective Counting and Claiming System7**
- Counting, Coding, and Recording Meals Served.....7**
- Point of Service (POS)..... 8
 - Charge Policy.....8
 - Eligibility Data.....8
 - Community Eligibility Provision (CEP) and Provision 2 (P2) Point of Service (POS) Systems9
 - Master List or Roster of Program Participants9
- Coding 10
 - Standards for Coding.....10
 - Strategies to Prevent Overt Identification.....10
 - Coding Methods.....10
 - Prohibited Coding Practices12
 - Unacceptable Meal Counting Methods.....13
- Medium of Exchange 14
- Claiming Reimbursement for Meals and Milk Served..... 15
- Reporting Accurate Total Enrollment Numbers for Schools Operating NSLP or SBP 15
 - Actual Total Enrollment for a School Operating NSLP or SBP Includes 15
 - Actual Total Enrollment for a School Operating NSLP or SBP Does Not Include 15
 - Total Enrollment, Significant Number of Eligibility Changes During a Month.....16
- Standard Counting and Claiming for Reimbursable Meals 18
 - Reimbursement Rates 18
 - Standard Claiming Calculation 18
 - Standard Claiming, Rounding.....18
- Special Provision, Counting and Claiming for Reimbursable Meals..... 18
 - Special Provision Claiming, Rounding 19
 - CEP, Claiming Percentage for Single Sites 19
 - CEP Claiming Percentage for Grouped CEP Sites 19
 - CEP Increased Identified Student Percentage 20
 - P2 Claiming, Base Year 20
 - P2 Claiming, Non-Base Years 20
 - P2 Claiming, Percentage for Annualized for Non-Base Years 20
 - Special Situations, P2 Claiming 21
- Designated Staff to Submit Reimbursement Claims..... 21
- Special Situations, Claiming.....22**
- Additional Reimbursements.....22

All Cash Lines.....	22
Alternative Schools or In-School Suspension	22
CEP, Return to Normal Counting and Claiming	22
CEP, Vended Meal Claiming	22
Meals Prepared for Field Trips.....	22
Non-School Age Children.....	23
Offsite Reimbursable Meal	23
Students in Special Off-Campus Programs	23
Student Workers.....	23
Visiting Students, Different CEs, Non-Special Provision Sites.....	23
Visiting Students, Same CE, Non-Special Provision Sites	24
Visiting Students, Universal Free Feeding Site (Non-Special Provision) in the Same CE	24
Visiting Students, Universal Free Feeding (Non-Special Provision) Site in Another CE	24
Visiting Students, Special Provision Sites	24
Weekend Meal Service	26
Unique Site Designations.....	26
Performance-Based Reimbursement for Reimbursable Meals	26
Previously Certified Sites No Longer Eligible for Performance-Based Reimbursement	26
Certification for New CEs	26
Severe Need Breakfast Reimbursement for Reimbursable Meals	27
CEP Special Provision Site	27
SSO Site Location.....	27
Identification of Severe Need Breakfast, Eligibility for Sites That Have Operated for More Than Two Years	28
Amount of Reimbursement	28
Sites Receiving Severe Need Breakfast Reimbursement Whose Percentage Falls Below 40 Percent ..	28
Site, Eligibility Established Using Data from the Second Preceding School Year	28
Site, Operating Less Than Two Years	28
Severe Need Lunch Reimbursement (Two Cent Differential) for Reimbursable Meals	29
CEP Special Provision Site	29
SSO Site Location.....	30
Identification of Severe Need Lunch, Eligibility for CEs That Have Operated for More Than Two Years	30
Amount of Reimbursement	30
CEs Whose Percentage Falls Below 60 Percent	30
CE, Eligibility Established Using Data from the Second Preceding School Year	30
CE, Operating Less Than Two Years.....	31
Reimbursement Procedures	31
60-Calendar Day Rule	31

Adjusted Claims, Within 60 Calendar Days of the Claim Month.....	32
Downward or Upward Adjustments, Within 60 Calendar days of the Claim Month.....	32
Adjusted Claims, More Than 60 Calendar Days After the Claim Month	33
Downward Adjustments for Overclaims, More Than 60 Calendar Days After the Claim Month	33
Late Claim, One-Time Exception Payment Provision.....	34
Late Claim Exception for Good Cause	35
Late Claim Exception for Good Cause Procedure.....	36
Counting and Claiming When a CE’s Funds Are Placed on Financial Hold	36
Daily Record/Accuclaim Form.....	36
Edit Check Record	36
Claims, Automated Accuclaim Error Messages	37
Claims, Unique Site Designations	37
Attendance Factor	38
Daily Record/Accuclaim Form for NSLP and SBP Feeding Sites Operating the Community Eligibility Provision (CEP) or Provision 2 (P2)	38
Daily Record/Accuclaim Form for School Nutrition Program Operators Feeding Sites Operating the Afterschool Care Program or CACFP At-Risk Program.....	39
Daily Record/Accuclaim Form for NSLP and SBP Sites Participating in the NSLP or SBP During the Summer	39
Daily Record/Accuclaim Form Results	39
Onsite Monitoring Review	40
Additional Resources	41
Records Retention.....	42
Point of Service (POS) System	42
Record Recovery System.....	42
Participation Records and Reports	43
Daily Participation Report	43
Claiming Records	44
Edit Check Discrepancies or Problems	44
Visiting SNP Participants Documentation.....	44
Compliance.....	44
Obligation of the Contracting Entity (CE) to Report Fraud, Bribery, and Gratuity Violations	45
Criminal Penalties Associated with Mishandling of Funds	45
Termination of the Permanent Agreement for Financial Fraud or Misuse of Funds.....	45

Counting & Claiming

Each Contracting Entity (CE) must develop a system of counting and claiming that (1) meets the requirements of the Texas Department of Agriculture (TDA) and United States Department of Agriculture (USDA) and (2) addresses the needs of the individual CE (See *Information Box 1, Factors That Influence a Counting and Claiming System*).

In developing an effective system of counting and claiming, the CE will take the following actions:

1. Describe its counting and claiming system in the *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s)*.¹
2. Implement the counting and claiming system as written.
3. Provide staff with all necessary training, so they are ready to implement the written counting and claiming procedures.
4. Develop a system to retain all records related to counting and claiming and a method for documentation recovery or back up.

Information Box 1	
Factors That Influence a Counting and Claiming System	
Contextual Needs	
<ul style="list-style-type: none">• Size of the site/s• Number of meals served• Number of students participating in the program• Percentage of students receiving free, reduced-price, and paid meals• Grade levels involved	
Meal Accountability Needs	
<ul style="list-style-type: none">• Point of service capabilities• Prevention of overt identification• Recording and controlling student eligibility• Reimbursable meals served and counted• Edits and internal checks• Reporting procedures• Personnel training and skills	
Administrative Considerations	
<ul style="list-style-type: none">• Account balances maintenance• Financial analysis such as budget and sales• Program profit and loss status, including self-sustainability• Daily operations• Personnel training such as cost and time• Support and updating processes• Technology needs	

¹ See the Directions, Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s) (Attachment B) for additional information on this form, located in the Texas Unified Nutrition Programs System (TX-UNPS) | Application Screen | Download Forms | SNP-131.

Programs

The guidance provided in this section applies to the following programs:

- National School Lunch Program (NSLP)
 - Fresh Fruit and Vegetable Program (FFVP), also see *Administrator's Reference Manual (ARM), Section 12, Fresh Fruit and Vegetable Program (FFVP)* for additional information on claiming related to FFVP.
 - Afterschool Care Program (ASCP)
 - Seamless Summer Option (SSO)
- School Breakfast Program (SBP)
- Special Milk Program (SMP)

Effective Counting and Claiming System

An effective counting and claiming system will allow a CE to accurately report reimbursable meals or milk served by eligibility category—free, reduced-price, and paid. A CE's system for counting and claiming must include procedures that address the following aspects of its system:

- **Counting, Coding, and Recording Meals or Milk Served**—accurate method to determine the number of reimbursable meals served by eligibility category
- **Claiming Reimbursement for Meals or Milk Served**—timely and accurate method of submitting the number of reimbursable meals eligible for reimbursement
- **Retaining Documentation on Counting and Claiming**—well-organized method of maintaining documentation about the number of meals or milk served by eligibility category and the number of reimbursable meals or milk claimed²

To ensure that the CE has received the correct reimbursements, CEs should review its monthly *NSLP Claim for Reimbursement Summary* in the Claims module in TX-UNPS. If the summary does not reflect the correct reimbursements, the CE must contact TDA immediately.³

Counting, Coding, and Recording Meals Served

CEs are required to establish procedures for counting, coding, and reporting⁴ the following information:

- An accurate daily count of the number of students receiving a reimbursable meal by category by type of meal served—one lunch, breakfast, and/or snack per student per day
- An accurate process for coding reimbursable and non-reimbursable meals served

² See the *Administrator's Reference Manual (ARM), Section 7, Breakfast Meals; Section 8, Lunch Meals; Section 10, Afterschool Snacks & Meals; Section 11, Summer Meals; Section 27, Residential Child Care Institutions* and *Section 13, Special Milk Program* for detailed information on a reimbursable meal or milk.

³ For more information on Community Eligibility Provision (CEP), see *Administrator's Reference Manual (ARM), Section 5, Special Provision Options*.

⁴ See the *Records Retention* subsection in this section for information on requirements for documentation retention on this topic.

to students by eligibility category—free, reduced-price, or paid

- Processes or common practices that prevent overt identification of student eligibility status

Any CE that needs assistance in defining its needs and identifying the most appropriate system for counting, coding, and recording meals should contact its regional education service center (ESC) child nutrition specialist or TDA.

Point of Service (POS)

The point of service (POS) must be located at the end of the service line. If a site is not able to put all the food components (e.g., fruit salad bar) prior to the POS, the CE should indicate the alternative POS process on *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedures*.⁵

Charge Policy

In recent guidance related to unpaid meal charges, USDA stated that CEs may find implementing charge policies easier if the cashier is located at the beginning of the service line. CEs may implement this practice; however, the CE must still have a method to identify any instance where a student exiting the service area is not served a reimbursable meal.

Eligibility Data

A CE's POS system must maintain accurate information about each student's eligibility, including, but not limited to, a specific designation by the categorical program if the student's eligibility is based on categorical program participation. If a student's eligibility changes mid-year, the POS system must have a method for showing when the change was made and why.

Regardless of where meals are served, an effective point of service (POS) meal counting system must be in place to properly count and document the meals served whether in the cafeteria, classroom, or on a field trip.

Counts taken by any method that does not link the student to the reimbursable meal the student is given or selects at the POS are likely to be problematic.

Working with staff, teachers, and administrators on an ongoing basis is the key to maintaining a successful POS system. The CE is responsible for making sure that the cashier or staff member assigned at the point of service (POS), as well as a substitute cashier or staff member, is able to determine if the meal the student is served meets meal pattern requirements for a reimbursable meal.⁶

The CE's counting, coding, and recording procedures begin with the actions and observations of the cashier or a staff member working at the POS—the end of the serving line.⁷ The cashier is responsible for the following:

1. Determining if a reimbursable meal has been selected by each student.
2. Using the CE's coding and counting system to record the meal served to the

⁵ Available in the Texas Unified Nutrition Programs Systems (TX-UNPS) | Applications | Attachment B.

⁶ See the *Administrator's Reference Manual (ARM)*, Section 7, *Breakfast Meals*; Section 8, *Lunch Meals*; Section 10, *Afterschool Snacks & Meals*; and Section 28, *Residential Child Care Institutions* for detailed information on a reimbursable meal.

⁷ The CE must indicate the location of its POS in its *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedures*.

student.

3. Ensuring that only one reimbursable meal is served to each student during each meal service, except for second breakfasts for SSO as appropriate.

An accurate reimbursable meal count may be achieved through a variety of methods—manual or automated. In recent years, many CEs have chosen to implement POS systems that incorporate technologies such as personal identification numbers (PIN), biometrics, and other individual student identifiers. If an automated system is used, the CE must have a manual back-up system⁸ in place in case of mechanical failure.

Community Eligibility Provision (CEP) and Provision 2 (P2) Point of Service (POS) Systems

When operating CEP or P2, CEs are required to maintain a point of service (POS) system that provides an accurate count of reimbursable meals served to students at each meal service. This includes having a system that meets the following criteria:

- Method to monitor serving lines to ensure that all meals claimed for reimbursement meet the meal pattern requirements for a reimbursable meal.
- Method to ensure that reimbursement is claimed for only one reimbursable meal per student per meal, except for second breakfasts for SSO as appropriate. The CE must be able to associate each claimed meal with the student receiving the reimbursable meal.

When implementing CEP, USDA encourages school systems to maintain an accurate POS system that has a proven track record of reliability and security.

Master List or Roster of Program Participants

Maintaining an accurate master list or roster of students—free, reduced-price, and paid—who participate in the meal program is essential to the CE's efforts to provide an accurate POS count of meals served by eligibility category at each site. The master list or roster is used by the CE to match a specific student's eligibility status to the monthly claim for reimbursable meals served and to complete the daily participation report.

The master list or roster provides the following information to assist the CE in submitting reimbursement claims:

- Highest number of eligible students that may be served meals—free, reduced-price, and paid—at a particular site
- Any change of the eligibility status for any participating student
- Date and initials of the person recording any change of eligibility status for any participating student
- Timeliness of making changes in status eligibility
- Record of benefit issuance that ensures that every student is receiving the benefits to which he or she is entitled
- Designation of categorical eligibility, if applicable.

⁸ A back-up system includes, but is not limited to, using the roster or master list.

Master lists or rosters are usually alphabetical for simplicity; however, CEs may use other classification strategies including grade groups, class, or meal period.

Coding

An effective coding method is central to reporting accurate meal counts by eligibility categories. CEs must describe their procedures for coding in the *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s)*.⁹

Standards for Coding

Even though CEs are not required to use a specific coding method, each CE's coding method must meet the following two standards:

1. Protect students' privacy and prevent overt identification.
2. Allow the CE to link the meal served to an individual student to the student's eligibility category.

Strategies to Prevent Overt Identification

CEs must assure that a student's eligibility status is not disclosed at any point in the process of providing free or reduced-price meals.

The following strategies are often used to prevent overt identification:

- Change the medium of exchange coding system yearly to prevent the use of a previous year's tickets and tokens.
- Use a code that includes a combination of multiple letters or numbers (See *Information Box 2, Coding Suggestions*.)
- Shield the view of lists, whether paper or on a computer, from the sight of students and adults.

Coding Methods

The following coding methods are often used by CEs, but CEs may develop a different method as long as it meets the standards for coding:

Verbal Identifier/Cashier List System

Each student is given a verbal identifier (such as a name or number) to give to the cashier (or staff member) at the POS. The cashier records the student's meal as reimbursable or non-reimbursable on a master list or roster (manual or electronic system) that is the source for (1) determining

Information Box 2	
Coding Suggestions	
Series	1 through 1,999 free; 2,000 through 3,999 reduced-price; 4,000 through 5,999 paid
Student Number	Multi-digit number ending in 0 or in an odd or even number
Variations in Formatting	Variations in signatures, placement of date or ticket distributor, such as Mary Smith, Mary J. Smith and M. Smith
Subtle Differences	Differences in printing, such as capital letter, period, spacing of a line or differences in underlining
Number of Digits	Four digits for free, five digits for reduced-price or six digits for paid
Computer-Coded Student ID Numbers	ID numbers assigned by the school and identified in the approval process as free, reduced-price, or paid

⁹ See *Administrator's Reference Manual (ARM), Section 2, Program Application & Agreement* for additional information on this form.

the student’s eligibility status and (2) reporting or claiming the student’s meal as reimbursable or non-reimbursable.

For Example:

1. Student Name: The cashier records the meal served by the student’s name on a list as he or she passes the point-of-service.
2. Roster Number: The student gives the cashier her or his number, and the cashier checks the meal the student was served beside the number.

Advantage of Method	Disadvantage of Method
<ul style="list-style-type: none"> • There is nothing to lose or be destroyed. • The same document is used to tie the student’s identifier directly to the eligibility coding system. 	<ul style="list-style-type: none"> • Identifier can be used by another student. • Students may forget their numbers and slow down the line. • Coded rosters can be time consuming to use for manual counting systems.

[NOTE: If the cashier or staff member at the POS uses a highlighter to mark students’ names, the highlighter color must be the same for free, reduced-price, or paid to prevent overt identification.]

Tickets or Tokens

All students—those who prepay and those who receive free, reduced-price, and paid meal benefits—receive a ticket or token that is later redeemed for a reimbursable meal. To prevent overt identification, all students, no matter the eligibility category, must use the ticket or token at the point of service to receive a meal if this method is used. Tickets or tokens may be issued or sold in the cafeteria, principal’s office, or classroom in advance of the meal service on a daily, weekly, or monthly basis. Students receiving free and reduced-price meal benefits must be issued a ticket or token identical to the ones issued to students who prepay, except for the code that identifies the eligibility category.

For Example:

1. The CE uses a coded ticket system. The tickets for all students look the same, but a series of numbers at the bottom codes the student as eligible to receive free, reduced-price, or paid meals. These tickets may be scanned or a coded number may be entered at the POS.
2. The CE uses an auto tabulator or clicker (with three separate counters). As students present tickets at the POS, a staff member records the meals served on the appropriate counter.
3. Each ticket issued by the CE has a coded tear-off section which has a student number or identifier. As a student passes the POS, a perforated section is torn off. A staff member notes each tear off as a reimbursable or non-

reimbursable meal. The tickets are later sorted to create a daily count of free, reduced-price, and paid meals.

Advantage of Method	Disadvantage of Method
<ul style="list-style-type: none"> When collected at the point of service, this method provides a means of physically counting the meals by eligibility category. 	<ul style="list-style-type: none"> Tickets can be destroyed, transferred, lost, stolen, or sold. In large districts, this may be cumbersome. If not coded properly, may result in overt identification.

Coded Identification (ID) Cards.

All students are issued a coded ID with a coded bar. As students pass through the point of service, their cards are scanned, or identification numbers are manually entered into a keypad/POS system. These cards may also serve as IDs for other purposes.

For Example: The first day of school students are given a coded picture ID on a lanyard. The students are required to wear their IDs throughout the day. At mealtimes, each student’s ID is presented and scanned at the POS. As each ID is scanned, the staff worker records the meal as reimbursable or non-reimbursable. The software program used by the CE automatically counts the reimbursable meals by eligibility category as each meal is recorded.

Advantage of Method	Disadvantage of Method
<ul style="list-style-type: none"> Cards are not easily transferred to another student if photo is on the card. Meal information can be incorporated into the student’s ID card, a cost saving, accurate, and time saving method. A coded bar line prevents overt identification on the line. 	<ul style="list-style-type: none"> Cards can be lost, stolen, or destroyed. Some types of cards or unlinked readers prevent multiple uses during the same meal.¹⁰ Startup or replacement cost may be high.

Prohibited Coding Practices

The following coding practices are prohibited:

- Using a color-coding system that allows students to be identified by eligibility category
- Using single-symbol or single-digit or letter coding that has obvious identifiers, such as *F, R, P*
- Assigning students to lines, groups, seating areas, or mealtimes based on their eligibility status
- Limiting a student’s choice of meal based on her or his eligibility status
- Using any system that overtly identifies students’ eligibility category
- Basing the count of reimbursable meals solely on a visual identification or knowledge of the students’ eligibility categories

[NOTE: Even though this system may work in some instances, a backup system must be established for other cashiers to determine student’s eligibility and whether the meal chosen met the requirements to be reimbursable.]

¹⁰ A student may purchase a reimbursable meal and then purchase an a la carte item during the same meal service.

Unacceptable Meal Counting Methods

Counts taken by any method that does not link the student to the meal served at the POS are not acceptable. To be creditable, cafeteria staff need to verify that each student was served a reimbursable meal. Unacceptable counting methods include the following:

- A La Carte. Coding and counting food items sold independently of the reimbursable meal as reimbursable—CEs must account for a la carte items sold distinctly from reimbursable meals because a la carte items cannot be claimed for reimbursement.
- Attendance Counts. Using the number of students in attendance as a meal count—This method does not provide a verifiable or accurate count of reimbursable meals served.
- Backing into the Number. Any method of counting reimbursable meals that uses summary totals instead of a method for the cashier to count the individual meal served to each student.
For Example: The cafeteria staff prepare 100 trays; 20 trays remain unserved at the end of the meal—therefore, the cafeteria served 80 reimbursable meals.
- Cash Totals. Using cash totals to determine the number of meals served. This method accounts for cash received but does not provide a verifiable count of reimbursable meals served by category. In addition, this method allows cash collection errors to translate into meal count errors.
- Category/Cash Back-out System. Calculating the meal count by subtracting the number of meals from another category—CEs must count the number of meals served in each category: free, reduced-price, or paid categories at the point of service.
- Classroom Counts. Counting the number of students in the class who indicate that they intend to eat a meal prior to the meal service—Students intending to eat may not actually do so, and there are no controls at the point of service to count reimbursable meals.
- Counting Off Site. Counting the number of meals delivered to the school—The number of meals delivered to a school is not necessarily the number of meals that were actually served.
- Food Production Records. Any method of counting reimbursable meals that uses summary totals instead of a method for the cashier to count the individual meal served to each student. This method does not provide a verifiable or accurate count of reimbursable meals served.
- Ineligible Students. Counting a student as eligible for free or reduced-price meals who has not been certified as eligible—CEs must certify a student's eligibility before the student's meals can be claimed for reimbursement. A student whose eligibility has not been certified based on income or categorical program participation must be counted and claimed as a paid meal.

However, the CE has two options in assigning the effective date of an eligibility determination—date of receipt or date of approval. If the CE chooses to use the date of receipt, it may amend a previously submitted claim for meals served after date of receipt as long as the amended claim

is filed within the required timeframe.¹¹

- Not Counting at the POS. Counting the free, reduced-price, or paid meals at a location other than the point of service—Unless approved by TDA, the only place an accurate count of reimbursable meals can be made is at the point where it can be determined that the meals are actually reimbursable. CEs must indicate the process used at the POS to count and claim reimbursable meals on the *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s)*.¹²
- Prepaid/Charged Meals. Counting the number of prepaid or charged meals on a day other than the day meals were served—When students either prepay or charge their meals, these meals must be counted on the day and at the point of service where the student is served the meal, not on the day that the prepaid meal was purchased or the charged meal was repaid.
- Seconds. Counting a student's second meal as a reimbursable meal—CEs can claim only one meal per meal type¹³ per eligible student per day. If seconds (or a second meal) is served to a student, the CE must treat these items as a la carte sales.
- Tray or Entree Counts. Counting the number of trays or entrees used during the meal service—This method does not provide an accurate count of reimbursable meals—only of trays and entrees. Each meal must be monitored at the point of service to ensure that the meals served are reimbursable.

Medium of Exchange

The medium of exchange is the way students pay for meals.¹⁴ The most effective CEs will link the medium of exchange to its coding system for recording the meal served to each student and that student's eligibility status. This method ensures that claims for reimbursable meals are counted correctly.

¹¹ See *Effective Date for Determination* subsection in this section or the *Administrator's Reference Manual (ARM)*, Section 4, *Eligibility Determination* for additional information on this topic.

¹² See *Administrator's Reference Manual (ARM)*, Section 2, *Program Application & Agreement* for additional information on this form.

¹³ For each eligible child—for NSLP, one lunch per day; for SBP, one breakfast per day, or one Afterschool Care Program (ASCP) snack; for Seamless Summer Option (SSO), two meals per day for all types of sites except migrant or camp sites. SSO migrant or camp sites may be reimbursed for three meals per day. See *Administrator's Reference Manual (ARM)*, Section 10, *Afterschool Snacks & Meals*, and Section 11, *Summer Meals* for additional information on this topic.

¹⁴ See *Administrator's Reference Manual (ARM)*, Section 19, *Meal Pricing* for additional information on mediums of exchange, including methods of payment and charging.

Claiming Reimbursement for Meals and Milk Served

CEs submit claims for reimbursement through the Texas Unified Nutrition Programs System (TX-UNPS). When the CE's authorized representative submits claims for the CE, that person is responsible for

1. ensuring that the reimbursement claim is based on an accurate number of meals and milk served to eligible students in each of the three eligibility categories—free, reduced-price, and paid meals or free or paid milk—and
2. ensuring that the cashier or other staff member is knowledgeable and skilled in recognizing a reimbursable meal.

Reimbursable meal counts must be counted at the point of service (POS) and reported in TX-UNPS as required by program (NSLP, SBP, ASCP, SSO, SFSP, or CACFP At Risk).

When the CE submits the number of meals served in TX-UNPS to claim reimbursement, the CE must use accurate data. The number cannot be an estimate of meals served.

Reporting Accurate Total Enrollment Numbers for Schools Operating NSLP or SBP

In addition to SNP purposes, reimbursement claim data reported to the Texas Department of Agriculture (TDA) is used by the Texas Education Agency (TEA) when calculating the annual state compensatory education (SCE) allotment.¹⁵ To ensure the accuracy of SCE allotment for schools operating NSLP or SBP, the number of enrolled students reported in Question G3 of the NSLP Site Claim Report¹⁶ must be accurate and reflect the actual total student enrollment for the school operating NSLP or SBP. This requirement applies to contracting entities (CEs) that operate standard counting and claiming, Community Eligibility Provision (CEP), and Provision 2 (P2).

Actual Total Enrollment for a School Operating NSLP or SBP Includes

For schools operating NSLP or SBP, total enrollment includes all students (1) who are currently attending and enrolled¹⁷ in a school and (2) who have access to at least one National School Lunch Program or School Breakfast Program meal service daily. Total enrollment includes all enrolled students, including pre-kindergarten students, who receive meals through the school meal program and all enrolled students who choose not to participate.

Actual Total Enrollment for a School Operating NSLP or SBP Does Not Include

For schools operating NSLP or SBP, total enrollment does not include students who have withdrawn or students who are not currently in attendance and are not currently enrolled.¹⁸ Even though a student's eligibility may be carried over for the first 30 operating days from one year to the next, a student who is not attending or enrolled in the school is not counted as a carryover student. In this case, total enrollment must not include a student who attended and was enrolled in the previous school year unless that student is also attending and enrolled in the current year.

¹⁵ The method for calculating state compensatory education allotment was changed in the Texas 2019 Legislative Session. TEA will release updated guidance on the new methodology in the future.

¹⁶ Reimbursement claims are completed and submitted in the Texas Unified Nutrition Programs System (TX-UNPS).

¹⁷ As defined by Texas Education Code (TEC), Title 2, Subtitle E, Chapter 25, Subchapter A, Section 25.001—This regulation also provides additional information related to enrollment.

¹⁸ As defined by Texas Education Code (TEC), Title 2, Subtitle E, Chapter 25, Subchapter A, Section 25.001 provides additional information related to enrollment.

Total Enrollment, Significant Number of Eligibility Changes During a Month

When a CE moves a significant number of students from one eligibility category (free, reduced-price, and/or paid) to another eligibility category at the end of the carryover period or at the end of verification process, reporting the highest monthly participation total number for each eligibility category¹⁹ may trigger an error message in TX-UNPS. This error occurs because a significant number of students were in one eligibility category for part of the month and in another eligibility category for another part of the month.

For Example:

If there is a significant change for the number of students eligible for free meals:

Highest Number of Students Eligible for Free Meals on Different Days of the Month	Number of Operating Days for the Highest Number	
2,990	6	In this example the range of highest daily number of students eligible for free spans 2,750 to 3,103.
3,001	6	
3,103	3	Reporting a variance of this significance may trigger an error.
2,884	1	
2,801	3	
2,750	1	
2,758	3	

To resolve this issue, take the following steps.

Step 1: Verify that number of meals claimed for each category is accurate for each day.

[NOTE: This calculation will not impact the number of meals claimed by category for each operating day. It will only impact the highest daily total of students in the affected category/ies.]

Step 2: Add together the daily total of students eligible for each day for the category for the claim month.

Step 3: Divide the total from Step 2 by the number of operating days by category.

Step 4: Use the result (the average) for each category as the highest daily total number for the month.

¹⁹ The highest total enrollment numbers and eligibility numbers are reported in the claims' module in TX-UNPS, questions G1, G2, and G3.

For Example:

Using the data from the significant change to student with free eligibility above, the calculation for the free total enrollment number would be...

Step 2: Add together the daily total of students eligible for each day for the category for the claim month.				
Highest Number of Students Eligible for Free Meals on Different Days of the Month		Number of Operating Days for the Highest Number		Subtotal for Number of Operating Days
2,990	x	6	=	17,940
3,001	x	6	=	18,006
3,103	x	3	=	9,309
2,884	x	1	=	2,884
2,801	x	3	=	8,403
2,750	x	1	=	2,750
2,758	x	3	=	8,274
Total of Subtotals for Number of Operating Days				67,566
Step 3: Divide the total from Step 2 by the number of operating days.				
Total of Subtotals		Number of Operating Days	Average Total Highest Number of Students Eligible for Free Meals	Highest Total Enrollment for the Free Category to Be Recorded in TX-UNPS
67,566	÷	23	=	2,937.65
				2,938²⁰

If changes are made to all three categories—free, reduced-price, and paid, use the calculation directions for Steps 2 and 3 for the free and reduced-price categories first. Then, subtract the combined free and reduced-price total from the total student enrollment to calculate the highest number of students eligible for paid meals.

For Example:

Using the data from the previous two examples, the calculation for the paid total enrollment would be....

If there are changes made to all three categories, first calculate the combined free and reduced-price highest total enrollment to be recorded in TX-UNPS.				
Highest Total Enrollment for the Free Category to Be Recorded in TX-UNPS		Highest Total Enrollment for the Reduced-Price Category to Be Recorded in TX-UNPS		Combined Free and Reduced-Price Total
2,938	+	829	=	3,767
Then, subtract the combined total from the total student enrollment to get the highest total enrollment for the paid category.				
Total Student Enrollment		Combined Free and Reduced-Price Total		Highest Total Enrollment for the Paid Category
4,651	-	3,767	=	884

²⁰ When the percentages are applied, the results may include partial meals for one or more of the eligibility categories. If this occurs, standard rounding procedures (five and above round up; four and below round down) are applied to reimbursable meals to be claimed for each category. After rounding is completed, TX-UNPS will automatically make sure that the total number of meals claimed in the categories matches the total number of reimbursable meals the CE submitted for the month. If an adjustment is needed, it will be made to the paid category.

Standard Counting and Claiming for Reimbursable Meals

When a CE uses standard counting and claiming, the CE submits the total number of reimbursable meals served for the month for each eligibility category—free, reduced-price, and paid—in TX-UNPS.

Reimbursement Rates

Reimbursement rates are different for each category of meal benefit (free, reduced-price, or paid) and for each type of meal served (lunch, breakfast, or snack).

TDA posts the current reimbursement rates at www.SquareMeals.org and in TX-UNPS

Standard Claiming Calculation

For standard claiming sites, TX-UNPS applies the data on participant eligibility entered by the CE each month to automatically calculate the claiming percentage for each eligibility category—free, reduced-price, or paid—for the month.

Standard Claiming, Rounding

The claiming percentages are carried four decimal places and applied to the total number of reimbursable meals claimed for the month.

When the percentages are applied, the results may include partial meals for one or more of the eligibility categories. If this occurs, standard rounding procedures (five and above round up; four and below round down) are applied to reimbursable meals to be claimed for each category.

After rounding is completed, TX-UNPS will automatically make sure that the total number of meals claimed in the categories matches the total number of reimbursable meals the CE submitted for the month. If an adjustment is needed, it will be made to the paid category.

Special Provision, Counting and Claiming for Reimbursable Meals

If a CE is operating CEP or P2 in a non-base year, the claiming percentage for each eligibility category—free, reduced-price, or paid as appropriate for the special provision—is established prior to CE submitting meal counts.²¹ Each month the CE operating CEP and P2 in a non-base year submits the total number of reimbursable meals served by type of meal, and the system automatically applies the appropriate claiming percentage for each category.

The CE reports the total count of reimbursable meals served in TX-UNPS. When the CE enters the total number of reimbursable meals served into TX-UNPS for reimbursement, the system will automatically apply the percentages of meals to be reimbursed at the free and paid rates.

For Example: If a CEP CE served 25,000 meals during the month of November and had a percentage of reimbursement at the free rate of 91.2% (ISP of 57% x 1.6) and a paid rate of 8.8% as follows.

$$\begin{array}{|c|c|c|c|c|} \hline 91.2\% & \times & 25,000 & \times & \text{Free Rate} \\ \hline \end{array} + \begin{array}{|c|c|c|c|c|} \hline 8.8\% & \times & 25,000 & \times & \text{Paid Rate} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Total Reimbursement} \\ \hline \end{array}$$

Even though the CE submits monthly reports, CEs must perform these counts daily to ensure accuracy. See the *Daily Record/Accuclaim Form* and *Edit Check Record* subsections in this section for additional information on maintaining accurate counts. If the CE has both CEP and non-CEP locations, the CE will use its regular methods for counting and claiming for any

²¹ See the *Special Situations, Claiming* subsection in this section and the *Administrator's Reference Manual (ARM), Section 5, Special Provision Options* section for additional information on this topic.

location not operating CEP.

If a site adopts CEP after July 1, the CE cannot retroactively apply CEP claiming percentages for reimbursable meals that were previously claimed under standard claiming at the site.

Special Provision Claiming, Rounding

The CE claiming percentage for each category is carried two decimal places and is rounded up or down to one decimal place using standard rounding procedures (five and above round up; four and below round down). Once the claiming percentages are rounded to one decimal place, the paid percentage is adjusted if the sum of the percentages does not equal 100%. For P2 sites that annualize their claiming percentage, see the *P2 Claiming, Percentage for Annualized Claiming Percentages for Non-Base Years* subsection in this section.

When the percentages are applied, the results may include partial meals for one or more of the eligibility categories. If this occurs, standard rounding procedures (five and above round up; four and below round down) are applied to reimbursable meals to be claimed for each category.

After rounding is completed, TX-UNPS will automatically make sure that the total number of meals claimed in the categories matches the total number of reimbursable meals the CE submitted for the month. If an adjustment is needed, it will be made to the paid category.

CEP, Claiming Percentage for Single Sites

The claiming percentage for a single site is based on the site’s total number of students identified as eligible without application (identified students) divided by the site’s total enrolled students:²² The result of this calculation is called the identified student percentage (ISP). The ISP is multiplied by the *multiplier factor* to calculate the free claiming percentage. The maximum free claiming percentage is 100 percent. The paid claiming percentage is calculated by subtracting the free claiming percentage from 100 percent. The maximum combined free and paid claiming percentage for CEP is 100 percent.

Multiplier Factor. USDA has set the multiplier factor as 1.6.

CEP Claiming Percentage for Grouped CEP Sites

The claiming percentage for a group of CEP sites is based on the sum of the total students identified as eligible without application (identified students) divided by the sum of total enrolled students for the group of

CEP Claiming Percentage for Grouped Sites Calculation Chart			
Total Identified Students (Sum identified students all sites)	÷	Total Enrollment (Sum enrolled students all sites)	= Identified Student Percentage (ISP)
Identified Student Percentage (ISP)	x	Multiplier Factor (1.6)	= Free Claiming Percentage (Maximum % of 100)¹
100 %	-	Free Claiming Percentage	= Paid Claiming Percentage

²² See *Administrator's Reference Manual (ARM), Section 5, Special Provision Options* for additional information on this topic and see the *Special Situations, Claiming* subsection in this section for additional CEP claiming guidance.

sites:²³ The result of this calculation is called the identified student percentage (ISP). The ISP is multiplied by the *multiplier factor* to calculate the free claiming percentage. This calculation is demonstrated in the *CEP Claiming Percentage for Grouped Sites Calculation Chart*. The maximum free claiming percentage is 100 percent. The paid claiming percentage is calculated by subtracting the free claiming percentage from 100 percent. The maximum combined free and paid claiming percentage for CEP is 100 percent.

CEP Increased Identified Student Percentage

In the second, third, and fourth year of the CEP cycle, TX-UNPS will automatically apply the highest identified student percentage based on the data recorded in the March CEP report for the previous year.

For Example:

	ISP, Previous Year's CEP Report	Claiming Percentage, Previous Year's CEP Report	Claiming Percentage, Claims Applied
School Year 1	56.89	91.024	91.024
School Year 2	55.98	89.568	*91.024
School Year 3	58.32	93.312	93.312
School Year 4	58.89	94.224	94.224

* The claiming percentage from the prior year continues to apply if the CE's ISP decreases during the second, third, or fourth year of the cycle unless the CE chooses to restart the 4-year cycle at a lower or higher claiming percentage.

TDA will monitor increases in ISP each year to determine if additional actions are required to validate the ISP data. TDA will contact a CE if additional actions are required.

P2 Claiming, Base Year

During the P2 base year, standard procedures for counting and claiming reimbursable meals are followed by the CE. Each day the CE counts the number of reimbursable meals served at each P2 school by eligibility category—free, reduced-price, and paid.

P2 Claiming, Non-Base Years

During the non-base year, when the CE submits the total number of reimbursable meals served each month, TX-UNPS automatically applies the blended rate to that number. The blended rate is the assigned percentages for free, reduced-price, and paid meals established the based year. The claiming percentages for each category will not vary from month to month. See the *P2 Claiming, Percentage for Annualized Claiming Percentages for Non-Base Years* subsection in this section for additional information on claiming related to P2.

P2 Claiming, Percentage for Annualized for Non-Base Years

CE may elect to annualize its claiming percentages by site or CE-wide using the blended rate established during the base year. The blended rate is the assigned percentages for free, reduced-price, and paid meals established in the base year. To exercise this option, the CE must designate participation in the TX-UNPS Application Packet screen for P2 during the application renewal process.

Each month the CE records the total number of reimbursable breakfasts served and total number of reimbursable lunches served at all P2 sites in TX-UNPS. The TX-UNPS system applies the percentage (in decimal form) for each category using the base year

²³ See *Administrator's Reference Manual (ARM), Section 5, Special Provision Options* for additional information on this topic.

claims. The CE does not have to enter claim counts by individual eligibility category—free, reduced-price, or paid.

When the percentage is annualized, the percentage is converted to a decimal carried to the sixth place. If the three eligibility percentages, when converted, do not add to 1.0000 (because the decimals are carried to the 4th place), the paid percentage will be adjusted to make the total of the three categories equal 1.0000.

Annualized Percentage, Schools Adopting Provision 2 on a Different Cycle

A CE may add new Provision 2 schools during the application renewal process. In these cases, TDA manually records the annualized percentages if

1. The CE uses the same data sources for the new P2 school as an existing P2 school.
2. The CE annualizes P2 schools CE-wide/districtwide. The CE must notify TDA to annualize claiming when a new P2 school is added that meets these conditions.

Annualized Percentage and Delayed Operation of P2

If a CE chooses delayed operation, the annualized percentage does not include the month of delay in the calculation for an annualized percentage.

Special Situations, P2 Claiming

Additional Reimbursements Under P2

CEs or sites qualifying for performance-based reimbursement, Severe Need Breakfast, or Severe Need Lunch²⁴ reimbursement will continue to receive the added reimbursement if operating P2.

Delayed Operation, First Claiming Period

If delayed operation for the first month of operation is approved by TDA, the first claiming period of the school year is not considered part of the base year. At the end of the school year, when the CE's monthly claim reports are annualized, that month is not included in the calculation. After the base year, all months of operation are included in annualization.

Designated Staff to Submit Reimbursement Claims

When the CE completes its application and the *Security Authority for Users Access Manager Form (FND-135)*,²⁵ it designates an authorized representative to submit claims for the CE. The CE's representative is given a user identification (user ID) and password to access the electronic claims system in TX-UNPS. By entering the user ID and password, the authorized representative is providing a legal signature on each claim for reimbursement. For this reason, the CE must restrict access to the user ID and password to those individuals with delegated authority to sign claims on the CE's behalf.

²⁴ Severe need lunch is also called two-cent differential.

²⁵ Form available at www.SquareMeals.org.

TDA also recommends that CEs have a back-up person designated to submit claims. The back-up person must also be an authorized representative for the CE. Having at least one other staff member as an authorized representative who can submit claims may lessen the chance of submitting a late claim that may be denied because of late submission. The absence of the regularly assigned staff person to submit claims within the required timeframe is not automatically an acceptable reason for submitting a late claim.

[NOTE: Each authorized representative must have his or her own user ID and password. Sharing user IDs and passwords is not allowed even if the individual is also an authorized representative.]

Special Situations, Claiming

The following guidance may assist a CE in addressing special situations in claiming for reimbursement:

Additional Reimbursements

CEs or sites qualifying for performance-based reimbursement, Severe Need Breakfast, or Severe Need Lunch²⁶ reimbursement will continue to receive the added reimbursement if operating CEP or P2.

All Cash Lines

Meals and milk served on an all-cash line may not be claimed for reimbursement even if the same items are offered on another serving line. If certain lines are not made available to all children, including those receiving free or reduced-price meals or free milk and meals, the meals or milk served on those lines must not be claimed for reimbursement.

Alternative Schools or In-School Suspension

CEs operating alternative schools or in-school suspension (ISS) must establish procedures for maintaining eligibility determinations and counting and claiming reimbursable meals. Sometimes, these procedures will vary from those established for regular schools. In all cases, the CE must have a procedure to ensure that only reimbursable meals served to students are claimed.

Whether the alternative school or in-school suspension is located at another site in the CE or at a site in another CE, the site where the student receives the meal and the sending site must agree on which site will claim the meal. See the *Visiting Students* subtopics that follow for additional information on how these students may be claimed.

CEP, Return to Normal Counting and Claiming

If a CE or site stops operating CEP midyear or at the end of the school year, the CE must switch to normal counting and claiming procedures which includes taking applications for all students who are not directly certified as participating in one of the categorically eligible programs.²⁷

CEP, Vended Meal Claiming

If a CE operating CEP also provides vended meals to other CEs or schools from other CEs, the meal counts from the other CEs cannot be included in the CE's CEP claims.

Meals Prepared for Field Trips

Reimbursable meals consumed on school-sponsored, supervised field trips may be claimed for reimbursement since the meals are prepared by the SNP department and served and consumed as part of a school-related function. A list, roster, or other method

²⁶ Severe Need Lunch is also called Two-Cent Differential. See the *Severe Need Breakfast Reimbursement for Reimbursable Meals* or *Severe Need Lunch Reimbursement for Reimbursable Meals* subsections in this section for additional information on this topic.

²⁷ See *Administrator's Reference Manual (ARM), Section 4, Eligibility Determination* and *Section 5, Special Provision Options* for additional information on this topic.

of claiming the meals must be used to record the meals students were served. The CE must have a procedure to ensure that only reimbursable meals served to students are claimed.

Non-School Age Children

Younger children who are not school age and who visit the school are not eligible for reimbursable meals.

Offsite Reimbursable Meal

If students attend an offsite facility that does not participate in a meal program, a school may claim reimbursable meals for students enrolled in the school that are served by the SNP during the school’s normal mealtime while the students attend offsite work-study or alternative academic program classes. Reimbursable meals in this type of situation may include, but are not limited to, a takeout or sack lunch. The CE must have a procedure to ensure that only reimbursable meals served to students are claimed and must have a method in place to count each reimbursable meal served as the meals are dispensed.

If a CE distributes reimbursable meals to students for offsite consumption prior to or during the meal service time for students to consume in a non-congregate circumstance, the reimbursable cannot be claimed. To claim these meals, a staff member must take the following actions:

(1)			(2)	
Must distribute the meals at a congregate feeding location (typically, the offsite location).	or	Must distribute the meals to students who will then take the meals to the congregate feeding location.	and	Count each reimbursable meal as it served

Students in Special Off-Campus Programs

A student who is enrolled at a home campus and attends class at an off-campus location during mealtimes may participate at the home campus meal service on days when the special program is not in session. In these cases, the home campus may claim meals for reimbursement. The CE must have a procedure to ensure that only reimbursable meals served to students are claimed.

Student Workers

All meals claimed for student workers should be claimed based on the student’s eligibility category. However, the student does have the option to pay for meals even if the student is eligible for free or reduced-price meals. In cases where students who are eligible for free or reduced-price meals choose to pay for meals, the meals must be claimed at the paid rate.

Visiting Students, Different CEs, Non-Special Provision Sites

There are times when students from one CE (*sending CE*) are served meals by another CE (*receiving CE*) for either a short-term or a long-term period of time.

For Example: Students from a sending CE are served reimbursable meals by a receiving (hosting) CE during a basketball tournament.

The receiving CE may claim reimbursement for meals served to visiting students,²⁸ or the sending CE may claim reimbursement. The two CEs must agree on which CE will claim reimbursement for visiting students. Both CEs cannot claim reimbursement for the same meal for the same student.

²⁸ Include this information in daily record or Accuclaim report as described in the *Daily Record/Accuclaim Form* subsection in this section.

- If the sending CE does not provide eligibility information or if the student is from a CE that does not participate in the SNP, the receiving CE may claim reimbursement for the meals served to the students in the paid category. The sending CE cannot claim reimbursement for the student's meal if the receiving CE claims the meal.
- If the sending CE provides the receiving CE with a student's eligibility, the receiving CE may claim reimbursement by eligibility category. The sending CE cannot claim reimbursement for the student's meal if the receiving CE claims the meal.
- If the receiving CE charges the sending CE for the price of the student's meals to recoup the cost, the sending CE may claim the student's meal. The sending CE cannot claim reimbursement for the student's meal if the receiving CE claims the meal.

Visiting Students, Same CE, Non-Special Provision Sites

When a student from one site visits another site in the same CE and is served a meal, the two sites will determine ahead of time how the meals will be claimed, so the meal is claimed by one site only. The student's meal is claimed according to the student's eligibility determination.

Visiting Students, Universal Free Feeding Site (Non-Special Provision) in the Same CE

When a student from a universal free feeding site²⁹ visits a standard counting and claiming site in the same CE, the two sites will determine ahead of time how the meals will be claimed, so the meal is claimed by one site only. The student's meal is claimed according to the student's eligibility determination.

Visiting Students, Universal Free Feeding (Non-Special Provision) Site in Another CE

When a student from a universal free feeding site visits a standard counting and claiming site in another CE, the two CEs will determine ahead of time how the meals will be claimed, so the meal is claimed by one site only. The student's meal is claimed according to the student's eligibility determination. If the sending CE does not provide the eligibility information, the meal must be claimed as paid.

Visiting Students, Special Provision Sites

Special Provision eligibility is associated with the site, not the student. The sending and receiving sites will determine ahead of time how the meals will be claimed. In all cases, only one site may claim the reimbursable meal for the student.

²⁹ In this case, universal free means the CE has chosen to provide meals at no cost to the student. The CE must still determine the eligibility for students and claim student reimbursable meal according to their eligibility.

<p>If a student attending a Non-Special Provision Site visits a Special Provision site in a different CE...</p>	<p>→</p>	<p>The receiving site <u>must</u> serve the student a reimbursable meal at no charge. The receiving site may claim the reimbursable meal at the free rate or the sending site may claim the reimbursable meal at the sending site based on the student’s eligibility determination—free, reduced-price, or paid. The sending site cannot claim reimbursement for the student’s meal if the receiving site claims the meal.</p>
<p>If a student attending a Special Provision site visits another Special Provision site in the same CE...³⁰</p>	<p>→</p>	<p>The receiving site <u>must</u> serve the student a reimbursable meal at no charge. The receiving site may claim the meal as free. The sending site cannot claim reimbursement for the student’s meal if the receiving site claims the meal.</p>
<p>If a student attending a Special Provision site visits another Special Provision site in a different CE...</p>	<p>→</p>	<p>The receiving site <u>should</u> serve the student a reimbursable meal at no charge. The receiving site may claim the reimbursable meal as free. The sending site cannot claim reimbursement for the student’s meal if the receiving site claims the meal.</p>
<p>If a student attending a Special Provision site visits a Non-Special Provision site in the same CE...</p>	<p>→</p>	<p>The receiving site <u>should</u> serve the student a reimbursable meal at no charge. The receiving site may claim the reimbursable meal³¹ as follows: If one student, the receiving site may claim the reimbursable meal as free. If multiple students, the receiving site must claim the students’ reimbursable meals using the sending Special Provision site’s established claiming percentages. The sending site cannot claim reimbursement for the student’s meal if the receiving site claims the meal.</p>
<p>If a student attending a Special Provision site visits a Non-Special Provision site in a different CE...</p>	<p>→</p>	<p>The receiving site <u>should</u> serve the student a reimbursable meal at no charge. The receiving site may claim the reimbursable meal as follows: If one student, the receiving site may claim the reimbursable meal as free. If multiple students, the receiving site must claim the students’ reimbursable meals using the sending Special Provision site’s established claiming percentages. The receiving site must claim the meals, and the sending site should pay the receiving site for the cost of any meals claimed at the paid rate.</p>

³⁰ When a site is in a P2 base year, the standard guidance for visiting students is used.

³¹ See Administrator's Reference Manual (ARM), Section 28, Residential Child Care Institutions for additional information on weekend meal service specific to this type of entity.

Weekend Meal Service

Under SBP and NSLP, breakfast and lunch meals may be served and claimed on weekends if a CE holds classes on weekend days (1) that are part of the CE's regular instructional program, (2) when all students are required to attend the classes, and (3) when the student time in class counts toward the school's yearly instructional minutes. Weekend meals cannot be claimed if the meals are served during a school-affiliated extracurricular event or activity, such as football, band, tutorials, or choral activity or a Saturday school day where all students are not required to be in attendance.³²

Unique Site Designations

If a CE has designated a single site location as two sites in TX-UNPS in order to more accurately report compensatory data or to meet Texas Education Agency requirements for principalships, the CE must report claiming data for each site separately.

[NOTE: TDA must approve this type of site designation and will only do so under specific circumstances.]³³

Performance-Based Reimbursement for Reimbursable Meals

CEs that have demonstrated compliance with the meal pattern are certified to receive an additional performance-based reimbursement for each reimbursable lunch served (free, reduced-price, and paid).³⁴ This additional reimbursement applies to NSLP and SSO. The amount a CE receives for performance-based reimbursement is subject to change each year. Current performance-based reimbursement rates are posted at www.SquareMeals.org and in TX-UNPS.

Previously Certified Sites No Longer Eligible for Performance-Based Reimbursement

If a CE is determined to be out of compliance with the meal pattern requirements, it will no longer earn the performance-based reimbursement. When the CE is again certified as in compliance with the meal pattern, the performance-based reimbursement will restart.³⁵

Certification for New CEs

New CEs are required to become certified with the meal pattern as part of the application process. Once certified, the CE will receive performance-based reimbursement for each reimbursable lunch served.

³² See Administrator's Reference Manual (ARM), Section 28, Residential Child Care Institutions for additional information on weekend meal service specific to this type of entity.

³³ For more information on Community Eligibility Provision, see Administrator's Reference Manual (ARM), Section 5, Special Provision Options.

³⁴ See the *Administrator's Reference Manual (ARM), Section 2a, Certification for Performance-Based Reimbursement* for additional information on this topic.

³⁵ The Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this manual provides detailed information on how to contact TDA.

Severe Need Breakfast Reimbursement for Reimbursable Meals

Severe Need Breakfast reimbursement was established to provide additional support to CEs with populations of high economic need. Sites in which 40 percent or more of the reimbursable lunches served in the second preceding year were free or reduced-price are eligible to receive the Severe Need Breakfast reimbursement in addition to the standard breakfast reimbursement rate. The percentage to qualify for Severe Need Breakfast cannot be rounded up.

Calculating Site Claiming Percentage for Severe Need Breakfast Reimbursement (Using Data from the Second Preceding Year)		
Site Total Number of Free and Reduced-Price Lunch Meals Claimed for the School Year	÷	Site Total Number of Lunch Meals Claimed for the School Year
		=
		Site Claiming Percentage If the site claiming percentage is equal to or greater than 40%, the site is eligible for Severe Need Breakfast Reimbursement.

Sites that qualify for Severe Need Breakfast reimbursement will receive the reimbursement amount for the eligible sites in addition to the standard reimbursement for each reimbursable breakfast meal served for SBP and SSO. A CE may have sites that receive Severe Need Breakfast reimbursement and other sites that do not.

CEP Special Provision Site

Severe Need Breakfast reimbursement for CEP sites is based on individual site data. For CEP sites, each site's free claiming percentage is used to determine eligibility for Severe Need Breakfast. If the site is in a group, the CE must calculate the individual site's free claiming percentage to determine if the site is eligible for Severe Need Breakfast.

To determine an individual site's free claiming percentage multiply the site's individual identified student percentage by the Multiplier Factor (1.6).³⁶

Calculating the Claiming Percentage for an Individual CEP Site (Grouped Site) (Using Data from the Second Preceding Year)		
Site Identified Student Percentage (ISP)	x	1.6 (Multiplier Factor)
		=
		Individual Site Claiming Percentage If the site claiming percentage is equal to or greater than 40%, the site is eligible for Severe Need Breakfast Reimbursement.

For sites that begin CEP operation for the first time, the individual site claiming percentage can be used to verify eligibility for Severe Need Breakfast.

SSO Site Location

The CE will receive the same Severe Need Breakfast reimbursement rate for SSO sites as it does for the SBP school sites located in the same attendance zone.

Nonschool SSO Site

A nonschool site that is located within the attendance zone of a site that is eligible for Severe Need Breakfast will qualify for Severe Need Breakfast when it is an SSO site.

Outside of Jurisdiction

If the CE is operating a site outside of its jurisdiction, the CE will receive the same reimbursement rates, including Severe Need Breakfast, that the site earns during the regular school year.

³⁶ For more information on Community Eligibility Provision, see *Administrator's Reference Manual (ARM), Section 5, Special Provision Options*.

Identification of Severe Need Breakfast, Eligibility for Sites That Have Operated for More Than Two Years

TX-UNPS will automatically identify sites that are eligible for Severe Need Breakfast. TDA monitors Severe Need site identification.³⁷ However, to ensure that an eligible site receives Severe Need Breakfast, CEs should monitor monthly claims to verify that Severe Need Breakfast has been applied. This information is located on the monthly *NSLP Claim for Reimbursement Summary* in the Claims module in TX-UNPS.

Amount of Reimbursement

The amount a CE receives for Severe Need Breakfast reimbursement is subject to change each year. Current Severe Need Breakfast reimbursement rates are posted at www.SquareMeals.org and in TX-UNPS.

Sites Receiving Severe Need Breakfast Reimbursement Whose Percentage Falls Below 40 Percent

If a site's severe need eligible claiming percentage falls below 40 percent in a school year, the site is not eligible for Severe Need Breakfast reimbursement for the following school year. However, the CE may requalify sites for the school year if 40 percent or more of the reimbursable lunches served for first three claims during the year were free or reduced price. In this case, the CE must complete the process described below in the *Site, Operating Less Than Two Years* subsection in this section.

Site, Eligibility Established Using Data from the Second Preceding School Year

In the following situations, there is prior site data that may be used to establish the Severe Need Breakfast eligibility for a new site:

- Site changes its name with no change in location or student membership.
- Site moves to a new building with no changes in the student membership.
- Combination of a change in name and move to a new building.
- Two or more schools identified as having severe need (40 percent of students served free or reduced-price lunches) combine the entire student enrollment from both sites into one site.

In these cases, the CE must notify TDA/Claims prior to the start of the school year that the site meets the criteria for one of the situations described above at the TDA /Claims email address provided on the Contact Information for the Texas Department of Agriculture (TDA) page at the beginning of this manual.

If the CE does not notify TDA in a timely manner or take required actions as requested, the CE may not receive the additional Severe Need Breakfast reimbursement for all submitted claims for the school year. Therefore, TDA strongly encourages CEs to proactively reach out to TDA /Claims as soon as possible.

Site, Operating Less Than Two Years

A site that has operated less than two years may be approved as eligible for Severe Need Breakfast reimbursement if the site demonstrates eligibility using lunch meal service claims for the first three months of the school year. If the site qualifies, TDA will retroactively apply the Severe Need Breakfast reimbursement for the three months used to establish eligibility.

³⁷ If a CE was unable to operate during the second preceding year because of natural disaster or other emergency situation, please contact TDA for additional information on possible eligibility. Contact information and the TDA/Claims email is provided on the Contact Information for the Texas Department of Agriculture (TDA) page at the beginning of this manual.

To apply to use the first three claims of the school year to establish Severe Need Breakfast eligibility, the CE must take the following actions:

1. Complete and submit the *Severe Need Approval Request Form* before the beginning of the school year. This form is available in TX-UNPS | Applications | Download Forms page.
2. Complete the actions requested by TDA staff to update TX-UNPS using the timeline TDA provides. If a CE does not take these actions in a timely manner, the CE may not receive the additional Severe Need Breakfast reimbursement for all submitted claims for the school year.

Severe Need Lunch Reimbursement (Two Cent Differential) for Reimbursable Meals

Severe Need Lunch reimbursement was established to provide additional support to CEs with populations of high economic need. CEs in which 60 percent or more of the reimbursable lunches served in the second preceding year were free or reduced-price are eligible to receive the Severe Need Lunch reimbursement. The percentage to qualify for Severe Need Lunch cannot be rounded up.

Calculating CE-Wide Claiming Percentage for Severe Need Lunch Reimbursement
(Using Data from the Second Preceding Year)

CE Total Free and Reduced-Price Lunch Meals Claimed for All Sites for the School Year	÷	CE Total Number of Lunch Meals Claimed for the School Year	=	CE-Wide Claiming Percentage If the CE-wide claiming percentage is equal to or greater than 60%, all sites in the CE are eligible for Severe Need Lunch reimbursement.
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CEP Special Provision Site

Since Severe Need Lunch is based on CE-wide data, CEs with CEP sites must calculate the number of students that qualify for free meals at each CEP site in order to determine the CE's total number of free (and reduced-price) lunch meals for all sites for the school year. For individual CEP sites and for grouped CEP sites, the CE will use each individual site's free percentage to calculate the number of free meals claimed for each site for the school year.³⁸

To determine the number of free meals claimed at a site for the school year, the CE will (1) calculate the individual site's free claiming percentage by multiplying the site's individual identified student percentage by the Multiplier Factor (1.6) and (2) use the site's free claiming percentage to calculate the number of free lunch meals claimed for the site.

Calculating Total Number of Students Qualifying for Free Meals for Individual CEP Sites
(Using Data from the Second Preceding Year)

Site Identified Student Percentage (ISP)	x	1.6 (Multiplier Factor)	=	Individual CEP Site Free Claiming Percentage
Site Total Lunch Meals Claimed for the School Year	x	Individual CEP Site Free Claiming Percentage	=	Total Number of Free Meals Claimed at the CEP Site for the School Year

³⁸ For more information on Community Eligibility Provision, see Administrator's Reference Manual (ARM), Section 5, Special Provision Options.

Each CEP site's total number of free meals served is used in calculating the CE-wide number of lunch meals eligible for free (and reduced-price) meals. The result of this calculation is used to establish the CE-wide free and reduced-price claiming percentage.

For sites that begin CEP operation for the first time, the individual site claiming percentage can be used to verify eligibility for Severe Need lunch.

SSO Site Location

The CE will receive the same reimbursement rate for SSO sites located within the CE's attendance boundaries as it does for the NSLP school sites located in the same attendance zone.

Nonschool SSO Site

A nonschool site that is located within the attendance zone of a site that is eligible for Severe Need Lunch will qualify for Severe Need Lunch when it is an SSO site.

Outside of Jurisdiction

If the CE is operating a site outside of its jurisdiction, the CE will receive the same reimbursement rates, including Severe Need Lunch that the site earns during the regular school year.

Identification of Severe Need Lunch, Eligibility for CEs That Have Operated for More Than Two Years

TX-UNPS will automatically identify CEs that are eligible for Severe Need Lunch. TDA monitors Severe Need identification, However, to ensure that an eligible CE receives Severe Need Lunch, CEs should monitor monthly claims to verify that Severe Need Lunch has been applied. This information is located on the monthly *NSLP Claim for Reimbursement Summary* in the Claims module in TX-UNPS.

Amount of Reimbursement

The amount a CE receives for Severe Need Lunch reimbursement is subject to change each year. Current Severe Need Lunch reimbursement rates are posted at www.SquareMeals.org and in TX-UNPS.

CEs Whose Percentage Falls Below 60 Percent

If a CE's severe need eligible claiming percentage falls below 60 percent in a school year, the CE is not eligible for Severe Need Lunch reimbursement for the next school year. However, the CE may requalify if 60 percent or more of the reimbursable lunches served for the first three claims for the year were free or reduced price. In this case, the CE must complete the process described below in the *CE, Operating Less Than Two Years* subsection in this section.

CE, Eligibility Established Using Data from the Second Preceding School Year

In the following situations, there is prior CE data that may be used to establish the Severe Need Lunch eligibility for a new CE:

- CE changes its name with no change in location or student membership.
- CE moves to a new building with no changes in the student membership.
- Combination of a change in name and move to a new building.
- Two or more CEs identified as having severe need (60 percent of students served free or reduced-price lunches) combine the entire student enrollment from both CE into one CE.

In these cases, the CE must notify TDA/Claims prior to the start of the school year that the CE meets the criteria for one of the situations described above at the TDA /Claims email address provided on the Contact Information for the Texas Department of Agriculture (TDA) page at the beginning of this manual.

If the CE does not notify TDA in a timely manner or take required actions as requested, the CE may not receive the additional Severe Need Lunch reimbursement for all submitted claims for the school year. Therefore, TDA strongly encourages CEs to proactively reach out to TDA /Claims as soon as possible.

CE, Operating Less Than Two Years

A CE that has operated less than two years may be approved as eligible for Severe Need Lunch reimbursement if the CE demonstrates eligibility using lunch meal service claims for the first three months of the school year. If the CE qualifies, TDA will retroactively apply the Severe Need Lunch reimbursement for the three months used to establish eligibility.

To apply to use the first three claims of the school year to establish Severe Need Lunch eligibility, the CE must take the following actions:

1. Complete and submit the *Severe Need Approval Request Form* before the beginning of the school year. This form is available in TX-UNPS | Applications | Download Forms page.
2. Complete the actions requested by TDA staff to update TX-UNPS using the timeline TDA provides. If a CE does not take these actions in a timely manner, the CE may not receive the additional Severe Need Lunch reimbursement for all submitted claims for the school year.

Reimbursement Procedures

CEs must submit meal counts by eligibility category by site for reimbursement.³⁹ While the SNP programs operate on a school year (SY) calendar—July 1 to June 30, the submission of claims follows the federal fiscal year—October 1 to September 30. CEs must submit claims for reimbursable meals served no later than 60 calendar days after the last day of the claim month.

60-Calendar Day Rule

Federal regulations governing the SNP require that claims for reimbursement be submitted to TDA within 60-calendar days of the last day of the claim month. The 60-calendar day rule applies to all Child Nutrition Programs (CNPs).

This is called the 60-Calendar Day Rule. TDA does not reimburse claims after 60 calendar days except as described in *Adjusted Claims, Within 60 Calendar Days of the Claim Month*; *Adjusted Claims, More Than 60 Calendar Days of Claim Month*, and *Late Claim* subsections in this section. The *60-Calendar Day Rule Chart* provides the timeframe for submitting claims.

³⁹ TDA no longer accepts consolidated site claims from CEs.

60-Calendar Day Rule Chart	
Month	Last Day for Claim Submission (In cases where the last day of the month falls on a Saturday, Sunday, or TDA holiday, or Federal Holiday, the due date is the next business day.)
January	April 1 (Leap Year – March 31)
February	April 29
March	May 30
April	June 29
May	July 30
June	August 29
July	September 29
August	October 30
September	November 29
October	December 30
November	January 29
December	March 1 (Leap Year – February 29)

Weekends/Holidays. If the 60th day is on a weekend or a federal holiday, the claim must be received no later than midnight on the next business day following the weekend day or holiday.

The 60-Calendar Day Rule timeframe is applicable to all 12 months of the year. In applying the 60-Calendar Day Rule, CEs need to be sure that summer claims are submitted within the 60-day time limit.

Adjusted Claims, Within 60 Calendar Days of the Claim Month

CEs may submit downward or upward adjustments through TX-UNPS as long as the adjusted claim is submitted within 60 calendar days of the last day of the claim month.

TDA will reconcile any overpayment or underpayment against any outstanding claims for the current federal fiscal year—October 1 to September 30. If the outstanding claims are not sufficient to reconcile the adjusted claim, TDA will process a request for payment and require the CE to submit any remaining overpayment to TDA as instructed by TDA staff.

Downward or Upward Adjustments, Within 60 Calendar days of the Claim Month

When the adjustment claim is submitted to TDA, the following guidance must be used:

Administrative Review (AR), Compliance Review, Financial Audit, or Other Financial Review

TDA will adjust a claim upward or downward as a result of administrative review, compliance review, financial review, or financial audit at any time—the 60-calendar day rule is suspended. TDA staff will provide directions to the CE on actions the CE is to take in these circumstances.⁴⁰

This guidance also applies to annual audit findings. If audit findings indicate that the CE has submitted claims for reimbursement that are incorrect, the CE must (1) adjust the impacted claims and (2) take corrective action to prevent further violations. If the CE does not adjust its

⁴⁰ See the Contact Information for the Texas Department of Agriculture (TDA) page at the beginning of this manual for phone and email information.

claims and/or take appropriate corrective action, TDA may take fiscal action for any violations found during an audit.

Effective Date for Eligibility Determination

CEs have the option to make the *effective eligibility date* (1) the date the application was received by the CE or (2) the date a student's categorical eligibility is designated as approved by the administering agency.⁴¹ If the CE uses one of these options, the CE may adjust its claim for all eligibility determinations made under the option if reimbursable meals were claimed as paid or reduced-price and later determined to be reduced-price or free as long as (1) the CE has a method in place to refund the overpayments to students or households, and (2) the claim is adjusted within 60 calendar days of the end of the claim month.

[NOTE: CEs that adopt one or both of these effectiveness date options should ensure that the determining or reviewing official is timely in making eligibility determinations in order to ensure that updated claims can be filed as quickly as possible.]

Repeated Adjusted Claims, Submitted Within 60 Calendar Days of the Claim Month

TDA will require corrective action and may suspend payments if repeated adjusted claims are submitted. If claiming is suspended, the suspension will remain in effect until the CE demonstrates that it has procedures in place to produce a final claim for each month on time.

Timeline

A downward adjustment or overclaim must be made for the overclaim month within the federal fiscal year in which the overclaim month occurs unless the adjustment is made because of an administrative review, compliance review, financial review, or financial audit.

Adjusted Claims, More Than 60 Calendar Days After the Claim Month

Upward revisions that are not received within the 60 calendar days after the end of the claim month are not eligible for reimbursement unless the CE applies its one-time late claim exception as described in the *Late Claim, One-Time Exception Payment Provision* subsection in this section.

TDA will reconcile any overpayment or underpayment against any outstanding claims for the current federal fiscal year—October 1 to September 30. If the outstanding claims are not sufficient to reconcile the adjusted claim, TDA will process a request for payment for any underpayment and require the CE to submit any remaining overpayment to TDA as instructed by TDA staff.

Downward Adjustments for Overclaims, More Than 60 Calendar Days After the Claim Month

When the adjustment of a claim is made to decrease the amount of a submitted reimbursement claim and to return funds to TDA—an overclaim, the following guidance must be used:

Administrative Review (AR), Compliance Review, Financial Audit, or Other Financial Review

TDA may downward or upward adjust a claim as a result of administrative review, compliance review, financial review, or financial audit at any time.

⁴¹ See the *Administrator's Reference Manual (ARM), Section 4, Eligibility Determination* for additional information on this topic.

TDA staff will provide directions to the CE on actions the CE is to take in these circumstances.

This guidance also applies to annual audit findings. If audit findings indicate that the CE has submitted claims for reimbursement that are incorrect, the CE must (1) adjust the impacted claims and (2) take corrective action to prevent further violations. If the CE does not adjust its claims and/or take appropriate corrective action, TDA may take fiscal action for any violations found during an audit.

Effective Date for Eligibility Determination

CEs have the option to make the *effective eligibility date* (1) the date the application was received by the CE or (2) the date a student's categorical eligibility is designated as approved by the administering agency.⁴² If the CE uses one of these options, claims cannot be adjusted more than 60 calendar days after the end of the claim month.

Electronic Submission of Adjustment by CE

When a downward adjustment of funds is discovered by a CE, the CE must submit its adjusted claim electronically via TX-UNPS or contact TDA for further instructions at (877) TEX-MEAL.

When a CE submits an adjustment to address an overclaim, TDA will contact the CE before the adjustment is processed to ask the CE to provide the following information: reason why the downward adjustment is necessary (i.e., calculation error, incorrect eligibility determination).

Repeated Adjusted Claims, More Than 60 Calendar Days After the Claim Month

TDA will require corrective action and may suspend payments if repeated adjusted claims are submitted. If the claiming is suspended, the suspension will remain in effect until the CE demonstrates that it has procedures in place to produce a final claim for each month on time.

Timeline

A downward adjustment or overclaim must be made for the overclaim month within the federal fiscal year in which the overclaim month occurs unless the adjustment is made because of an administrative review, compliance review, financial review, or financial audit.

Late Claim, One-Time Exception Payment Provision

A late claim is one received by TDA more than 60 calendar days after the last day of the claim month. A one-time exception payment provision may be used for one specific month within a 36-month time period for each USDA Child Nutrition Program (CNP) that a CE administers. Therefore, the CE may be granted a one-time exception for each cluster of CNPs:

- School Nutrition Program (SNP) which includes NSLP, SBP, ASCP, and SSO

For Example: If the CE receives a one-time exception for SBP, it cannot receive a one-time exception for NSLP, ASCP, or SSO in the same 36-month time period.

⁴² See the *Administrator's Reference Manual (ARM)*, Section 4, *Eligibility Determination* for additional information on this topic.

- Child and Adult Care Food Program (CACFP) which includes a CACFP childcare center or At Risk
 - For Example: If the CE receives a one-time exception for At Risk, it cannot receive a one-time exception for a CACFP childcare center in the same 36-month time period.
- Summer Food Service Program (SFSP)

The CE may choose the claim month for which the one-time exception payment provision is used.

The CE must take the following actions to apply for the One-Time Exception Payment Provision:

- *Corrective Action Plan.* A late claim is classified as program noncompliance; therefore, the CE must submit an approvable corrective action plan (CAP) to TDA that includes the following information about its claim:
 - Reason for submitting the late claim
 - Actions to be taken to avoid repetition of the situation linked to the late claim submission
 - Actions to be taken to avoid any future late claim submission from the same or other causes
 - Signature of an authorized representative designated to act on the CE’s behalf

Once the CE has submitted an approved CAP, TDA will determine if it is eligible for the one-time exception payment provision.

- *Approved Corrective Action Plan.* If TDA approves the CAP, the CE has the following options:

If the CE has not used its one-time exception payment provision within the last 36-months...

Option 1: The CE may...request to use the one-time exception payment for the claim.

or

Option 2: The CE may...decide to save its one-time exception and not apply it to the claim submitted for that month.

Late Claim Exception for Good Cause

If a CE has already used its One-Time Exception Payment Provision late claim, TDA will deny payment of a late claim. However, the CE may request in writing an exception for *good cause* that demonstrates that the late-claim noncompliance occurred because of circumstances beyond its control.

- Good Cause. Circumstances that may be considered as *good cause* include the following:
 - Catastrophic incident such as a tornado, flood, or fire.
 - Life-threatening injury or illness to the person responsible for submitting the claim.

However, catastrophic incidences, life-threatening injuries, or illnesses **do not automatically entitle** the CE to be granted a good-cause exception. The responsibility is on the CE to demonstrate how the catastrophic incident, life-

threatening injury, or illness caused a situation that made submitting the claim within 60 calendar days unreasonable or impossible.

- Not Considered Good Cause. Circumstances that would not be considered *good cause* include the following:
 - Absence of personnel on the 60th calendar day, for reasons other than a life-threatening injury or illness.
[NOTE: CEs are expected to have a backup plan for submitting claims. This includes having more than one staff member designated and trained to perform this task.]
 - TX-UNPS is unavailable for electronic filing.
 - Malfunction of power or equipment at CE facility.
 - Failure to get the claim submitted through TX-UNPS by the 60th calendar day.

Late Claim Exception for Good Cause Procedure

In these cases, the following guidance will apply to an exception for good cause:

- TDA will consider each good-cause exception request on a case-by-case basis.
- If TDA agrees that good cause exists, the claim will be forwarded to USDA. USDA will determine if the claim will be paid.
- If TDA does not agree that good cause exists, the claim will be denied and will not be forwarded to USDA.
- CEs cannot appeal either the non-payment of a claim by USDA's or TDA's ruling regarding good cause.

Counting and Claiming When a CE's Funds Are Placed on Financial Hold

If a CE's funds are placed on financial hold, the CE must continue to submit claims on a timely basis (as described in this section) in order for the CE to receive reimbursement for meals served when the financial hold is removed. If the CE does not submit claims as required by TDA procedure, the CE will not be paid for reimbursable meals served during the financial hold period when the financial hold is removed.

Daily Record/Accuclaim Form

The Accuclaim process was developed to improve the accuracy and accountability of reimbursement claims. Proper implementation of the Accuclaim regulations, which include edit checks and onsite reviews, will ensure that the CE has an accurate system of counting and claiming and help to prevent the necessity for an upward adjustment for an underclaim or a downward adjustment for an overclaim.

Edit Check Record

The CE must use the *Daily Record/Accuclaim Form* or the *Special Milk Program Worksheet* form⁴³ or a similar locally-developed form for each site where meals are served to

⁴³ Form available at www.SquareMeals.org. CEs operating one of the special provisions must use the daily record/Accuclaim specific to the provision.

- perform a daily edit check and
- create a monthly edit check summary.

The information collected on this form allows the CE to review a number of factors to ensure the accuracy of claims before they are submitted. Edit checks, and specifically the information about percentages of participation, are reviewed during the AR process.

Accuclaim reports contain the following types of information:

- Served Students. Daily and monthly total number of reimbursable meals or milk served to students by eligibility category and type of meal are captured through the *Accuclaim/Edit Check* form.
- Served Adults. Daily and monthly total number of meals or milk served to adults is captured through the *Accuclaim/Edit Check* form.
- Average Daily Participation (ADP). Monthly average of students participating in the meal program that were served a reimbursable meal by meal type—breakfast, lunch, or snack—and category—free, reduced-price, or paid. This number is used in calculating the Attendance Factor.
- Attendance Factor. **The average daily attendance for the month (ADA) divided by the highest daily total enrollment for the month. The ADA is calculated by dividing the Sum of Daily Attendance at the site by number of operating days for the claim month.** This calculation helps the CE to identify possible errors in reporting.

Claims, Automated Accuclaim Error Messages

When a CE submits a claim, TX-UNPS automatically analyzes the claim to determine if the number of free or reduced-price meals served exceeds the Attendance Factor for the CE. If errors are found, they are called Accuclaim Errors.⁴⁴

Claims, Unique Site Designations

If a CE has designated a single site location as two sites in TX-UNPS in order to more accurately report compensatory data or to meet Texas Education Agency requirements for principalships, the CE must report claiming data for each site separately. Therefore, each site must complete the accuclaim process and forms separately.

[NOTE: TDA must approve this type of site designation and will only do so under specific circumstances.]

⁴⁴ See the *Daily Record/Accuclaim Form* subsection in this section for additional information.

Attendance Factor

The following chart illustrates how the Attendance Factor is calculated.

Calculating the Attendance Factor Chart						
Average Daily Attendance (ADA) for the Month			÷	Highest Daily Total Enrollment for the Month	=	Attendance Factor for the Month
(Sum of Daily Attendance for Month)	÷	(Number of Operating Days) = ADA				
22,626	÷	18 = 1,257	÷	1,425	=	0.8821

This calculation should be completed and recorded at the end of each month.

Applying the Attendance Factor					
<i>This calculation alerts the CE that the number of meals claimed fall outside of the normal expectation.</i>					
Eligibility Type	Highest Daily Number of Possible Participants	x	Attendance Factor	=	High Number of Meals Expected to be Claimed Each Day
Highest Daily Total Enrolled	1,425	x	0.8821	=	1,256.99 (1,257)
Free Highest Daily Count	825	x	0.8821	=	727.7 (728)
Reduced Highest Daily Count	165	x	0.8821	=	145.5 (146)
Paid Highest Daily Count	267	x	0.8821	=	235.52 (236)

CEs must perform this calculation daily and monthly before submitting claims.

When an Accuclaim error is found on the claim submitted through TX-UNPS, a message appears that advises the CE that the claim appears to have a discrepancy or problem. The CE is expected to research the validity of the claim and make any adjustments needed. If the discrepancy or problem is not resolved, the Accuclaim error may require an upward or downward claim adjustment.

Daily Record/Accuclaim Form for NSLP and SBP Feeding Sites Operating the Community Eligibility Provision (CEP) or Provision 2 (P2)

TDA has modified the daily record/accuclaim forms for those CEs operating the Community Eligibility Provision (CEP) or Provision 2 (P2). These modified forms— *Daily Record /Accuclaim Form—Community Eligibility Provision (CEP)* and *Daily Record/Accuclaim Form—Provision 2 (P2)*—will assist these CEs in ensuring the accuracy of their claims.⁴⁵

⁴⁵ Form available at www.SquareMeals.org. CEs operating one of the special provision programs must use the daily record/accuclaim form specific to the provision.

Daily Record/Accuclaim Form for School Nutrition Program Operators Feeding Sites Operating the Afterschool Care Program or CACFP At-Risk Program

TDA has modified the daily record/accuclaim forms for those CEs operating an afterschool program. This form allows the CE to use this one form for both operation of one of the afterschool programs or both programs. The modified *Daily Record/Accuclaim Form—Afterschool* will assist the CEs in ensuring the accuracy of their claims.⁴⁶ However, for this form, instead of using the site’s total enrollment to calculate the attendance factor, the CE will use the highest number of students eligible to participate in the snack/supper service program. Highest number eligible includes all students onsite on the day the data is recorded (1) who are onsite at the time of the snack/supper service and (2) who are allowed to participate in any enrichment activity offered.

Daily Record/Accuclaim Form for NSLP and SBP Sites Participating in the NSLP or SBP During the Summer

If a CE is providing meals as an extension of NSLP or SBP for an academic summer program that is not part of the Seamless Summer Option (SSO) program, the CE must continue to conduct edit checks for meals served.

Daily Record/Accuclaim Form Results

The *Daily Record/Accuclaim Form*⁴⁷ assists the CE in ensuring accuracy by providing a guided process for CEs to determine if the number of reimbursable meals claimed is reasonable in light of the highest possible number of students in attendance.

Discrepancies or potential problems can be resolved through further investigation. Any findings should be adjusted on edit check forms and documented.⁴⁸

The *Edit Check Chart* demonstrates the possible issues the Accuclaim process can reveal and actions to take when the issue arises.

Information Box 3	
Definitions Specific for the Daily Record/Accuclaim Form—Afterschool	
Student Participating in the Program	Student who receives a reimbursable snack/supper during an afterschool snack/supper service.
Total Number of Students Eligible to Participate in the Program	Students who <ol style="list-style-type: none"> Are onsite at the time of the snack/supper service. and Are allowed to participate in any enrichment activity offered.

Daily Record/Accuclaim Form Action Chart	
Possible Issues	Actions to Address
Reported Number Exceeds the Number of Approved Students	
Daily number of free and reduced-priced meals claimed exceeds number of students approved for free and reduced-priced meals.	CE needs to review the attendance records and procedures used to code eligibility to reach a correct count.
Reported Number in an Eligibility Category Exceeds of Number of Approved Students in that Category	

⁴⁶ Form available at www.SquareMeals.org. CEs operating one of the special provision programs must use the daily record/accuclaim form specific to the provision.

⁴⁷ Form available at www.SquareMeals.org.

⁴⁸ See the *Records Retention* subsection in this section for additional information on this topic.

Number of meals claimed by eligibility category exceeds the number of students in attendance by category.	CE needs to recheck the attendance numbers and document the reason why its meal counts are incorrect.
Reported Numbers Appear Repetitive or Patterned	
Number of meals served is the same at lunch and breakfast or is the same for multiple days for lunch or breakfast.	CE needs to recheck the attendance numbers and coding procedures to determine if the correct numbers have been reported.
Reported Percentage Exceeds the Estimated Attendance Percentage	
Percentage of free and reduced-priced meals claimed exceeds estimated percentage in attendance.	CE needs to review attendance records to determine maximum number of students by category who were present at school on the day of discrepancy.

Onsite Monitoring Review

CEs are required to conduct onsite reviews of all school sites, which include ensuring that the following requirements are met:

- The counting system is consistent with the CE’s policy statement included in its approved *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s)*.⁴⁹
- The counting system, as implemented, yields the actual number of reimbursable free, reduced-price, or paid meals served for each day of operation.
- The counting system prevents overt identification of students receiving free and reduced-price meals.
- The system provides for adequate monitoring to ensure that only reimbursable meals are counted.

If the review discloses problems with a site’s meal counting or claiming procedures, the CE must ensure that the school site develops and implements a corrective action plan (CAP). The plan should be in writing and developed jointly by the school nutrition program (SNP) director and the CE’s foodservice supervisor, director or whoever performed the review. It should detail the corrective action necessary to bring the school site into compliance and assign responsibility for implementing the plan. The CE must conduct a follow-up onsite review within 45 calendar days of the onsite monitoring review to determine if the corrective action resolved the problems and take additional actions as necessary to correct the issue.

CEs are required to conduct onsite monitoring reviews of serving sites on the following schedule:

National School Lunch Program, Standard Counting and Claiming

Required: At least once annually prior to February 1st of each school year for all school sites

Recommended: Every month

Form: *Onsite Monitoring Form—National School Lunch Program (NSLP)*

National School Lunch Program, Community Eligibility Provision (CEP)

Required: At least once annually prior to February 1st of each school year for all

⁴⁹ See *Administrator’s Reference Manual (ARM), Section 2, Program Application & Agreement* for additional information on this form.

school sites

Recommended: Every month

Form: *Onsite Monitoring Form | Community Eligibility Provision (CEP)*

National School Lunch Program | Provision 2 (P2)

Required: At least once annually prior to February 1st of each school year for all school sites

Recommended: Every month

Form: *Onsite Monitoring Form | Provision 2 (P2)*

School Breakfast Program

Required: At least once prior to February 1st of each school year for fifty percent of the sites operating SBP each year, i.e., every site is reviewed every other year

Recommended: Every month

Form: *Onsite Monitoring Form | School Breakfast Program (SBP)*

Afterschool Care Program (ASCP) and Child and Adult Care Food Program At-Risk (CACFP At-Risk)

Required: For ASCP, within the first four weeks of starting snack service each school year and a second time before the end of the school year; for CACFP At-Risk, at least three times each year with no more than six months between reviews

Recommended: Every month

Form: *Onsite Monitoring Form | Afterschool Care Program (ASCP) and Child and Adult Care Food Program At-Risk (CACFP At-Risk)*

Seamless Summer Operation

Required: At least once annually during operation for all lunch sites and 50 percent of breakfast sites

Recommended: Every month

Form: *Onsite Monitoring Form | National School Lunch Program (NSLP)*

This requirement does not apply to the Special Milk Program.

The forms used for onsite monitoring reviews are available at www.SquareMeals.org.

Additional Resources

The following forms, which can be found at www.SquareMeals.org, will assist CEs in the implementation of a counting and claiming system.

- *CACFP-At-Risk Afterschool Care Centers Review (Form H1606-AT)*
- *Daily Record/Accuclaim Form*
- *Daily Record/Accuclaim Form—Community Eligibility Provision (CEP)*
- *Daily Record/Accuclaim Form—Provision 2 (P2)*
- *Monthly by Classroom Coded List Form*
- *Onsite Monitoring Form | National School Lunch Program (NSLP)*
- *Onsite Monitoring Form | School Breakfast Program (SBP)*

- *Onsite Monitoring Form | Afterschool Care Program (ASCP) and Child and Adult Care Food Program At-Risk (CACFP At-Risk)*
- *Onsite Monitoring Form | Community Eligibility Provision (CEP)*
- *Onsite Monitoring Form—Provision 2 (P2), Year 2 and Following Years*
- *Onsite Monitoring Form | Seamless Summer Option (SSO)*
- *Special Milk Program Worksheet*
- *Weekly/Monthly Number Coded List Form*

Records Retention

Public and charter schools must maintain records for a period of five years. Private schools, other nonprofit organizations, and residential child care institutions (RCCIs) must maintain records for three years.

Point of Service (POS) System

Many schools use a vendor to provide their point of service system. While CEs have the option to choose any vendor that meets their needs, they must ensure that (1) the POS system is able to retain all required documentation as described in this section and other sections of the *Administrator's Reference Manual (ARM)*, including, but not limited to, *Section 4, Eligibility Determination*; *Section 5, Special Provision Options*; and *Section 6, Verification of Eligibility*, or (2) the CE maintains all required documentation by another method. That method may be electronic or paper.

Record Recovery System

Counting and claiming records can be lost for a variety of reasons, including, but not limited to, electronic system failure, software malfunction, unexpected disaster, and human error. To ensure that counting and claiming documentation is retained, CEs must have a method to recover or back up their records. Recovery or backup methods may be electronic or paper.

If the CE uses a POS vendor, TDA strongly recommends that the CE contact the POS vendor for assistance about the best way to create a recovery or backup system for the CE's counting and claiming records.

CEs must develop an effective system of retaining and maintaining records related to counting and claiming that includes the retention of the following information:

- Documentation demonstrating that a student receives only one meal per meal service.
- Documentation demonstrating the type of eligibility each student has—free, reduced-price, or paid—as well as an indication of the source of eligibility—household meal application or specified categorical program participation.
- Documentation supporting Fresh Fruit and Vegetable Program (FFVP) reimbursement claims. Also see *Administrator's Reference Manual (ARM)*, *Section 12, Fresh Fruit and Vegetable Program (FFVP)* for additional information on claiming related to FFVP.

Information Box 4

Records Retention

State Board of Education policies require public and charter schools to maintain records for a period of five years.

Private schools, other nonprofit organizations, and RCCIs maintain records for three years.

- Records demonstrating the accuracy of the counting and claiming system.
- Rosters, sign in sheets if appropriate, daily and monthly cumulative totals for students receiving meals, snacks, or milk.
- Records reflecting total meals served which includes documentation that links specific students to claims for meals or milk.

[NOTE: CEs should print their Direct Certification lists from TX-UNPS before the end of the school year. These lists are not retrievable in TX-UNPS after the current year ends.]

Participation Records and Reports

CEs are required to retain the following records:

- Master lists or rosters, including student eligibility status and categorical designation and when changes to eligibility⁵⁰ are made, if applicable. This applies to electronic records systems or manual (paper) systems.
- Daily records for coding and counting procedures for meals and milk served by eligibility category including the following:
 - Coding lists or documents used as category identifiers.
 - Electronic cash register counts if cash register reading is used for accounting purposes.
 - Prepaid tracking checklists when tracking of prepaid meals is done after meal service, not at the time of service.
- Onsite monitoring forms

If a CE uses a food service management company (FSMC) or manages its eligibility records using vended software, the CE is responsible for ensuring the company follows all required regulations.

Daily Participation Report

Each site is required to create a daily participation report. The recording method used must ensure that correct meal counts by eligibility category can be easily read, edited, and consolidated into an accurate monthly claim for reimbursement.

The CE must be able to provide complete records for each meal service for each site, including reimbursable meals and all food and beverages that are not part of the reimbursable meal. This report must include, but is not limited to, the following information:

- The total number of reimbursable meals by eligibility category—free, reduced price, and paid; total servings of food and beverages that are not part of a reimbursable meal; or milk served in each category—free, reduced-price, and paid.
- The remaining balance of prepaid meal payments for each individual student that pays for meals.

In all cases, the recordings of the cashier at the POS must be reflected in the site's daily participation report.

⁵⁰ See *Administrator's Reference Manual (ARM), Section 4, Eligibility Determination* for additional information on maintaining eligibility information.

Claiming Records

CEs are required to retain the following records:

- All documents that support claims submitted.
- Documentation of the specific to number of reimbursable meals or milk claimed for visiting students from another campus within the CE or from another CE.
[NOTE: Using a generic code or key at the point of service (POS) to indicate reimbursable meals or milk served to students not in the POS system does not provide adequate documentation for a claimed meal or milk. The CE must have documentation that explains why students were coded with a generic code or key.]
- Documentation related to establishing CEP or P2 claiming percentages.
[NOTE: If a CE does not retain its CEP or P2 records that document the accuracy of site claiming percentages, the CE must reestablish the claiming percentages for each site. This documentation includes point of service (POS) system data that confirms the accuracy of student eligibility determinations.]
- Edit check forms.
- Onsite monitoring forms.
- Records demonstrating the accuracy of the counting and claiming system.
- Records reflecting total meals served which includes documentation that links specific students to claims for meals.
- Rosters or sign in sheets, daily and monthly cumulative totals for students receiving meals or snacks.
- Written CAPs based on onsite self-assessment reviews.

Edit Check Discrepancies or Problems

Discrepancies or potential problems can be resolved through further investigation. Any findings should be documented and kept with the site's daily record of meals or milk claimed.

Visiting SNP Participants Documentation

The CE must retain the following documentation:

- Receiving CE Claims for Reimbursement. If the hosting CE claims reimbursement, the hosting CE must keep copies of the documentation provided by the sending CE related to student eligibility. This would include such documentation as a master list or roster indicating each student's eligibility.
- Sending CE Claims Reimbursement. If the hosting CE charges the sending CE for the cost of the student's meals to recoup the cost, the hosting CE would not have to keep a copy of the visiting students' eligibility documentation.

Compliance

During an administrative review (AR) or at other times as appropriate, TDA will assess compliance with the counting and claiming requirements by reviewing the CE's counting and claiming practices and documentation. Documentation will include, but is not limited to, financial records and food production documentation. CEs with findings in these areas will be required to complete approvable Corrective Action Documentation (CAD). Noncompliance in these areas may also require fiscal action.

Obligation of the Contracting Entity (CE) to Report Fraud, Bribery, and Gratuity Violations

CE's must report, in writing, all violations of federal criminal law—fraud, bribery, or gratuity.

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in § 200.338 Remedies for noncompliance, including suspension or debarment. (2 CFR 200. 113; 31 U.S.C. 3321).

Criminal Penalties Associated with Mishandling of Funds

The following statement from the NSLP regulations describes the penalties for the misuse or fraudulent use of program funds:

Whoever embezzles, willfully misapplies, steals or obtains by fraud any funds, assets or property provided under the National School Lunch Program and/or School Breakfast Program [and/or Special Milk Program] whether received directly or indirectly, shall if such funds, assets, or property are of a value of \$100 or more, be fined no more than \$25,000 or imprisoned not more than 5 years or both; or if such funds, assets or property are of a value of less than \$100, be fined not more than \$1,000 or imprisoned not more than 1 year or both. Whoever receives, conceals, or retains for personal use or gain, funds, assets or property provided under the National School Lunch Program and School Breakfast Program, whether received directly or indirectly, knowing such funds, assets or property have been embezzled, willfully misapplied, stolen or obtained by fraud, shall be subject to the same penalties.

Termination of the Permanent Agreement for Financial Fraud or Misuse of Funds

If serious deficiencies, such as fraud or misuse of funds, occur, and corrective action is not practical, TDA will terminate the CE's participation in the SNP. In this case, TDA may also refer the matter to the appropriate local, state, and/or federal authorities.