



Food and  
Nutrition  
Service

Park Office  
Center

3101 Park  
Center Drive  
Alexandria  
VA 22302

DATE: June 30, 2016

MEMO CODE: SP 44-2016

SUBJECT: Administrative Review – Revised Manual, Forms, and Tools  
(School Year 2016-2017)

TO: Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

This memorandum provides information on the updated School Meal Programs Administrative Review Manual, and accompanying forms, tools, and instructions for School Year (SY) 2016-2017. While the concepts of the review remain the same, the Manual, along with several forms, tools, and instructions, have been edited to incorporate new requirements and provide better clarity and understanding. The edits are highlighted in yellow in the Manual and in the related forms, tools, and instructions. The attached Table: SY 2016-2017 Updated Administrative Review Manual, Forms and Tools, identifies the areas with key changes, but is not all encompassing. Please refer to the Food and Nutrition Service (FNS) PartnerWeb for the most current versions and updates of the SY 2016-2017 Manual, forms, and tools.

#### Revised FNS-640

FNS plans to issue a revised FNS-640 form by the Fall of 2016. This form includes data collected from Administrative Reviews. Submission of this form will help FNS conduct data analysis and better focus monitoring and Program Integrity efforts. More specifically, the national collection of this information will help FNS better understand the underlying causes of program error and improper payments. The data elements on the revised FNS-640 exist throughout the current Administrative Review. Select Administrative Review forms, including the current S-1, SFA-1, and SFA-2A have been revised for SY 2016-2017 to include all data elements needed to complete the FNS-640. The completed FNS-640 spreadsheets will be uploaded into FPRS for submission.

#### Procurement Review

SAs must address compliance with procurement requirements in 7 CFR Parts 210.21 and 2 CFR Part 200. Minor changes have been made to the Administrative Review to align with the FNS developed Draft Local Agency Procurement Review Tool in order to prevent duplication when conducting Administrative Reviews and procurement reviews. These changes are found in the module: Food Safety, Storage,

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and Buy American. The purpose of the tool is to assist State agencies in conducting procurement oversight of school food authority procurement procedures in SY 2016-2017.

#### Updated Regulations

The United States Department of Agriculture (USDA) will soon issue final regulations pertaining to the Administrative Review found at 7 CFR 210.18. Once issued all State agencies are expected to implement the updated Administrative Review process. In addition, FNS and State agencies are continuing our work together to improve the Administrative Review forms and tools for subsequent years. This is accomplished through the Administrative Review Forms and Tools Workgroup. The workgroup is continuing to provide feedback on forms and tools that were not updated in SY 2016-2017, such as the Fiscal Action Workbook and the Dietary Specifications Assessment Tool. These pieces are being analyzed to finalize the needed updates. As such, the forms and tools will undergo another revision for SY 2017-2018 which will reflect these updates. A notice will be published in the Federal Register and there will be an opportunity for public comment.

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

Sincerely,

**Original Signed**

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

Attachment

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**Table: SY2016-2017 Updated Administrative Review Manual, Forms and Tools**

Administrative Review Manual, Forms and Tools	Summary of Update
Off-site Assessment Tool	Questions edited, combined, and deleted for clarity.
On-site Assessment Tool	Questions edited, combined, and deleted for clarity.
FNS Revised 640	<ul style="list-style-type: none"> <li>• The AR forms and tools have been updated in line with the revised FNS 640.</li> <li>• This includes revisions to the S-1, SFA-1, SFA-2A and the inclusion of a new form, the SFA-3.</li> </ul>
Updated Regulations	The manual forms, and tools include updates as a result of Federal regulations that will soon be issued. This includes the areas of site selection, SFA onsite monitoring, and the public disclosure of the results of Administrative Reviews.
Resource Management (RM) Section, RM Risk Indicator Tool, and RM Comprehensive Review Form	<ul style="list-style-type: none"> <li>• Streamlined and clarified questions in the Off-site Assessment and RM Risk Indicator Tool.</li> <li>• Changed the threshold and risk indicators for Comprehensive Reviews. School Food Authorities (SFA) will receive a Comprehensive Review of any of the four RM areas if a risk indicator is received. SFAs will only get a Comprehensive Review of all four RM areas if a risk indicator flag is raised in all four areas or the Risk Indicator Tool is not completed at least four weeks in advance.</li> <li>• Updated the RM Comprehensive Review form to reflect changes.</li> <li>• Added the Revenue from Non-program Foods Testing Chart</li> </ul>
Food Safety, Storage, and Buy American Module	<ul style="list-style-type: none"> <li>• Buy American has been added to the Module Food Safety, Storage, and Buy American.</li> <li>• Review questions have been added to the off-site and on-site assessment tools. The addition of this area will help ensure monitoring of this area and help align the Administrative Review with the State agency Draft Local Agency Procurement Review Tool.</li> </ul>
SFAs Contracting with FSMCs Module	The module, SFAs Contracting with FSMCs, has been removed as this area will be monitored as a part of the State agency Draft Local Agency Procurement Review Tool. For State agencies not utilizing the review tool, the State agencies procurement review procedures must include monitoring of this area in line with Federal regulations.

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