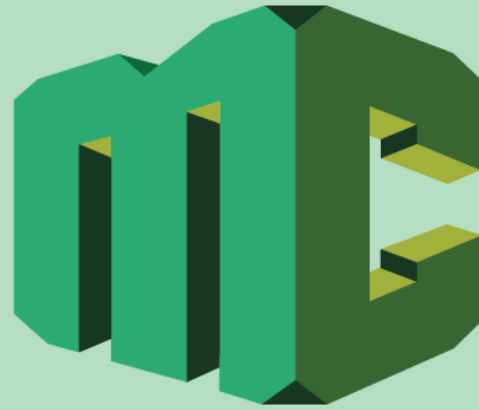


SFSP Financial Management & Top Findings



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Celia Garcia

Lead Compliance Financial Review Monitor

Adriana Hinojosa

Compliance Financial Review Monitor

Iyke Nwanji

Senior Administrative Review Specialist



Meet our Speakers



Celia Garcia

Lead Compliance Financial
Review Monitor



Adriana Hinojosa

Compliance Financial
Review Monitor



Iyke Nwanji

Senior Administrative
Review Specialist

Food & Nutrition Community Operations Division

What We Do





Resources & Questions





Acknowledgement Statement

You understand and acknowledge that:

- The training you are about to take does not cover the entire scope of the program; and that
- You are responsible for knowing and understanding all handbooks, manuals, alerts, notices, and guidance, as well as any other forms of communication that provide further guidance, clarification, or instruction on operating the program.



Why does this matter?



Collaboration



Compliance



Overview



Bridging the Language



Financial Management
Process



Frequently Encountered
Issues



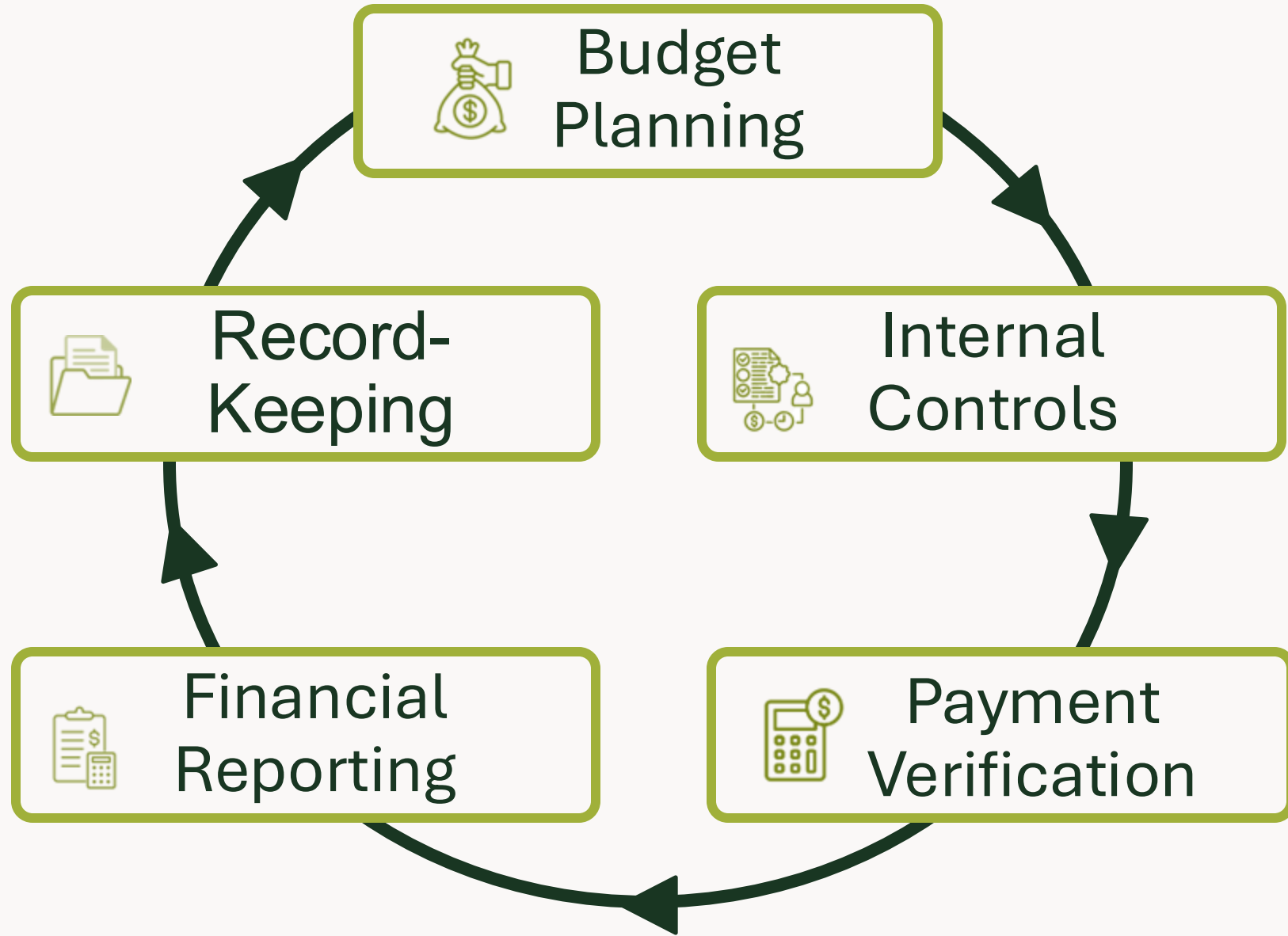
Scenarios



Q&A Time



Financial Management





Bridging the Language

General
Accounting

TDA
Administrative
Review



Administrative Review Language



Fiscal Action



Adverse Action



Bridging the Process

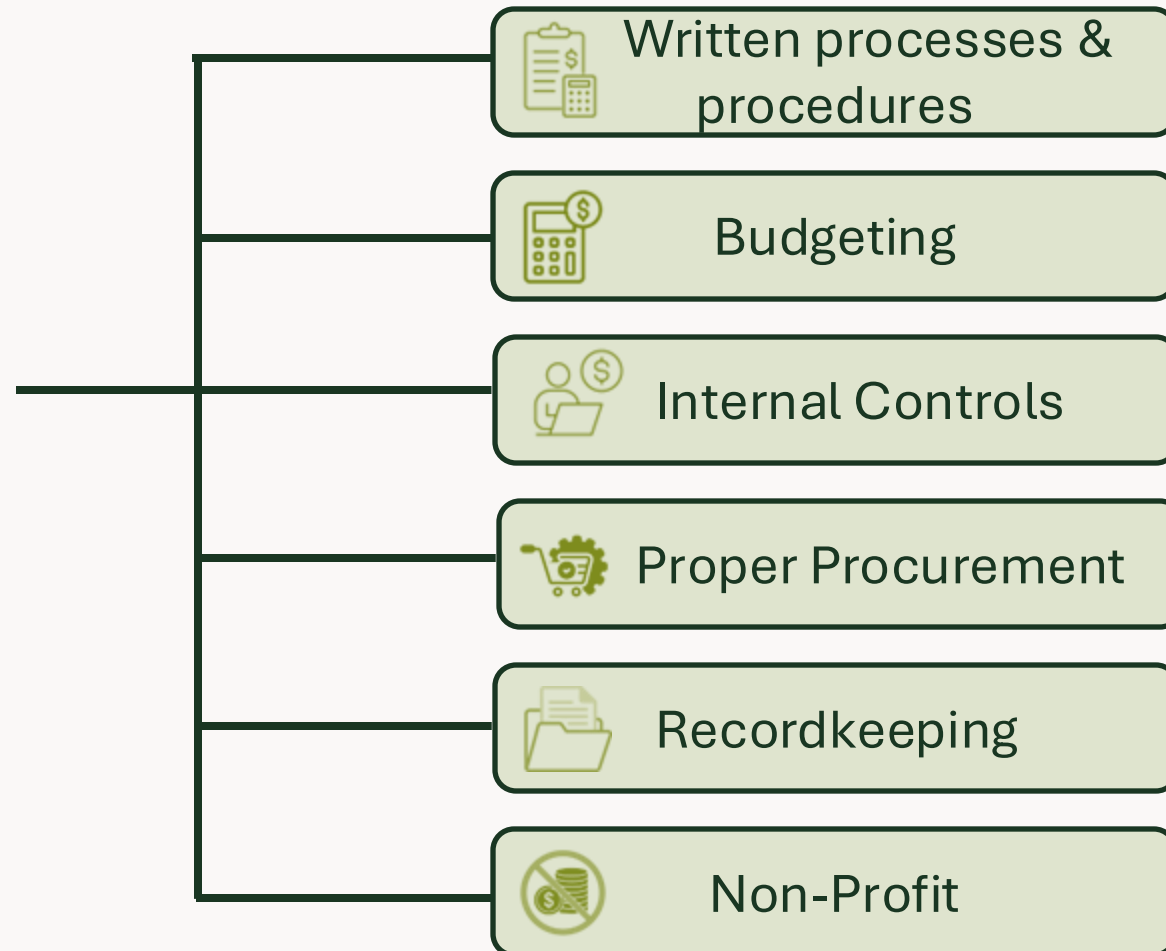
Financial
Management
Operations

AR Compliance



Financial Management Requirements

Components



VCA → previously established



Why are budgets necessary?



- Regulation
- Evaluate & Control Costs
- Check & Balance System
- Ensures Financial Viability



What categories make up the budget?



- Labor
- Food for vended & self-prep meals
- Non-Food Supplies
- Facility & Utility
- Equipment Rental
- Transportation Mileage
- Organization Cost



Procurement



Conduct Proper
Procurement:

- Conflict of Interest
- Less-than-Arms-Length Transactions



Allowable vs. Unallowable



See handout for 10 Allowability Cost Factors.



Financial Review Process

①

Obtain
financial
reports

②

Review
reported
transactions

③

Tie
transactions to
payment
source

④

Assess
Allowability

⑤

Determine
compliance

Frequently Encountered Issues

Financial
Sampling Tool
Errors

Record
Retention

Unallowable
Expenses



Financial Sampling Tool- Operational

Contracting Entity (CE) Name:																	
CE ID:																	
Date of Review:																	
Reviewer Name:																	
		PY2024 REIMBURSEMENTS				PY2024 OPERATIONAL EXPENSES											
Approved Annual Budget																	
Budget Variance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Month	SFSP Account Balance Forward	Claim advances	Operating Reimbursement	Administrative Reimbursement	Other Income to the Program	Executive Staff	Management Staff	Staff	Food for all vended and self-prep meals	Non Food Supplies	Facility and Utility	Equipment Rental	Transportation Mileage	Organization Costs			
October																	
November	\$ -																
December	\$ -																
January	\$ -																
February	\$ -																
March	\$ -																
April	\$ -																
May	\$ -																
June	\$ -																
July	\$ -																
August	\$ -																
September	\$ -																

 Pro Tip: Enter all values manually. Do not copy and paste!



Unused SFSP Reimbursement



Use to improve the meal service or other aspects of SFSP



Keep for next year's SFSP operations



Pay for allowable cost of other child nutrition program



Unused SFSP Reimbursement

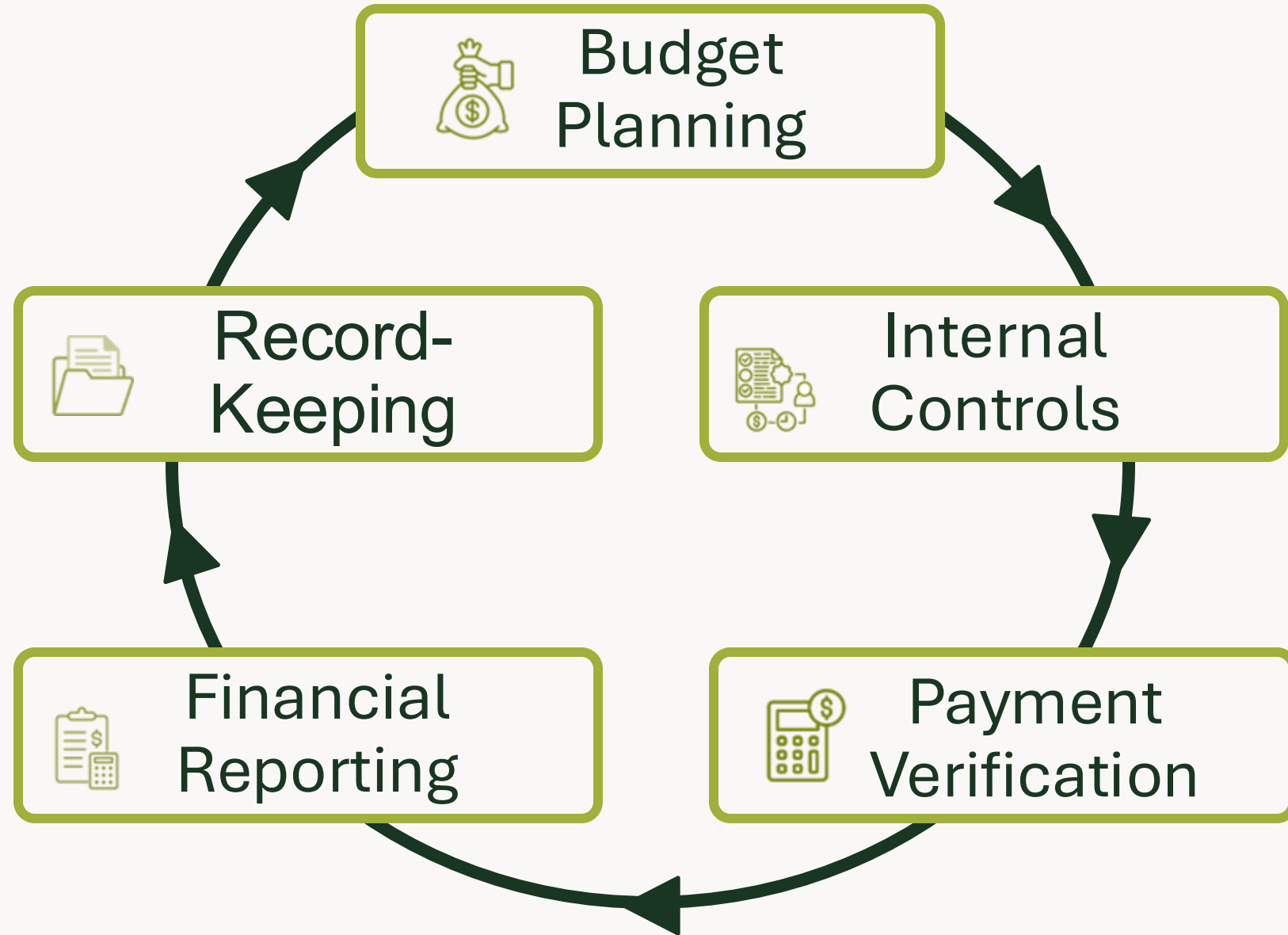
Organizations must complete the appropriate section in the SFSP upcoming program year budget?



Budget for the upcoming program year will contain an area where the organization must enter unused SFSP reimbursement to account for this revenue stream.



Putting It All Together





Scenarios





Records Retention



During a financial review, supporting documents were requested for transactions reflected in the organization's bank statement and general ledger (GL), but the organization was unable to provide them.



Question to consider



Are the GL and bank statements sufficient to determine allowability, since they both include dates, amounts charged and vendor?



Can TDA reviewers determine if transactions are allowable, reasonable and directly related to program activities using only the GL and bank statements ?



What steps can the organization take to stay in compliance with future Administrative Reviews?





Unused SFSP Reimbursement

An organization participates in both the CACFP and SFSP programs. The CE selected to use PY 25 unused reimbursement for next year's SFSP operations and to pay for allowable costs of the other child nutrition programs.

A review of PY25 general ledger identified \$100,000 in unused reimbursement. During the organizations's AR, the Financial Sampling Tool was submitted and reviewed. The general ledger documentation shows the unused reimbursement was allocated evenly, with \$50,000 designated for next year's SFSP operations and \$50,000 applied to allowable CACFP costs.



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Contracting Entity (CE) Name:															
2	CE ID:															
3	Date of Review:															
4	Reviewer Name:															
5																
6	PY2024 REIMBURSEMENTS						PY2024 OPERATIONAL EXPENSES									
7	Approved Annual Budget		\$ 500,000.00	\$ 43,000.00			\$ 520,000.00	\$ 158,000.00	\$ 14,000.00	\$ 1,000.00						
8	Budget Variance		\$ 81,694.49	\$ (1,813.49)	\$ (200,084.53)		\$ 84,119.10	\$ 441.30	\$ (378.61)	\$ (749.40)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9																
10	Totals		\$ -	\$ 418,305.51	\$ 44,813.49	\$ 200,084.53	\$ 435,880.90	\$ 157,558.70	\$ 14,378.61	\$ 1,749.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11		SFSP Account Balance Forward	Claim advances	Operating Reimbursement	Administrative Reimbursement	Other Income to the Program	Executive Staff	Management Staff	Staff	Food for all vended and self-prep meals	Non Food Supplies	Facility and Utility	Equipment Rental	Transportation Mileage	Organization Costs	
12	Month															
13	October															
14	November	\$ -														
15	December	\$ -														
16	January	\$ -														
17	February	\$ -														
18	March	\$ -														
19	April	\$ -														
20	May	\$ -														
21	June	\$ -		\$ 150,456.15	\$ 16,082.53	\$ 192,868.42	\$ 195,104.14	\$ 137,877.92	\$ 8,311.16	\$ 1,749.40						
22	July	\$ -		\$ 223,334.30	\$ 23,964.27		\$ 180,032.96	\$ 17,098.36	\$ 6,067.45							
23	August	\$ 11,144.35		\$ 44,515.06	\$ 4,766.69	\$ 7,216.11	\$ 60,743.80	\$ 2,582.42								
24	September	\$ -														

? Where should the unused reimbursement from the previous program year be documented on the FST?



Question to consider



Is the CE required to document the SFSP reimbursement in the CACFP general ledger?



What records must be kept to document these expenses?





True or False



Organizations participating in SFSP are required to annually disclose and identify ANY and ALL conflicts of interest, potential conflicts of interest, and any other information that inhibits TDA from making an informed assessment of whether a particular conflict is allowable.

TRUE



Disclosures



This organization submitted a budget that included a kitchen rental cost.

- Kitchen rental: \$5,000/month
- Kitchen is owned by the Executive Director's spouse
- No price comparison or fair market analysis
- Relationship not disclosed



Is there a conflict of interest?



Steps Towards Compliance:



Submit an email to sfsp.bops@texasagriculture.gov to disclose the conflict of interest that includes:

- Budget item impacted (Facility & Utility)
- Contract amount or cost
- Relationship or ownership interest to the CE
- Any other information that inhibits TDA from making an informed assessment of whether a particular cost is allowable





Food Vendor Costs



This organization has budgeted \$8,500 for vended meals. The vendor selected is Yummy for Your Tummy and is owned by the Program Director's sibling. Three bids were submitted, and Yummy for Your Tummy offered the lowest pricing compared to competitors.



Was the organization correct to accept the bid with the lowest price without TDA approval?



Is there a conflict of interest?



Steps Towards Compliance:



Submit an email to sfsp.bops@texasagriculture.gov to disclose the conflict of interest that includes:

- Budget item impacted (Food for all vended and self-prep meals)
- Contract amount or cost
- Relationship or ownership interest to the CE
- Any other information that inhibits TDA from making an informed assessment of whether a particular cost is allowable

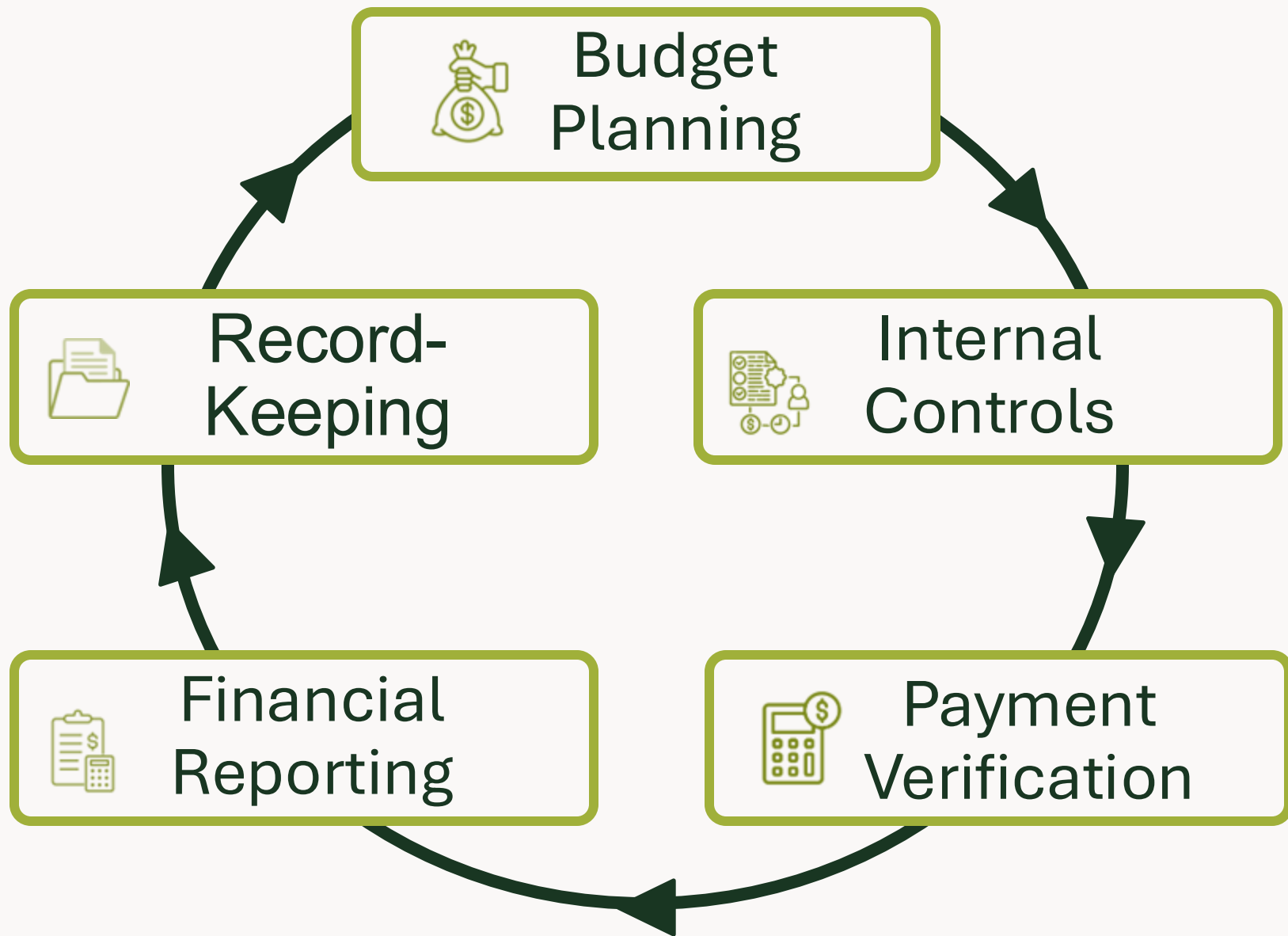




Key Take Away:



Organizations are required to disclose any other information that inhibits TDA from making an informed assessment of whether a particular cost is allowable.





Questions?



Contact Us



(877) TEX MEAL
(877) (839-6325)



SquareMeals@TexasAgriculture.gov
FND.Training@TexasAgriculture.gov



Squaremeals.org

Leave Us Your
Feedback!



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The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. mail:
U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or

2. fax:
(833) 256-1665 or (202) 690-7442; or

3. email:
program.intake@usda.gov

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