



U.S. Department of Agriculture



Office of Inspector General  
Midwest Region

# Audit Report

## Child and Adult Care Food Program Supper Meals Served in Schools

Report No. 27601-35-Ch  
July 2006

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UNITED STATES DEPARTMENT OF AGRICULTURE



OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20250

JUL 14 2006

REPLY TO

ATTN OF: 27601-35-Ch

TO: Roberto Salazar  
Administrator  
Food and Nutrition Service

ATTN: Lael Lubing  
Director  
Grants Management Division

FROM: Robert W. Young /s/  
Assistant Inspector General  
for Audit

SUBJECT: Child and Adult Care Food Program Supper Meals Served in Schools

This report presents the results of our audit of the Child and Adult Care Food Program (CACFP) Supper Meals Served in Schools, operated as Outside-School-Hours or At-Risk centers. We evaluated the adequacy of the Food and Nutrition Service's (FNS) program regulations and guidance for suppers served in schools, specifically, the meal pattern requirements for those meals. We concluded that FNS did not ensure the consistent application of the meal requirements for suppers served in schools. While the problems noted in a previous audit<sup>1</sup> may still be occurring, FNS can correct this through the issuance of guidance and the development or amendment of existing CACFP regulations. This issue is discussed in the Finding and Recommendations section of this report.

## **BACKGROUND**

The Richard B. Russell School Lunch Act (the Act) authorizes both the National School Lunch Program (NSLP) and CACFP, and FNS administers both programs through the development and issuance of program regulations, policies, and guidance. In 1998, the Act was amended to include a provision for the reimbursement for snacks served in At-Risk areas.<sup>2</sup> The act was expanded in 2000, to authorize reimbursement for suppers served in afterschool care programs

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<sup>1</sup> Audit 27010-0017-Ch, *Chicago SFA's Accountability and Oversight of the NSLP, SBP, and CACFP Supper* (Sept. 2004).

<sup>2</sup> The William F. Goodling Child Nutrition Reauthorization Act of 1998 amended the National School Lunch Act to include the reimbursement of snacks in At-Risk areas. The Act defines an At-Risk area as a school service area that has 50 percent or more approved free and reduced-priced lunch applications.

which are now offered in seven States.<sup>3</sup> Since 1978, the CACFP served supper meals to children that attended Outside-School-Hours centers, but unlike suppers served in At-Risk areas, the centers were reimbursed different amounts<sup>4</sup> based on a child's eligibility for a free or reduced-price meal. In addition, supper meals served to children through the At-Risk care component of the CACFP can be provided by a school food authority, already authorized to participate in the NSLP, or an outside organization authorized under CACFP.

Both the NSLP and CACFP offer children nutritious meals throughout the day. While the NSLP provides meals in a school atmosphere for school aged children up to 18 years old, the CACFP offers its meals in a daycare setting for children 12 years of age or younger. The meal component requirements (meat, bread, milk, and two servings of fruits and/or vegetables) are essentially the same for both programs, except that under NSLP a school may implement an offer versus serve meal serving option.

In our prior audit of the Chicago Public Schools, which operated as a CACFP At-Risk center, we found that 78 percent more supper meals were counted than met requirements. Specifically, the schools implemented the NSLP's offer versus serve meal serving option that allows a child to decline up to two menu items.<sup>5</sup> However, the CACFP requires that a child take all menu items for that meal to be reimbursable. The improper claim was directly related to Chicago Public Schools not following State requirements. We found that the State agency prohibited the use of offer versus serve for supper because they were not sure whether that NSLP meal serving option applied to suppers served under the CACFP. The FNS Midwest regional office confirmed the State agency's position in a letter stating that the offer versus serve option cannot be used for At-Risk suppers and all menu items must be taken.

## **OBJECTIVE**

The objective of this audit was to evaluate FNS' requirements for and oversight of CACFP suppers served in schools operated as Outside-School-Hours and At-Risk centers.

## **SCOPE AND METHODOLOGY**

We performed the audit at the FNS National Office in Alexandria, Virginia, and contacted FNS officials at the agency's seven regional locations. During fiscal year 2005, there were 35 million supper meals (valued at over \$70 million) served in all centers nationwide, which included child and adult day care centers and schools. Since FNS did not have detailed State-level information on suppers served in schools, we collected information from all 50 States and determined the number of sponsors, sites, and supper meals served. We calculated that there were nearly 10 million supper meals (valued about \$21 million) served in schools for about

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<sup>3</sup> The Agriculture Risk Protection Act of 2000, Public Law 106-224, approved four States; (1) Delaware, (2) Michigan, (3) Missouri, and (4) Pennsylvania. In 2001, Illinois was added through The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, Public Law 107-76. Two States, New York and Oregon, were selected through approval of the Secretary of Agriculture through a competitive application process.

<sup>4</sup> Daycare homes and centers receive different levels of reimbursement per meal based on a child's eligibility for a free, reduced-price, or paid meal determined from the parents' income.

<sup>5</sup> Offer versus serve under the nutrient standard menu planning approach requires schools to offer at least three menu items and students to take the entrée and one other item and decline up to two items; under the food-based menu planning approach schools must offer all five required menu items and students may decline up to two menu items. (See 7 CFR 210.10)

216 Outside-School-Hours and 774 At-Risk centers nationwide for fiscal year 2005. We conducted audit fieldwork from November 2005 through March 2006.

To accomplish our objectives, we: (1) reviewed pertinent Federal regulations, policy, and guidance, and previous audits performed by the Government Accountability Office and the Office of Inspector General, (2) interviewed FNS National, regional, and selected State officials to discuss program policy and procedures, and (3) obtained program data that included the number of supper meals claimed for Outside-School-Hours and At-Risk centers by State from October 2004 through September 2005. This audit was performed in accordance with *Government Auditing Standards*.

## **FINDING AND RECOMMENDATIONS**

### **Additional Guidance is Needed for CACFP Suppers Served in Schools**

Our review found that FNS regional and State officials interpreted CACFP meal requirements differently than the FNS National Office. FNS had not developed regulations or issued adequate guidance on the supper meal requirements for meals served in schools. As a result, there was no consistency in either the implementation of supper meals or in the determination of whether those meals were properly claimed.

Federal regulations<sup>6</sup> for CACFP suppers require schools to use a meal pattern that requires five menu items including: milk, a meat (or meat alternative), two or more vegetables and/or fruits, and a bread (or bread alternative). CACFP requires that a child take all menu items for that meal to be reimbursable. However, a State agency may allow schools participating in the NSLP to substitute the meal pattern requirements of the regulations governing NSLP.<sup>7</sup> The meal pattern requirements for the NSLP allow an offer versus serve meal serving option, in which a child may decline up to two menu items. Federal regulations<sup>8</sup> do not specifically mention an offer versus serve provision for supper except that, at the discretion of the adult day care center, adult participants may decline one of the menu items.

Our review disclosed that FNS did not issue guidance on the meal requirements for suppers served in schools, whether in Outside-School-Hours or At-Risk centers. The guidance FNS did issue related to At-Risk snacks, and we were initially informed by FNS officials that the At-Risk snack requirements also applied to suppers. However, FNS officials indicated that separate rules and guidance are necessary for suppers, since we identified that the guidance issued for At-Risk snacks did not allow the offer versus serve option. Due to the absence of supper regulations and guidance, FNS regional and State offices may have inadvertently imposed a restriction on its schools by not allowing the offer versus serve option in serving suppers.

In discussions with FNS regional officials, we found that six of the seven regional officials stated that supper is a component of CACFP, and therefore, schools must follow CACFP meal

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<sup>6</sup> 7 CFR 226.20 (a).

<sup>7</sup> 7 CFR 226.20 (o).

<sup>8</sup> 7 CFR 226.20 paragraphs (o) and (q). Paragraph (o) does not mention offer versus serve and paragraph (q) titled *offer versus serve* refers only to adult day care centers.

requirements. When asked whether offer versus serve was an option for suppers, six of the seven regions stated that it was not an option. FNS regional officials stated that the CACFP regulations<sup>9</sup> did not specifically allow the use of offer versus serve, except for adult day care centers. Although one region stated that offer versus serve was an option for CACFP supper, as a result of our questioning they did contact the FNS National Office for clarification. The FNS National Office, in an e-mail to three of its seven regions confirmed that: State agencies may allow centers that belong to both the NSLP and CACFP to implement the offer versus serve option in serving supper meals in schools.

We also found that two State agency directors interpreted supper meal requirements differently than the FNS National Office. This led to problems in determining whether a supper meal was reimbursable at one large center. As noted in our audit<sup>10</sup> of Chicago Public Schools (the second largest At-Risk center nationwide), the Illinois State agency had a written policy for CACFP meal requirements, which stated that a student must receive all menu items for a supper to be considered as a reimbursable meal. We determined that Chicago did not follow those requirements and that 78 percent more supper meals were counted than met requirements. In New Jersey, which provides program oversight of the Newark Public Schools (the largest Outside-School-Hours center in the nation), a State agency official stated that supper meals must follow CACFP meal requirements. However, the State agency did not document whether that policy applied to centers that operated both the NSLP and CACFP. Therefore, if during the State agency's reviews of its centers, it found that some centers followed CACFP while others followed NSLP meal requirements, it would not be able to enforce only CACFP requirements since regulations can be interpreted to allow both.

During fiscal year 2005, there were about 10 million supper meals (worth over \$21 million) served in schools; and during the last 3 years the number of supper meals claimed at At-Risk centers has risen over 36 percent. Since the authorization of the At-Risk provision in fiscal year 2000, we found that FNS had not issued regulations or guidance on the meal requirements for suppers. FNS officials stated that they had supper regulations, but they were still in draft form and not available for our review. The discrepancy of the supper meal requirements between a State and local school correspond with the different interpretations between FNS offices. FNS National officials agreed that they needed to issue additional guidance on meal patterns for the suppers served in schools.

## **Recommendation 1**

Issue guidance to all regions and States on the CACFP supper meal requirements and the use of the offer versus serve option.

## **Agency Response**

In its response dated, June 22, 2006, FNS agreed with our recommendation and stated that guidance for the CACFP supper meal requirements and the offer versus serve option will be

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<sup>9</sup> 7 CFR 226.20 (o) and (q).

<sup>10</sup> Audit 27010-0017-Ch, *Chicago SFA's Accountability and Oversight of the NSLP, SBP, and CACFP Supper* (Sept. 2004).

completed by July 31, 2006. The guidance will be posted on the FNS Partnerweb, which is available to all CACFP State agencies and FNS regional offices.

### **OIG Position**

We accept FNS' management decision. For final action, FNS officials need to inform the OCFO once the guidance is completed and posted, and all CACFP State agency and FNS regional officials are notified about the guidance.

### **Recommendation 2**

Provide a time-phased action plan on either the development or amendment of regulations related to supper meals served in schools.

### **Agency Response**

In its response dated, June 22, 2006, FNS agreed with our recommendation and stated that it expects to publish two rules on the At-Risk components of the CACFP. The agency anticipates that the final At-Risk snack rule to be published by February 28, 2007, and the proposed rule for afterschool meals (i.e. supper) would be published no later than April 30, 2007. The final supper rule should be published during calendar year 2008.

### **OIG Position**

We accept FNS' management decision. For final action, FNS officials need to inform the OCFO when the final supper rule is published.

We appreciate the courtesies and cooperation extended to our staff during this review.

# Exhibit A – Agency Response

Exhibit A – Page 1 of 2



**United States  
Department of  
Agriculture**

**Food and  
Nutrition  
Service**

**3101 Park  
Center Drive**

**Alexandria, VA  
22302-1500**

**JUN 22 2006**

**SUBJECT:** Audit of Child and Adult Care Food Program (CACFP) Supper Program in Schools (27601-35-CH)

**TO:** Robert W. Young  
Assistant Inspector General for Audit  
Office of Inspector General

This is in response to your memorandum of May 18, 2006, in which you enclosed a copy of the report of an audit conducted by the Office of Inspector General (OIG) of suppers served in afterschool facilities participating in the CACFP.

We have reviewed the report and concur with the two recommendations provided in the report. These recommendations include:

- Issue guidance on CACFP supper meal requirements and the use of the offer versus serve option for meals served by schools participating in CACFP; and
- Issue regulations on the suppers through the at-risk afterschool component of the CACFP.

We are in the process of developing guidance for the Food Nutrition Service (FNS) regional offices and CACFP State agencies on the use of the offer versus service option for suppers served in schools participating in CACFP. This guidance should be completed by July 31, 2006, and posted on the FNS Partnerweb, which is available to all CACFP State agencies and FNS regional offices.

Within a year, we expect to publish two rules on the at-risk afterschool component of the CACFP. These rules include a final rule on at-risk afterschool snacks and a proposed rule on at-risk afterschool meals.

The final afterschool snack rule, which is now in Departmental clearance, will codify in the CACFP regulations the statutory provisions for service of snacks by at-risk afterschool care centers. This rule will also codify guidance that FNS implemented soon after the 1998 authorization of at-risk afterschool snacks. We anticipate that this rule will be published no later than February 28, 2007.

A proposed rule on at-risk afterschool meals is now in clearance within FNS. This rule will propose to codify the statutory provisions for the service of meals by at-risk afterschool care centers located in the eligible States of Delaware, Illinois, Michigan, Missouri, New York, Oregon, and Pennsylvania. We anticipate publication of the

# Exhibit A – Agency Response

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Audit of Child and Adult Care Food Program (CACFP) Supper Program in Schools  
(27601-35-CH)  
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proposed rule no later than April 30, 2007; publication of the final supper rule should occur in calendar year 2008.

  
for Roberto Salazar  
Administrator

Attachment

Informational copies of this report have been distributed to:

Agency Liaison Officer	(8)
Government Accountability Office	(1)
Office of Management and Budget	(1)
Office of the Chief Financial Officer	
Director, Planning and Accountability Division	(1)