

2022-2023 Alternate Agreement

Under an Alternate Agreement, the contract must state that the Local Educational Agency (LEA) is relinquishing its authority to operate the specified School Meals Program(s) to the listed School Food Authority (SFA)/Sponsor. The contract between the SFA and LEA must state that the SFA is accepting total legal and financial responsibility for the newly incorporated LEA's School Meals Program(s) at the specified sites as indicated. As such, the SFA may not charge the LEA for any operating costs nor require the LEA to make the SFA whole should they suffer a loss to the program. This agreement also includes paying over claims as a result of administrative reviews, distributing United States Department of Agriculture (USDA) Foods (formerly known as "Commodities"), complying with the Child Nutrition Program regulations, and operating one Non-profit School Food Service Account (NSFSA) for all the combined sites.

Given the LEA has relinquished its authority to run the School Meals Program, the LEA should not use the Food Service Fund (Fund 25) to record any transactions including revenue, expenditures, or transfers to and from the NSFSA in any capacity.

Alternate Agreements are valid for no more than one school year, July 1 through June 30, and must be approved by the Michigan Department of Education (MDE) prior to the start of the agreement.

Upon approval from MDE's Office of Health and Nutrition Services, School Nutrition Programs, an Alternate Agreement requires the SFA to incorporate additional specified LEA sites into its SFA school nutrition programs operation.

NOTE: This agreement can be used only for one LEA to transfer to an SFA the administration of the School Meals Program in **all** the LEA sites. For example, if the relinquishing LEA has five sites, it must transfer the School Meals Program(s) for all five of its sites to the acquiring SFA.

Application Process

The SFA must upload the Alternate Agreement in their School Nutrition Programs application for each site for which it has obtained authority.

Required Documents to Upload into SFA Application for Approval

All pages must be completed by the both the LEA and the SFA and uploaded into the SFA's School Nutrition Program (SNP) NexSys application for MDE's approval. **This is the only document that can be used for the Alternate Agreement.**

Administrative Reviews

During the Administrative Review process, at least one (1) Alternate Agreement site will be required to be visited by an MDE analyst.

Professional Standards

When a new food service director is hired, this person must meet the hiring standards for the current SFA student enrollment category, plus the student enrollment of all LEA sites under the Alternate Agreement. Existing food service directors will be grandfathered in their current positions, regardless of whether they meet the new USDA hiring standards for their SFA.

Section 31a funds: Sec 31a (6)

School Breakfast Program Supplement: per Section 31a (6), LEAs operating a school breakfast program are to use up to \$10/student for the costs associated with the operation of this program. This is not an optional expenditure of section 31a funds. (For Public Schools and Public-School Academies). Please refer to the Frequently Asked Questions for further guidance: https://www.michigan.gov/mde/0,4615,7-140-81376_51051-43638--,00.html.

Sponsor (SFA) Agreement Number _____

Legal Name of SFA (District, School, etc.) _____

Name of Contact Person (SFA) _____ Title (SFA contact) _____

Phone Number _____

Address of Sponsor (SFA) _____ City _____

State _____ Zip Code _____

LEA Agreement Number _____

Legal Name of LEA (District, School, etc.) _____

Name of Contact Person (LEA) _____ Title (LEA contact) _____

Phone Number _____

Address of Sponsor (LEA) _____ City _____

State _____ Zip Code _____

_____ (LEA) wishes to transfer authority of the list of sites identified below to operate the specified School Nutrition Program(s) for the students of the LEA to _____ (SFA).

All legal and financial authority for operating the specified School Meals Program(s) for the students of the LEA at the sites indicated below is hereby transferred to the SFA.

The SFA accepts total legal and financial responsibility for the LEA's specified School Meals Program(s). As such, the LEA may not charge the SFA for any operating costs nor require the SFA to make the LEA whole should they suffer a loss to the program.

Given the LEA has relinquished its authority to run the School Meals Program, the LEA should not use the Food Service Fund (Fund 25) to record any transactions including revenue, expenditures, or transfers to and from the NSFSA in any capacity.

This agreement also includes paying over claims because of Administrative Reviews, distributing USDA Foods, and complying with program regulations.

LEAs, including CEP-eligible LEAs, shall use Section 31a funds in an amount not to exceed \$10.00 per economically disadvantaged students for whom the LEA receives Section 31a funds to pay for costs associated with the operation of the school breakfast program [Sec. 31a (6)]. _____ (LEA) must provide _____ (SFA) up to \$10 per economically disadvantaged student of 31a funds to be used for the School Breakfast Program. Agreed upon amount per student: \$ _____. (For Public Schools and Public-School Academies)

The LEA hereby relinquishes its authority to operate the specified School Meals Program(s) to the SFA.

LEA sites that are being transferred to the SFA are listed below. If additional space is needed, attach additional sheets.

1a. Official Name of Site: _____

1b. Address of Site: _____

1c. MDE Site Number: _____

2a. Official Name of Site: _____

2b. Address of Site: _____

2c. MDE Site Number: _____

3a. Official Name of Site: _____

3b. Address of Site: _____

3c. MDE Site Number: _____

4a. Official Name of Site: _____

4b. Address of Site: _____

4c. MDE Site Number: _____

5a. Official Name of Site: _____

5b. Address of Site: _____

5c. MDE Site Number: _____

The Sponsor (SFA) will be responsible for ensuring that the food service operation is in conformance with all Federal and State regulations that are applicable to the National School Lunch Program, School Breakfast Program, and Special Milk Program.

The Sponsor (SFA) signature must be an official who is authorized to legally bind this entity.

Sponsor (SFA) Contact (Signature): _____ **(Title):** _____ **(Date):** _____

LEA Contact (Signature): _____ **(Title):** _____ **(Date):** _____

**School Food Authority (SFA)
Terms of Agreement**

Check all that apply:

National School Lunch Program
School Breakfast Program
Afterschool Snack Program

Fresh Fruit and Vegetable Program
Special Milk Program

1. Program Administration:
Who will distribute the Free and Reduced-Price School Meal Applications to each household?
2. Who will be responsible for running the Direct Certification Report at least three times a year? For non-public schools there must be a person responsible for uploading enrollment prior to running the report.
3. Who will process the School Meal applications including determining eligibility and the household information reports (Approval Official), notifying applicants (letters to households), completing verification requirements (Verification Official), providing a Hearing (Hearing Official), and updating eligibility changes (updating the free and reduced list)?
4. Who will verify the Prototype Documentation used (free and reduced applications, letters to households, etc.) is approved by MDE or is the MDE Prototype?
5. Where and how will point-of-service counts by eligibility category be obtained and who will record and report these counts?
6. How will the SFA compile the monthly claim for reimbursement for the LEA sites before it is submitted to Michigan Department of Education? Who will perform the required attendance-adjusted eligible edit check?

7. What will be the policy for reconciling any differences that may exist between days that school is in session and how meal service may be affected?

8. School Meals Program records and Free and Reduced-Price School Meal Applications must be kept on file for three years plus the current school year. Where will records be stored?

9. How will student required involvement in the school meals programs (e.g., advisory groups, taste panels, surveys, menu planning, wellness policy committee) be handled?

10. Food Safety Program/Food Safety Inspections:
Who will be responsible for the overall written Food Safety Plan, based on Hazard Analysis Critical Control Point (HACCP) principles, in all locations outside of the cafeteria where food is stored, prepared, or served?

Who will be responsible for obtaining two food safety inspections for each licensed site each school year?

Who will be responsible for posting the most recent inspection in a publicly visible location at each licensed building site?

11. Professional Standards:
Who is responsible for assuring all hiring and training standards meet USDA Professional Standards requirements for the LEA?

12. Financial Requirements:
How will meal prices be set, and the Paid Lunch Equity provisions be implemented?

13. How will Nonprogram Foods (food and beverages sold to students during the school day that are not part of the reimbursable meal) be priced, implemented, and monitored? How will adult meal prices be set?

14. Who will collect money/sell tickets to students and adults? And how will those daily deposits be handled by the SFA? What will be the policy for meal charges and is this policy acceptable to both SFA sites and the additional LEA sites? What will the bad debt policy be and who will be responsible for making food service whole for any bad debt?

15. Who is responsible for ensuring the fiscal requirements of operating the school meals program are met? Including but not limited to: Financial Information Database School Meals Report, Single Audit, maintaining a restricted Non-profit School Food Service Account (NSFSA), allowable costs and indirect costs, Net Cash Resources limitations, prior approval of equipment and capital outlay requests.

How will existing fund balances be handled? At the merge and at the end of the agreement.

How will equipment purchases be handled?

Cancellation Requirement:

16. Terms regarding cancellation rights by either the SFA or LEA should be discussed and documented, should an unforeseen problem arise. Minimum 60-day notice is recommended. Please describe cancellation terms:

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online [How to File a Program Discrimination Complaint | USDA](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture Office of the
Assistant Secretary for Civil Rights 1400
Independence Avenue, SW Washington, D.C.
20250-9410

(2) fax: 202-690-7442; or

(3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.

The School Nutrition Programs are federally funded through the USDA and administered by MDE.

<https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer>

<https://www.usda.gov/non-discrimination-statement>