



Food Service Management Company (FSMC) Registration

NEW Application

7 CFR 210.19 (a) (5) Requires an annual review of each contract (including all documentation supporting the original solicitation) between any School Food Authority (SFA) and FSMC to ensure compliance with all the provisions and standards set forth prior to execution of the contract by either party. As part of this review, State Agencies must ensure that SFAs include the following provision, or language that is tantamount to this provision. Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract. All FSMCs must register or renew with the state agency annually to operate in Texas.

Instructions: This Smartsheet form is to be completed by the FSMC authorized representative applying to register as a contractor in the state of Texas. Please retain a copy of your submission for your records.

<https://squaremeals.org/Programs/National-School-Lunch-Program/Food-Service-Management-Companies>

Note: The company should attach additional information pertaining to any question if the information would further clarify their answers and assist the Texas Department of Agriculture in its approval decision. Vendors with continued non-compliance with federal regulations will not be approved.

I. Company Identification

1. Legal Company Name:	
2. Other Names (Doing Business As (DBA):	
3. Street Address:	
4. City:	
5. State:	
6. Zip Code:	
7. Contact Name:	
8. Contact Title:	

Page 1 of 7



TDA Updates to FSMCs

June 26, 2024

WEBINAR



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

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Food and Nutrition Division
Nutrition Assistance Programs



Updated 6/25/2024
www.SquareMeals.org

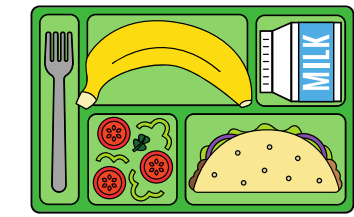


CONTRACT MANAGEMENT





TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



**FOOD SERVICE
MANAGEMENT
COMPANY**



FLOW OF AUTHORITY

FSMCs OPERATING IN TEXAS

- Must be registered to do business in Texas and on the approved FSMC vendor list.
- Must complete a new or renewal application annually.
- Must remain in good standing with Secretary of State and Comptroller.
- Application is available July 1 and closes July 31. If approved last year, FSMC will complete a renewal application.
- Must attend webinar prior to completing the application and download a certificate of completion.



FSMCs OPERATING IN TEXAS

- Vendor application will be reviewed to ensure compliance and expectations.
- Must list any contracts that have been awarded or terminated within the last 5 years in state of Texas.
- Provide any fiscal action, noncompliance areas, or health and safety violation assessed in SFAs and documentation that the finding and fiscal action have been resolved.
- General statements will not be accepted.



FSMCs OPERATING IN TEXAS

- Once application is approved or denied, TDA will provide notification.
- If application is denied, notification will list the reasons why and vendor will have one year to address non-compliances.
- If non-compliances are not addressed, vendor cannot submit proposals or renewals for the 26-27 school year.



FSMCs OPERATING IN TEXAS

**National
School Lunch
Program**

**School
Breakfast
Program**

**Special Milk
Program**

**Afterschool
Snack
Program**

**Fresh Fruit
and Vegetable
Program**

**Food
Distribution
Program**

**Seamless
Summer
Option**

**Summer Food
Service
Program**

**Child and
Adult Care
Food Program**

FROM START TO FINISH

Contract between School Food Authority (SFA) and FSMC

SFA Contract Management

- Monitoring
- Invoice Reconciliation
- Annual Reconciliation

FSMC Compliance

- Contract compliance
- Accurate invoicing
- USDA Foods credits



SFA RESPONSIBILITIES

The SFA retains financial responsibility for the nonprofit school food service account. The SFA must ensure that all financial transactions are compliant with requirements.

Allowable Costs

**Accrual of
Income &
Reporting**

**Overall
Operation of the
Programs**

**Accuracy of
Counting &
Claiming**

**Accuracy of
Bills, Invoices,
Credits, Rebates,
Discounts**

USDA Foods

**Program and
Nonprogram
Costs and
Revenues**



FSMC RESPONSIBILITIES

FSMC must ensure that they fulfill expectations of the contract and are compliant with requirements.

USDA Foods Credits

Accurate Invoicing

Meal service for all programs in contract

Accuracy of Counting & Claiming

Accuracy of Inventory

Communications

No extras



FSMC INVOICE

Texas School District Attn: Oversight Manager 1234 First Street Forest, TX 12345			Texas FSMC 23456 Maple Street Orange Grove, CA 19876	
QUANTITY	DETAILS	UNIT PRICE		LINE TOTAL
122200	Reimbursable meals (Lunch)	\$	3.52	\$ 430,144.00
24652	Reimbursable meals (Breakfast)	\$	2.36	\$ 58,178.72
8622	Reimbursable meals (Snacks)	\$	1.20	\$ 10,346.40
3411.51	Alacarte, Catering Sales (\$16,000/(4.69 MEF))	\$	3.52	\$ 12,008.53
	Subtotal			\$ 510,677.65
			Credit USDA Foods Value	\$ 19,600.00
			Total Due	\$ 491,077.65
			USD Total	\$ 491,077.65



SFA and FSMC Responsibilities



District's primary role and responsibility when using an FSMC -

Contract Management and Oversight

FSMC ROLE AND RESPONSIBILITIES

- ◆ Adheres to all terms defined in the RFP and resulting contract following all procurement standard regulation {7 CFR 226.21 and 7 CFR 226.22}
- ◆ Returns applicable discounts, rebates, and credits to the CE
- ◆ Record retention {7 CFR 210.23 (c) and 210.16 (c)(1)}
- ◆ Health certifications {7 CFR 210.16 (c)(2)}
- ◆ Meal compliance/food specification and 21-day menu cycle {7 CFR 210.16(c)(3)} {7 CFR 210.16 (b)(1)}
- ◆ Procuring goods and services under the proposed contract, if applicable
- ◆ Accurate billing of invoices

WHAT CANNOT BE OUTSOURCED TO AN FSMC?

- ◆ On-site reviews of meal counting and claiming procedures
- ◆ Contract review form of operations
- ◆ Claims submissions
- ◆ District managed food service fund for revenue and/or expenses
- ◆ Financial reconciliation of billing
- ◆ Advisory boards or committees
- ◆ Application and verification process

SPECIAL NOTES

- ◆ Districts may **NOT** hire an FSMC vendor as a consultant and subsequently award a contract to them.
 - Unfair advantage
 - Conflict of interest

- ◆ Districts must disclose to TDA their use of any FSMC vendors as a consultant. FSMC must also disclose all consultant contracts.



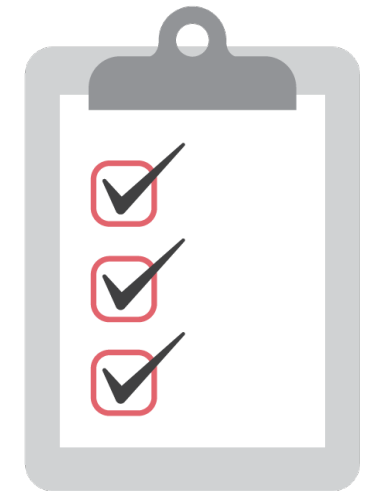
**CONTRACT
MONITORING -
SFA**



SFA CONTRACT MONITORING

Required Contract Review Form

- SFA completes bi-annually
 - 21-Day Menu Cycle
 - Competitive Foods
 - Financial
 - Staffing
 - Record Retention
 - And More



SFA CONTRACT MONITORING

USDA Foods Reconciliation

- Clarifies role of FSMC in receiving donated foods
- Vendor must verify delivery
- Vendor must demonstrate the SFA received credit for full value of USDA Foods
- Best done monthly



SFA CONTRACT MONITORING

USDA Foods Reconciliation

- FSMC must indicate how it credits SFA for USDA Foods
 - Invoice
 - Reductions
 - Refunds
 - Discounts
 - Other










ADMINISTRATIVE REVIEWS



**Who does TDA communicate with
during the Administrative and
Procurement Reviews?
District Personnel or FSMC
Personnel?**

FSMC SUPPORT IN REVIEWS

-  Attend at the SFA's request
-  Provide documentation as requested (required)
-  Ensure compliance with the 21-day menu cycle
-  Submit accurate invoices
-  Continuous communication with SFA needs

WHAT'S NEW FOR 24-25



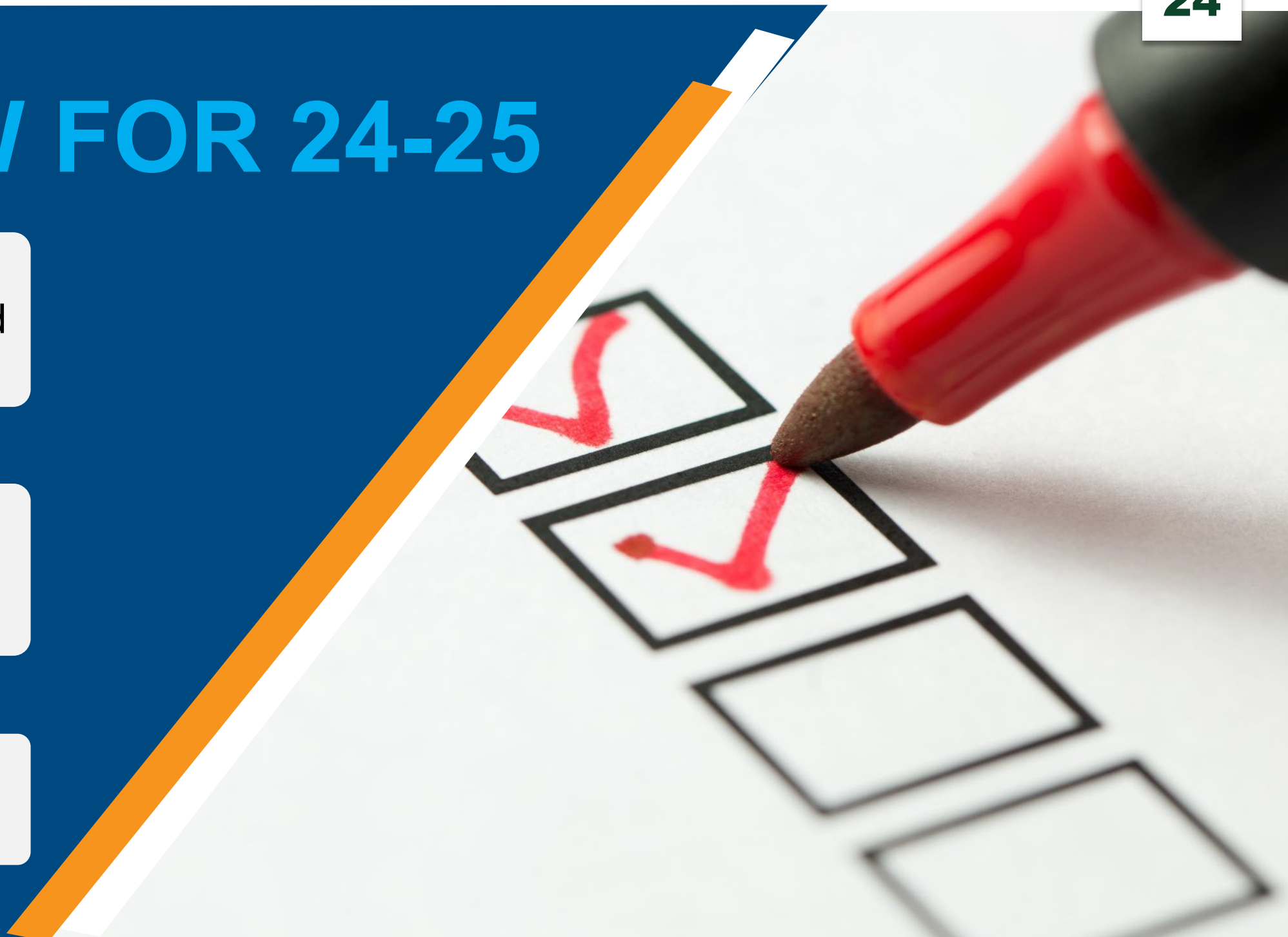
Updated Procurement
Timeline for Contracts and
Renewals



Continued Focus on
the 21-day Menu
Cycle



Hands on Support



CONTRACT DEVELOPMENT TIMELINE

RFP
Prototype
Released

NEW CONTRACTS – SY 24-25



Review of RFP

SFA Solicitation

TDA Solicitation
Approval

TDA Completes
Contract Reviews

CONTRACT DEVELOPMENT TIMELINE

RENEWALS – SY 24-25

Submission and Review of Renewal Documents

TDA Completes Renewal Reviews



Renewal Documents Returned to SFA



CHILD NUTRITION

NATIONAL SCHOOL LUNCH PROGRAM

21-DAY MENU CYCLE

- Developed by SFA for the FSMC RFP
- FSMC cannot develop the menu for use in the SFA's solicitation if that FSMC plans to respond [2 CFR 200.319(a)]
- FSMC must strictly adhere to the cycle menu for the first 21 days. Changes thereafter may be made with the approval of the SFA. [7 CFR 210.16(b) (1)]
- Failure to follow through on the 21-day menu cycle may result in the disallowance of meal reimbursements for the days not followed.

FSMC TRAINING



In-person Sessions at ESCs



One-on-One with Districts



Webinar and important dates posted by Aug. 1

Questions?

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. 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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