Counting and Claiming

Approved Collection Procedures

There are a number of collection procedures that school systems can use to meet the requirements of an accurate meal count. SFAs choose the type of procedure that will be used in each of their schools. The collection procedure used must be approved by the SDE. Information on the collection procedure approved for each school in the system is included in the Collection Procedures form in the Application/Agreement completed yearly online. http://www.cnp.alsde.edu/ Any changes to the collection procedure must be approved by SDE. The Collection Procedures page of the Application/Agreement gives broad definitions of each collection procedure. Additionally, each school should have a detailed description of how the approved collection procedure will be implemented. It is imperative that the collection procedure in actual use in the school is the same as the procedure approved by the SDE.

Training on Meal Counts, Consolidations, and Claims

All personnel involved in the meal count system must be adequately trained to perform their duties and responsibilities. Written records should be kept to document training. A review of these records can help the CNP director determine who may need training. Any new personnel or substitute personnel involved in the meal count/collection procedures should receive training prior to being given responsibility for the task. The CNP director can determine if other personnel need additional training, coaching, or technical assistance by observing procedures in use and asking questions.

Suggested Areas for Training

- Implementing the collection procedure as it is outlined in the Application/Agreement.
- Correctly operating any mechanical or electronic equipment used to determine the meal count.
- Recognizing a reimbursable meal and knowing the procedures to follow when the student has not selected a reimbursable meal.
- Using correct procedures to issue tickets, tokens, IDs, pin numbers, etc.
- Interpreting and using the information on tickets, tokens, IDs, pin numbers to accurately count, collect correct payments and record the meals by category.
- Using the up-to-date master roster to resolve meal eligibility questions.
- Dealing with lost, stolen, or misplaced tickets, IDs or pin numbers.
- Handling charged meals (non-revenue).
- Counting meals for visiting students.
- Completing reports of daily meal counts and daily cash collections.
- Correctly completing cash reconciliation.
- Maintaining security of cash, tickets, tokens, IDs, pin numbers, etc.
Replacing Lost and Stolen Tickets

Federal Guidelines
1. A minimum of three ticket replacements or special meal arrangements resulting from three lost or stolen tickets must be allowed each student within each school year.
2. The school must maintain a list of students who have reported missing meal tickets in the current school year and the number of occurrences for each student.
3. A written warning including an explanation that the student has repeatedly requested replacement tickets should be given (to) the parents and student prior to the refusal to allow ticket replacements for the fourth ticket.
4. The student may then be charged for a fifth and each subsequent meal ticket not to exceed the cost to the school district for a ticket.
5. Meals must always be provided to preprimary and young primary students or for any handicapped student who may be unable to take full responsibility for a meal ticket. (*FNS Instruction 765-7, Rev. 2, Handling Lost, Stolen, and Misused Tickets*)
6. Avoid overt identification of eligible students.

Local Policy for Lost and Stolen Tickets
1. A local policy should be developed which contains the above federal guidelines and communicates to students and parents how missing meal tickets will be handled.
2. A notice of this policy should be distributed to households at the same time applications are distributed.
3. Each system’s unique procedures must be clearly spelled out as to when replacement tickets or reissue of tickets will take place in order not to disrupt smooth operation of the program.

Charged Meals

- Cafeterias should not charge adult meals or a la carte items for students or adults.
- It is not recommended policy to charge meals of any type.
- Some principals may wish to set up a cash fund from sources other than Child Nutrition Program such as PTA, clubs, etc. The cash funds can be used to pay for students who have lost or forgotten their money. This money, or purchased ticket, must be “in hand” when the student goes through the service line.
- Elementary-age students who have lost or forgotten meal money may charge a meal with written authorization from the principal, or his designee. No child in grades K-3 may be denied a lunch meal.
- Records of all charges and repayments must be maintained. Charges must be collected by the end of the school year or made up from funds other than the Child Nutrition Program. Documentation of efforts to collect this money should be maintained.
Uncollected Charged Meals

Uncollected charged meals constitutes a bad debt and is unallowable. The school system must have a policy in place, which ensures the accountability for charged meals. Funds from some other source must be deposited into the CNP fund to cover uncollected charged meals. Nonpublic Local School Funds may be used. The school system may advocate a policy of providing an optional meal such as cheese sandwich, milk and fruit, etc. Alabama policy states that no child in grades K-3 may be denied a lunch meal.

Policy should include:
Topic: Charged Meals
Procedure: (the following questions should be addressed in the procedure)
1. Can meals be charged or will alternate meals be provided?
2. Can adults charge?
3. Can a la carte items be charged?
4. If alternate meals are provided, what will be included in the meal?
5. How many meals can be charged before alternate meals are provided?
6. How will the procedure for K-3 differ from grades 4-12? Or will they?
7. What methods will CNP use to recover these charges?
8. How will the charges be covered if they cannot be recovered?

Cash Reconciliation

- In order to reconcile cash you must be able to accurately count the number of free, reduced-price, and paid student meals, adult meals, and all extra sales. This must be done at the time and place the meals were served.
- Schools with extra sales may develop a method of keeping track of these sales which is suitable to their particular need.
- The actual amount of cash received each day may not necessarily be the same as the number of paid and reduced-priced meals would indicate. Potential income may be different from actual cash received. This should not be adjusted but should be recorded as an overage or shortage. Meals should be recorded when they are served and money should be recorded when it is received.
- Cash should be counted twice by separate persons before it is deposited. Cash should be deposited daily.

Security of Cash, Tickets, Tokens, IDs, Pin Numbers

- A system must be in place to safeguard cash, tickets, tokens, IDs, pin numbers, from loss, theft, and misuse.
- Avoid the use of theater type tickets or other tickets which fail to identify the owner. There must be some control which will prevent the re-use of a ticket during a meal service period. Cashiers must be provided with a list of withdrawn and/or lost tickets.
• Provisions must be made for a safe, locked, secure location for cash, tokens and tickets. A responsible person or persons should be designated to verify the accuracy of monies received.
• The cashier should count monies at the close of serving time, with a second designated person counting as a security measure. Monies from each line should be counted separately and then combined.
• Monies should be taken to the bank immediately after count. The school employee making a deposit is responsible for making sure bank tellers are observed during money count. The school employee should initial any change to the deposit slip.
• School districts have a blanket bond for money handlers.

Internal Controls for Accountability

How does the CNP director know when there are problems with meal counting systems? Internal controls are procedures an organization uses to make sure that their processes give the desired results. This means that there is some way to check each process and determine if it is working correctly or improvements are needed. This does not mean that the person responsible for the initial action is at fault, untrustworthy, or incapable of performing his assigned job.

Good internal procedures are a part of every business operation. It is important that each member of the Child Nutrition Program team understands the purposes of internal controls. It is also important that when problems are identified they are addressed and steps are taken to correct and prevent them in the future. Some of the internal controls listed below are requirements and some are a part of good management. Each CNP director may identify other internal controls that are needed.

Internal Control: Second party reviews of Free and Reduced-Price Meal applications and rosters at time of approval and periodically during the year (requirement)

This internal control is a requirement. The person responsible for second party reviews is listed in the approved Application/Agreement.

Internal Control: Ongoing observations and periodic monitoring of the meal count system including cashiering procedures and review of meal count records.

The CNP director can often spot potential problems during routine visits to schools by watching cashiers. Cashiers may initially be uncomfortable with someone observing, but it is the best way to determine if there are problems. If the director makes a habit of observing the meal count procedures when visiting a school, the cashier will become more comfortable. This will help the director identify where training or technical assistance is needed. When problems are noted, technical assistance, coaching, or additional training should be implemented to correct the problem. The problem should be addressed with the persons responsible for the supervision of the program, for
example, the manager or the principal/director. It is important that CNP directors use good coaching techniques when they observe a problem.

**Internal Control: Second party review of all consolidations of meal counts.**

Errors in consolidations of meal counts may be due to errors in addition or a transposed number. Always train each person to make calculations twice to check themselves to avoid making an error. This should be done by the person completing and by the person reviewing.

**Internal Control: Complete edit checks for potential over claims (requirement).**

School districts are required to complete edit checks daily and monthly prior to the submission of a monthly claim for reimbursement. **Edit checks are mathematical processes that compare the monthly and daily lunch counts against data to assist in the identification of lunch counts in excess of the number of free and reduced-price lunches served each day to children eligible.** These calculations help identify “potential over claims.” SFAs are required to have a system for following up on lunch counts when it appears that there is a likelihood of lunch counting problems or potential over claims. The edit check is completed for each school in the district. [http://www.cnp.alsde.edu/nslp/Forms/EditCheckforMonthlyClaim.xls](http://www.cnp.alsde.edu/nslp/Forms/EditCheckforMonthlyClaim.xls)

**Internal Control: Local review at a minimum of one time per year (requirement under federal regulations).**

Federal regulations require that school food authorities with more than one school must perform an on-site review of the lunch counting and claiming system at each school at least one time per year. This review must take place before February 1 of each school year. If problems are found, the SFA is required to ensure the school implements corrective action. A follow-up review must be made within 45 days to determine if corrective action resolved the problem. The on-site review “shall ensure that the school’s claim is based on the counting system authorized by the state agency” and “that the counting system, as implemented, yields the actual number of reimbursable free, reduced-price and paid lunches, respectively, served for each day of operation.” A copy of these forms are found on the School Nutrition Web page under forms.