United States Department of Agriculture

Food and Nutrition Service

3101 Park Center Drive
Alexandria, VA
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MEMO CODE: SP27-2015; CACFP09-2015; SFSP12-2015

SUBJECT: Administrative Review Process Regarding the Child Nutrition (CN) Label, Watermarked CN Label and Manufacturer's Product Formulation Statement

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The purpose of this memorandum is to provide State agencies and Child Nutrition Program operators, including the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, and Summer Food Service Program,with additional information and clarification on the Administrative Review (AR) process regarding the: 1) Child Nutrition (CN) Label, 2) Watermarked CN Label, and 3) Manufacturer's Product Formulation Statement (PFS).

Documenting CN Labeled Products Requirements

The CN Label is the gold standard for verifying the crediting of menu items and provides a warranty against audit claims when the product is used according to the manufacturer's instructions. Valid and acceptable documentation for the CN Label is:

1) the original CN Label from the product carton; or
2) a photocopy of the CN Label shown attached to the original product carton; or
3) a photograph of the CN Label shown attached to the original product carton. (CN Labels that are photocopied or photographed must be visible and legible.)

Documenting Watermarked CN Label Requirements

During an AR, if the original CN Label, or the valid photograph or photocopy of the original CN Label **is not** available, program operators may provide the Bill of Lading (invoice) containing the product name **and**:

1) a hard copy of the CN Label copied with a watermark displaying the product name and CN number provided by the vendor; or
2) an electronic copy of the CN Label with a watermark displaying the product name and CN number provided by the vendor.

Product Formulation Statement

Reviewers **must not** request a PFS or additional crediting information when a valid CN Label or watermarked CN Label is provided by program operators. The PFS should only be requested when reviewing a processed product *without* a CN Label (see attached flowchart - Verifying Acceptable Documentation of CN Labels During an Administrative Review).

CN Label Verification System

FNS is currently working with the Agricultural Marketing Service to develop a CN Label verification system. This system will assist State reviewers during the AR, to verify the status of a CN Label as well as the crediting information. The expected completion date for this verification system is Fall 2015. Once the CN Label verification system is fully operational, State reviewers are encouraged to use this system to verify crediting information and the validity of the CN number on a CN Label.

Regional offices are to ensure all State personnel are aware of the process for verifying acceptable documentation and proper procedures for handling products with a valid CN Label. State agencies should distribute this memorandum to program operators as soon as possible. State agencies may direct any questions concerning this memorandum to the appropriate FNS regional office.

Cheryl Jackson Lewis
Director
Nutrition Promotion and
Technical Assistance Division

Sarah Smith-Holmes
Director
Program Monitoring and
Operational Support Division

Attachment

Attachment A

VERIFYING ACCEPTABLE DOCUMENTATION OF CN LABELS DURING AN ADMINISTRATIVE REVIEW

Is the following provided?

Original CN Label from Package → YES → ✓ ACCEPT

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NO

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Photocopy OR Photograph of Original CN Label on Package → YES → ✓ ACCEPT

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NO

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Watermarked CN Label (Hardcopy **OR** Electronic Copy) **AND Bill of Lading (invoice)** → YES → ✓ ACCEPT

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NO

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Request Manufacturer's Product Formulation Statement (PFS)