



Food and
Nutrition
Service

Park Office
Center

3101 Park
Center Drive
Alexandria
VA 22302

DATE: November 23, 2016

MEMO CODE: SP 07-2017

SUBJECT: Completion of Fiscal Action in School Year 2016-2017
Administrative Reviews

TO: Regional Directors

Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This memorandum addresses questions that State agencies have asked regarding School Food Authority (SFA) wide fiscal action and assists State agencies in completing administrative reviews of SFAs. This memorandum should be used in conjunction with the Administrative Review guidance issued through the memorandum, Administrative Review – Revised Manual, Forms, and Tools (School Year 2016-2017), SP 44- 2016.

For the certification and benefit issuance portion of the administrative review, State agencies review either all applications at a SFA or a statistically valid sample of applications that is representative of all schools within the district. This broader scope of review provides the State agency with a more accurate picture of the SFA's practices at all participating schools under its jurisdiction. The final rule (81-FR 50170) Administrative Reviews in the School Nutrition Programs directed State agencies to apply fiscal action SFA wide in order to promote consistency and accuracy in fiscal action procedures. This also strengthens and improves program integrity by taking into account the broader scope of practices at the entire SFA when assessing fiscal action. The memorandum, Additional Guidance for the Implementation of the Administrative Reviews in School Nutrition Programs Final Rule, SP 56-2016 outlined how State agencies use the Fiscal Action Workbook to assess fiscal action SFA wide.

The Food and Nutrition Service is currently reviewing questions and information that State agencies furnished related to SFA wide fiscal action and plan to provide additional clarifications regarding assessing fiscal action in January 2017. State agencies are reminded that the final rule at 7 CFR 210.18 (c) clarified that at a minimum, the onsite portion of the administrative review must be completed during the school year in which the review began. This provides State agencies that review SFAs prior to January 2017, the ability to complete and assess fiscal action after the release of additional fiscal action clarifications.

Regional and State Directors
Page 2

No prior approval is necessary and the State agency will not receive a Management Evaluation finding related to fiscal action not being assessed as long the onsite portion of the review is completed within the school year that the review began.

However, fiscal action should be assessed as soon as possible once additional clarifications are received.

State agencies may use the current fiscal action process as outlined in SP 56-2016 or may choose to assess fiscal action once the additional guidance is issued. States that opt to assess fiscal action once the additional guidance is issued need to notify and communicate to SFAs the status and timing of any fiscal action. State agencies are still expected to conduct all scheduled administrative reviews.

State agencies should direct any questions to the appropriate FNS Regional Office.

Original Signed

Sarah E. Smith-Holmes
Director
Program Monitoring and Operational Support Division
Child Nutrition Programs