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STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

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INTERIM STATE SUPERINTENDENT

**CHILD NUTRITION PROGRAMS**

**ADMINISTRATIVE MEMO NO. 1  
SCHOOL YEAR 2018-2019**

**DATE:** January 11, 2019

**SUBJECT:** 60-Day Claim Submission Deadline Requirements for the National School Lunch Program (NSLP), School Breakfast Program (SBP), Special Milk Program (SMP), and Child and Adult Care Food Program (CACFP)

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) has issued updated guidance on the 60-Day Claim Submission Deadline for Child Nutrition Programs (CNP) effective October 1, 2018 (SP 20-2018, CACFP 14-2018). For the purposes of this memo, "sponsor" will refer to school food authorities, summer camps, non-school sponsors, and institutions participating in NSLP, SBP, SMP, and/or CACFP.

The United States Agriculture Appropriations Act of 1983, P.L. 97-370 specifies "*That only final reimbursement claims for service of meals, supplements, and milk submitted to State Agencies (SAs) by eligible schools, summer camps, institutions, and service institutions within 60 days following the claiming month shall be eligible for reimbursement from funds appropriated under this Act.*" This memo clarifies the circumstances for exceptions to this law for sponsors.

This guidance emphasizes the need to carefully check claims for accuracy and assure timely submission. Sponsors are required to check for such factors as the severe need flag, the Community Eligibility Provision (CEP) flag, and meal counts according to eligibility status. ***Do not wait to submit claims!*** The Michigan Department of Education (MDE) will no longer be able to be flexible in correcting claims after the final 90-day deadline for MDE to report data to USDA. If you determine a claim is not properly set up for you, e.g. a site is missing, reimbursement rate is incorrect, or a meal is missing on a site, you should still submit the claim for the rest of the sites. Then contact MDE to receive clarification on how to correct the issue.

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**A. Certification of the Claim for Reimbursement**

In submitting any claim for reimbursement, each sponsor must certify that the claim is true and correct and that records are available to support the claim. Sponsors are never permitted to submit “estimated” claim data.

**B. Claim Data Documentation and Record Retention**

Documentation must be maintained by the sponsor to support all actual claim data reported. Details and reasons for all adjustments must also be maintained. This documentation will be reviewed during monitoring reviews by MDE. Claims that cannot be supported will be disallowed and reimbursements will be recovered by claim adjustments and balances due taken from the next payment made by MDE. Records supporting claims must be retained by the sponsor and available for review for three years plus the current fiscal year or as long as required for resolution of the issues raised by an audit or administrative review.

**C. Final Reimbursement Claim Submission Deadline – 60-Day Deadline**

Reimbursement claims must be submitted in the Michigan Nutrition Database (MiND) system not later than 60 calendar days following the last day of the month covered by the claim. When the 60<sup>th</sup> calendar day falls on a Saturday, Sunday, or Federal holiday, the claim is due on the next business day. Claims not submitted within the 60-day deadline will not be paid unless the USDA FNS determines an exception should be granted. Revisions to a claim for reimbursement may be submitted prior to the 60-day deadline. However, after the 60 calendar days, the data already submitted are considered final and may only be revised according to specific circumstances:

*i. No Change in the Dollar Value of the Claim*

The sponsor must submit to MDE revised final claims if it determines that meals were improperly categorized, or other non-meal data were in error. When changes to meal categories or data do not change the dollar value of the claim, no exception request is needed and MDE has the authority to make adjustments without USDA FNS approval. However, the sponsor must submit an explanation in writing via the MiND system describing the events and circumstances that prevented compliance with claim requirements.

*ii. Downward Adjustments*

Downward adjustments which result in a reduction of program funds to the sponsor, regardless of when it is determined that such adjustments are necessary, shall always be considered allowable and are not subject to the 60-day deadline or USDA FNS approval. In the case of downward adjustments, the sponsor must submit to MDE an explanation in writing via the MiND system describing the events or circumstances regarding the downward adjustment.

*iii. Exceptions Beyond Your Control*

Late claims or failure to submit a claim when the reason resulted from circumstances beyond the control of the sponsor is a valid exception to the 60-day rule. Examples include, but are not limited to, a natural disaster, fire, flood, vandalism of records, and serious illness or injury of the person responsible for submitting the report. The sponsor may request as many exceptions as needed if the situation was beyond their control.

- a. If beyond your control, the sponsor is required to submit an explanation in the Grants Electronic Monitoring System/Michigan Administrative Review System (GEMS/MARS) to MDE describing the circumstances that prevented timely claim submission. If the explanation is deemed valid by MDE, it will be forwarded to the USDA FNS Regional Office for approval. No claim adjustments can be made without USDA FNS approval.
- b. In CACFP only, a sponsor may appeal MDE's decision not to forward a late claim or revised claim to the USDA FNS Regional Office for an exception consideration [7 CFR §225.13(a), §226.6(k)(2)(x)]. However, a sponsor will not be permitted to appeal a USDA FNS Regional Office's decision to deny the use of an exception.

*iv. Exceptions Within Your Control*

Late claims or failure to submit a claim within the 60-day deadline when the reason resulted from circumstances within the control of the sponsor and results in an increase to the amount of reimbursement to a sponsor may be approved once every 36 months. The exception can only be for a single month. If more than one month is included in the claim, MDE can only pay for one month and must deny payments for the other months. The sponsor must submit a Corrective Action Plan (CAP) in GEMS/MARS with an explanation of what events or circumstances prevented a timely claim submission and procedures to be adopted to prevent such circumstances in the future. A one-time exception can be granted to each "program" separately within the 36-month period. An exception for any of these programs would count as the sponsor's one-time exception for that program. In this case, the "program" is collectively defined as:

- a. School Meals: school breakfast, school lunch, and the NSLP after school snack program; or
- b. Child Care Meals: meals for childcare centers and at risk after school snacks and suppers; sponsors of family day care homes.

*v. Adjustments Resulting from Reviews*

- a. A sponsor may submit a revision to a claim that was submitted on time when an audit or Administrative Review determined overclaims or underclaims. This may be for one or more months. MDE may approve such adjustments if the claim falls within three years of the current fiscal year and is subject to the availability of federal funds.
- b. MDE may direct the sponsor to adjust a claim if MDE discovers an error or omission during the claim review process. Downward claims shall be made regardless of when it is determined such adjustments are necessary. An upward adjustment may only occur if:
  - 1) the sponsor originally submitted the claim within the 60-day deadline, and
  - 2) the sponsor is able to revise its claim in time for MDE to submit their final report to the USDA within their 90-day reporting deadline. [7 CFR §210.8(b)(4), §215.10(b), §220.11(b), §225.9(d)(6), §226.10(e)]

**D. Sponsor Compliance**

If a sponsor fails to meet the 60-day deadline, it is considered out of compliance except in the situations explained above. When a sponsor is out of compliance, a corrective action plan (CAP) may be required by MDE. In addition, MDE may withhold payments to the sponsor for all Child Nutrition Programs until the sponsor can produce an accurate claim each month. [7 CFR §210.24, §220.18, and §215.15; 2 CFR §200.338]

Questions on this correspondence can be directly to MDE's Fiscal and Administrative Services unit at 517-241-5348 or [mde-fiscal@michigan.gov](mailto:mde-fiscal@michigan.gov).