



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
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**FISCAL YEAR 2015
CHILD AND ADULT CARE FOOD PROGRAM
OPERATIONAL MEMORANDUM #14**

TO: Child and Adult Care Food Program Institutions

FROM: Marla J. Moss, Director
Office of School Support Services

DATE: March 20, 2015

**SUBJECT: Child Nutrition Labels Copied with a Watermark –
Acceptable Documentation**

The purpose of this memorandum is to clarify that a Child Nutrition (CN) Label copied with a marking referred to as a "watermark" is acceptable documentation for an Administrative Review (AR). A CN label with a watermark is used when the CN logo and contribution statement is presented as a separate document from the actual product carton. Manufacturers may provide schools with a CN label with a watermark during the bidding process. (Original CN labels on product cartons will not have a watermark.)

Institutions should be aware that product information on the CN label with a watermark can be changed. Therefore, institutions are encouraged to verify that the CN label with a watermark came from the actual product purchased and accurately reflects that product. This helps to maintain the integrity of the CN Labeling Program. During an AR, program operators may document CN Labeled products as outlined below:

Documenting CN Labeled Product 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. Acceptable and valid documentation for the CN Label includes:

- 1) the original CN Label from the product carton
- 2) a photocopy of the CN Label shown attached to the original product carton or 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.)

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Documenting Watermarked CN Label Requirements

If the original CN Label from the product carton, 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 one of the following:

- 1) a hard copy of the CN Label copied with a watermark displaying the product name and CN number provided by the vendor
- 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

When a valid CN Label or watermarked CN Label with Bill of Lading is provided, State reviewers must not request additional crediting information such as a manufacturer's Product Formulation Statement (PFS). The PFS should only be requested when reviewing a processed product without a CN Label.

CN Label Verification System

Food and Nutrition Service (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 watermarked CN Label.

If you have any questions regarding this memorandum, please contact the Child and Adult Care Food Program at 517-373-7391.

Attachment

TIP Sheet for Accepting Processed Product Documentation

Child Nutrition (CN) Labels, product formulation statements, and product labels provide a way for food manufacturers to communicate with school program operators about how their products may contribute to the meal pattern requirements for meals served under the Department of Agriculture's (USDA) Child Nutrition programs. Below are tips for acceptable documentation using CN Labels and Product Formulation statements:

CN Labeled Products

- ❖ The CN Label provides a warranty against audit claims when the product is used according to the manufacturer's direction.
 - ✓ Program operators may submit an **original CN Label**, or a photocopy or photograph of the original CN Label during an administrative review as acceptable and valid documentation. If using a photocopy or photograph of the CN label, please be sure to follow the criteria below:
 - ✓ Photocopies of the CN label must be shown attached to the original product carton; or
 - ✓ Photographs of the CN Label must be shown attached to the original product carton. (CN Labels that are photocopied or photographed must be visible and legible.)
- ❖ When a valid CN logo and crediting statement is provided, State reviewers **must not** request a Product Formulation Statement or other additional crediting information.

Watermarked CN Labels

- ❖ A CN label with a watermark is used when the CN logo and contribution statement are used on product information other than the actual product carton and is presented as a separate document.
- ❖ 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**:
 - ✓ A hard copy of the CN Label copied with a watermark displaying the product name and CN number provided by the vendor; or
 - ✓ An electronic copy of the CN Label with a watermark displaying the product name and CN number provided by the vendor.

Product Formulation Statements (PFS)/Other Documentation

- ❖ PFS must be on signed letterhead that demonstrates how the processed product contributes to the meal pattern requirements.
- ❖ Templates for documenting meal components are available on the FNS website at the USDA Food and Nutrition Service website – CN Labeling (<http://www.fns.usda.gov/cnlabeling/food-manufacturersindustry>)
- ❖ PFS may be modified for various products contributing to more than one meal component. The crediting information for each meal component may be documented on the same PFS.
- ❖ Creditable ingredients listed in the PFS must match a description in the *Food Buying Guide for School Meal Programs* available at the USDA Food and Nutrition Service website - Food Buying Guide (<http://www.fns.usda.gov/tn/food-buying-guide-school-meal-programs>)
- ❖ PFS should verify that the product's contribution to the meal pattern requirements is not greater than the serving size of the product (i.e., a 2.15 ounce beef patty may not credit more than 2.00 ounce M/MA).
- ❖ PFS should assure that the creditable components are in the finished product.