CONTRACTING FOR FOOD SERVICE

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CONTRACTING OUT MANAGEMENT FUNCTIONS IN THE CHILD AND ADULT CARE FOOD PROGRAM

Section 226.15(c) of the Child and Adult Care Food Program (CACFP) regulations requires that all institutions accept final administrative and financial responsibility for their operations under the Program. The provision also stipulates that *". . . no institution may contract out for the management of the Program."*

The intention of the provision is to guarantee that institutions retain administration and financial responsibility for Program operations. USDA feels that such responsibility cannot be exercised effectively by institutions which contract out for critical aspects of Program management. Institutions must have operational responsibilities and an ongoing role in Program management if they are to retain firm control over their programs.

The regulation prohibits an institution from contracting out for all of its management functions. Management functions, which institutions may not contract out under any circumstances, include monitoring, corrective action, and preparation of application materials. However, institutions may contract out for specific management tasks such as bookkeeping (but not claims submission), data processing, or the service of a nutritionist. Such contracting is permissible whether the institution provides its own or contracts out for food service. (Reference FNS Instruction 792-2, Rev. 1, dated November 1, 1991)

CONTRACTING FOR FOOD SERVICE

Child care institutions may contract with an outside entity to provide meals for their child care institutions. The CACFP institution and outside entity providing the meals must have a completed and approved *Agreement to Furnish Food Service* on file with the Oklahoma State Department of Education (the *State Agency*). The procedure used by the CACFP institution to document meals delivered and the procedure used to claim meals for CACFP reimbursement will vary, depending on the type of outside entity providing the meals. ***If contracting with a public school, the institution must be charged at the minimum for each meal provided:***

- ***Breakfast: Free reimbursement rate for breakfast.***
- ***Lunch: Free reimbursement rate for lunch plus the value of commodities (unless the center gives the school the commodities allocated to the center) plus the additional performance incentive.***
- ***Snack: Free reimbursement rate for snack.***

Contracting With a Public School

When a CACFP institution contracts with a public school for meals, the public school is responsible for maintaining the food production records. The school will document that the meals delivered/served to the CACFP institution met meal pattern requirements. If bulk serving, the school must provide portion information to the facility. The school will bill the CACFP institution monthly for the cost of the meals delivered. The CACFP institution is responsible for paying the school for the cost of the meals. The CACFP institution will claim each meal served to a participant for CACFP reimbursement. Meals that were prepared, but not served, cannot be claimed for reimbursement. The monthly bill dollar amount will be documented in the Food and Milk Cost column of the Expenditure/Reimbursement Worksheet.

Contracting With Other Outside Food Service Entities

When a CACFP institution contracts with other types of outside entities (i.e., senior nutrition, technology center, restaurants, universities), the outside entity/vendor must document the meals delivered to the CACFP institution using the *Contract Meal Delivery Receipt* or a form approved by the CACFP institution's area consultant. The outside entity/vendor must provide the CACFP institution with a copy of the *Contract Meal Delivery Receipt* for each meal to maintain on file as proof that the meals served to the CACFP participants met minimum meal pattern requirements. It is the responsibility of the CACFP institution to work with the outside entity to obtain documentation of the meals delivered. The CACFP institution must retain the documentation of meals delivered on file for review. The outside entity will bill the CACFP institution monthly for the cost of the meals. The CACFP institution is responsible for paying the outside entity for the cost of the meals. The CACFP institution will claim each meal served to a participant for CACFP reimbursement. Meals that were prepared, but not served, cannot be claimed for reimbursement. The monthly bill dollar amount will be documented in the Food and Milk Cost column of the Expenditure/Reimbursement Worksheet.

Head Start Agencies Contracting With CACFP Child Care Facilities

When a Head Start agency contracts with a child care facility that participates in the CACFP, the child care facility will document the contracted meals in the child care center's Food Production Records/Menus as Served Book or other approved food production records. The child care center will document that the meals served to Head Start children met meal pattern requirements. The child care facility will bill the Head Start agency for the cost of the meals delivered/provided to Head Start children each month. The Head Start agency is responsible for paying the child care facility for the cost of the meals provided to the Head Start children. The child care facility will report the meals served/delivered to the Head Start agency as income on the child care facility's Expenditure/Reimbursement Worksheet. The Head Start agency will claim no more than one reimbursable meal served to a participant for CACFP reimbursement. Meals that were prepared, but not served, cannot be claimed for reimbursement.

CONTRACT MEALS

When contracting CACFP meal services with schools or other entities, it is important to establish a good working foundation. Points to consider include:

Decide what you expect from the entity providing meal services:

- Establish specific requirements, and have them well-defined. The contractor should consider these factors when establishing a meal cost.

Familiarize the entity with CACFP meal pattern requirements:

- A standardized recipe can ensure adequate quantities, components, etc.
- Consider the special needs of your children.

Emphasize the CACFP requirements:

- All meals must be served on time.
- Daily delivery records must be available when contracting with entities other than schools or CACFP participants.
- Proper portion tools must be available when bulk delivery is used.
- Crediting and portioning information must be communicated to the entity receiving the meals.

List additional requirements the institution may have:

- Family-style meal service.
- Menu item restrictions.
- Second servings or extras.

Inspect the food preparation and service areas for:

- Adequate staff training.
- Proper sanitation practices.
- Safe methods of keeping hot foods hot and cold foods cold at all times.
- Acceptable meal service arrangements.
- Adequate seating/eating arrangements.
- Acceptable delivery conditions.

Establish a good record-keeping system:

- The Daily Contract Meal Delivery Receipt requires the signatures of both the preparation kitchen and the person accepting delivery, verifying quantities of foods sent and received, and the crediting/portioning information for a reimbursable meal. (If the entity providing meals is a school or CACFP participant, this is not required.)
- The entity providing the meals must keep records of all food delivered.
- The institution ***RECEIVING*** contract meals should have monthly menus on file along with all other monthly CACFP records.
- The institution is required to maintain a monthly invoice from the entity providing meals.
- A copy of the agreement to provide food service must be maintained on file.
- A copy of the agreement to furnish food service contract, which includes the CACFP minimum meal pattern requirements, must be submitted to the State Agency each year along with the annual CACFP application for participation.

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EXAMPLE

CONTRACT MEAL SERVICE DELIVERY RECEIPT

(Keep in your institution's monthly folder. *USE ONE RECEIPT PER MEAL SERVICE.*)

DATE: 10/06/YYYY

MEAL TYPE: Breakfast _____ Lunch X A.M./P.M./Late P.M. Snack _____ Supper _____
(Circle One)

SITE PREPARING MEAL: XYZ DAY CARE CENTER

SITE RECEIVING MEAL: TOYS N NOISE DAY CARE CENTER

DELIVERY TIME: 11:30 a.m. NUMBER OF MEALS ORDERED/DELIVERED: 14

FOOD ITEMS AND QUANTITIES DELIVERED

Menu	Quantity Delivered: Number of 1-2 4 Number of 3-5 10 Number of 6-12 _____	Bulk Delivery X Preportioned _____	*Crediting/ Portioning Information
Milk	Milk provided by: SITE (VENDOR) (Circle One) Record Quantity: _____	Fat-free milk, 1 gallon	1-2 = 4 oz each 3-5 = 6 oz each
Vegetable/Fruit/ Juice		Green beans, cut, drained, heated 2 #300 cans Pineapple chunks, natural juice 2 20-oz cans	1-2 = 1/8 cup each 3-5 = 1/4 cup each 1-2 = 1/8 cup each 3-5 = 1/4 cup each
Grains/Breads		Country biscuit, 14 1-oz	1/2 biscuit each
Meat/Meat Alternate		Chicken drumsticks w/bone and skin, 4.46#	1 drumstick each
Extras		Margarine patties, 14 pats	1 each

* Crediting/portioning information: i.e., 1 cup spaghetti sauce = 2 ounces meat/meat alternate, 6 chicken nuggets = 2 ounces meat/meat alternate and 1 ounce grains/breads serving, 2 cheese sticks = 1 ounce meat/meat alternate.

I acknowledge that the above items and quantities were delivered to this contract site. I did complete the necessary portioning/crediting information. Child Nutrition (CN) labels, product formulation statements, and/or recipes are available for all combination food items or other applicable components.

Food Service Director
Signature From Preparation Kitchen

I acknowledge that the above items and quantities were delivered to this contract site.

INSPECTION DELIVERY: Was the food delivered in a safe/sanitary method? (Yes) or No

Were food temperatures proper? (Yes) or No

Comments: Use portioning utensils provided.

Director of Day Care Center
Signature From Site Receiving Food

FOR INSTITUTION TO USE WHEN CONTRACTING MEALS FROM OUTSIDE VENDOR OR WITHIN OWN INSTITUTION; KEPT IN INSTITUTION'S MONTHLY FOLDER.

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