

## Chapter 11: Counting and Claiming

### Table of Contents

Components of a Successful Counting and Claiming System.....	2
Eligibility Documentation.....	2
Collection Procedures .....	2
Paper Rosters .....	3
Suggested Coding .....	3
Computerized Systems.....	3
Point of Service (POS) Meal Counts .....	4
Invalid Counting Methods .....	4
Accepting Cash at the Point-of-Service .....	5
Reports .....	5
Daily Meal Counts .....	5
Daily Records for Non-Pricing Programs.....	6
Claim for Reimbursement.....	6
Internal Control Requirements.....	7
Edit Check Report.....	7
Ineligible for Reimbursement .....	8
Meal Accountability Policies.....	8
One Breakfast/Lunch/Snack per Child per Day.....	8
Other Circumstances .....	9
Field Trips .....	9
Claiming Meals for Student Workers .....	9
Serving Older Students .....	9
Serving Visiting Students .....	9
Serving Students Off-Site .....	10
Serving Students in Alternative/Cooperative Schools.....	10
Serving Non-student Guests .....	10
Charging Meals .....	10
Lost, Stolen, Misused and damaged IDs.....	11
Exchanging/Borrowing IDs, Pin Number, or Tickets.....	11
On-Site Accountability Reviews.....	11
Person Completing the Review .....	11
Goals of the Review .....	11
The review should, at a minimum, ensure that: .....	11
Corrective Action Plan and Follow-up Review .....	11
On-Site Review Form and Record Keeping .....	12
Questions and Answers.....	13

### **Purpose**

The SFA must have a meal counting and claiming system that accurately counts, records, consolidates, and reports the number of reimbursable meals claimed, by category (i.e., free, reduced price, or paid). The meal counting and claiming process must include a mechanism, whether manual or electronic, for counting meals and consolidating meal totals at each school within the SFA. The mechanism must include an internal control system that validates the total meal counts prior to the submission of the Claim for Reimbursement to the SA.

The goal for monitoring meal counting and claiming procedures is to assure the processes the SFA uses to count, consolidate, and claim meals for the SBP and NSLP are in compliance with Program requirements. For example:

- Counting and claiming system(s) in use for the SBP and NSLP provide accurate counts of reimbursable meals, by category
- Reimbursable meals are correctly counted, consolidated, and recorded at each school and at the SFA level
- Counting and claiming system yields an accurate Claim for Reimbursement

Proper counting and claiming ensures an accurate claim and adequate documentation on file to support the claim.

### **Components of a Successful Counting and Claiming System**

1. Eligibility Documentation
2. Collection Procedures
3. Point of Service (POS) Meal Counts
4. Reports
5. Claim for Reimbursement
6. Internal Controls
7. Responsibilities

#### **Eligibility Documentation**

SFAs must create a procedure that ensures eligibility documentation is approved correctly, and student names and eligibility statuses are accurately transferred to school point of service locations. See the USDA Eligibility Manual for more information on determining eligibility.

#### **Collection Procedures**

A meal counting system includes collecting student cash and the entering PIN numbers, scanned barcodes or recording student names on a roster.

Overt identification must be prevented, and students receiving free and reduced price meal benefits must not be treated differently, be identifiable by other students, or separated from students who do not receive meal benefits.

### **Paper Rosters**

When using a roster, all students should be prepared to give their names to the cashier if the cashier does not know each child's name. The cashier identifies and marks the name on the roster as the student is served a reimbursable meal. See Roster of Student Meals Served in Forms Section for a sample form. Any method must prevent overt identification of students eligible for free or reduced-price meals.

### **Suggested Coding**

#### Number Coding

- Fourth digit in 4-digit number indicates eligibility category:
  - 2751 = free
  - 9742 = reduced-price
  - 7353 = paid
- Last number indicates eligibility category:
  - Number ending with 0 = free (230)
  - Number ending with an even number = reduced-price (538)
  - Number ending with an odd number = paid (713)

#### Number Coding by Series

- 1 through 1999 = free
- 2000 through 3999 = reduced-price
- 4000 through 5999 = paid

#### Computer-coded Student ID Numbers

- ID numbers are assigned by the school and identified in the computer system as paid, reduced-price or free

### **Computerized Systems**

Computerized systems can use:

- Rosters and ID cards
- ID Cards or Scan Cards
  - Using this method, all students receive a card that is scanned or turned in when they receive a meal. Students receiving free and reduced-price meal benefits must be issued a card identical to the one issued to students who prepay in the paid category. The only permissible difference is variation in the code used by the person making the meal count determination to identify the meal category. Refer to Suggested Coding provided previously in this chapter for acceptable methods. Whatever method of coding is used, overt identification must be prevented. Cards should be checked to assure they are presented by the correct student.

- Personal Identification Numbers
  - All students are assigned a Personal Identification Number (PIN). The students' meal benefit category is entered into the computer system in advance. The PIN is entered into the Point of Service (POS) and the student's name and/or picture is displayed and the cashier makes a positive identification. Paid and reduced price eligible students' accounts are debited or cash is paid.

A computer system can greatly simplify the meal counting and claiming process. These systems are capable of:

- Providing meal counts by category at the point-of-service.
- Preventing overt identification.
- Alerting the cashier when a student receives a second meal.
- Using prepayment plans to eliminate the exchange of money on the serving line.
- Producing reports of meals served, student meal category status, etc.
- Generating notices to households that funds have been depleted in the student's meal account.
- Allowing the cashier to permit or prohibit the sale of a la carte items or second meals based on parental preferences or the student's account balance.

If an automated system is chosen, the SFA must have a back-up counting system in case of mechanical failure of the automated equipment.

### **Point of Service (POS) Meal Counts**

An acceptable POS meal count accurately records one reimbursable meal per enrolled student, is counted by category (free, reduced price, paid), is counted daily, and does not overtly identify students' eligibility categories.

Meals are counted at the point in meal service where it can be accurately determined that a reimbursable free, reduced-price, or paid has been served to an eligible student. Unless an alternative method is approved by OHN, the cashier must be located at the end of the serving line to monitor the meals selected meet requirements.

### **Invalid Counting Methods**

The following counting methods are not point-of-service for meals served in a cafeteria and are not acceptable:

- Counts taken in the classroom or anywhere other than the POS;
- Counts based on attendance rosters;
- Counts based on the number of tickets sold/issued;
- Counts based on subtracting one count from another count;
- Head counts
- Tray or entrée counts
- Cash converted to meals

- Counting prepaid meals the day credited to the account
- Delivery counts of meals delivered off-site or to the classroom

The collection and accountability procedures for each site must be submitted and approved by OHN annually or any time the procedure is changed. Use the form Evaluating Your Accountability System (see Forms Section) to determine if the system is adequate or needs improvement.

### **Accepting Cash at the Point-of-Service**

If cash is accepted at the point-of-service, a prepayment or post-billing system should also be in place to prevent overt identification of a student's eligibility category. The SFA should:

1. Actively promote pre-payment for reduced-price and paid meals so that overt identification of the eligibility category does not occur. Publicity advertise availability of the pre-payment option.
2. Pre-payment must be accessible and convenient for students.
3. Cash accepted on the serving line for reduced-price and paid meals can be deposited into the student's account. The reimbursable meal would then be deducted from the student's account.
4. Instruct cashiers to use language that does not overtly identify eligibility status when cash is received on the serving line (e.g. "Thank you," or "Shall I put all of this in your account?").
5. Monitor procedures for accepting cash on the serving line by using the On-Site SFA Review of Counting and Claiming Procedures form (see Forms Section).

In meal accountability systems that allow reduced-price eligible students to pay cash for their meals at the point-of-service, the cashier must have a way to determine if a student is to pay the reduced-price or the paid price. To obtain an accurate meal count by category without overtly identifying the student's eligibility category, the cashier may use a coded roster listing all paid, reduced-price and free students; record the names of all paid and reduced-price students paying with cash on the serving line; or enter the student's name and amount received into the electronic accountability system.

### **Reports**

Reports can be either manual or computerized and must guarantee correct counts by category (free, reduced price, paid).

When filed, reports must be easily read, have edit checks, and be consolidated for an accurate claim.

### **Daily Meal Counts**

Computer systems will keep daily meal counts by school for the SFA. For schools using rosters or other paper counting systems, forms are provided in the forms section and may be used to record the daily number of meals, snacks or special milk units served. Alternate forms may be used if preferred.

- Daily Record of Lunches Served (see Forms Section)
- Daily Record of Breakfasts Served (see Forms Section)
- Daily Record of Afterschool Snacks Served (see Forms Section)
- Daily Record of Milk Served and Income Received for sites participating only in the Special Milk Program (see Forms Section)
- Daily Record of Special Milk Served for sites that serve breakfast and/or lunch and also provide Special Milk to pre-K and kindergarten students (see Forms Section)

When more than one full-price meal rate is used for a serving site, it is recommended that a separate daily meal record be used for each meal price. For example, if a school serves students in kindergarten through grade 12, elementary students have one and secondary students a higher price. In this situation, two daily meal records should be completed: one for the elementary school meals served and one for the secondary school meals served.

Any SFA choosing to use an alternate record form must ensure that correct counts by category are reported in a way that can be easily read, edited and consolidated into an accurate monthly claim for reimbursement. Any report format used must provide a complete record of the day's meal service so that the required information can be transferred to the SFA's report.

### **Daily Records for Non-Pricing Programs**

The following forms may be used by non-pricing programs (i.e. programs that do not distribute applications for CNP benefits and that claim all students or residents in the “free” or “paid” category):

- Participation Roster for USDA Meal Reimbursement – RCCIs (see Forms Section)

Site personnel are responsible for recording and reporting the information to the SFA. Note that the above forms are available in Microsoft Excel. Use of the Excel forms is recommended to minimize the potential for math errors.

### **Claim for Reimbursement**

The counts from all schools are combined to generate a monthly claim for reimbursement. This is called consolidating the claim. After the claims are consolidated, they are submitted by the SFA into South Carolina Automated Payment System (SCAPS), [SCAPS](#), by the 10<sup>th</sup> of the following month.

Required documentation for monthly claim:

- Student Average Daily Attendance (ADA) report listing highest daily enrollment
- Daily Meal Counts, with daily and monthly edit check

## **Internal Control Requirements**

### **Edit Check Report**

An edit check is a worksheet or POS report that is required to be completed on a daily basis to ensure the numbers of children eligible for free, reduced-price, and paid meals, multiplied by the LEA's attendance factor, does not exceed the meals served for the day. Edit checks are required prior to submitting a claim for reimbursement in SCAPS.

For SFAs with computer software, the software should perform edit checks. For SFAs using rosters a manual edit check is required.

The edit checks must include:

- Average daily attendance (ADA) - average number of students that attend school daily
- Average daily participation (ADP) - average number of students that participate in the child nutrition program
- Attendance Factor- the percentage of enrolled students in attendance on an average day. It is computed by dividing the average attendance by the total enrollment
- Daily number of meals served by category
- Number of students approved for free and reduced meals.

The edit checks should be conducted on a daily basis on the Daily Record of Lunches Served (see Forms Section). If developing a local form it must meet the requirements below:

1. Compare the daily number of free and reduced-price lunches claimed against the number of students currently approved for free and reduced-price meals. The number of meals claimed must be equal to or smaller than the number of students approved in each category.
2. Compare the daily number of free, reduced-price and paid lunches claimed against the attendance factor multiplied by the number of students eligible in each category (i.e. the projected maximum number of lunches that may be claimed in each category).

If actual meal counts exceed the projected maximum number of lunches for that eligibility category, the counts should be re-checked to assure no errors were made. If no errors were made, the reason for the high counts must be recorded (for example, meals were claimed for visiting students). At no time may more meals be claimed by category than there are students eligible. If claims are in excess of the number of approved free, reduced-price, paid, or total number of enrolled students without a reasonable explanation, SCAPS will not except the claim for reimbursement. When reviewing an edit check, the following items must be checked

- Patterns of numbers, repetition of numbers or constant counts by category;
- Identical counts for breakfast and lunch;
- 100 percent participation (or a percent greater than attendance factor); and
- Category count exceeding number of students eligible for free and reduced-price meals.

When discrepancies are found or potential problems are suspected, they should be resolved through further investigation. Any findings should be documented (with attendance records, etc.) and kept with the school's daily record of meals claimed

By February 1 of each year, all SFAs with at least one serving site must conduct on-site reviews to verify proper implementation counting and claiming procedures. Use the On-Site SFA Review of Meal Counting and Claiming Procedures (see Form Section) to document the on-site review findings. When the on-site review discloses problems with a school's meal counting and claiming procedures, corrective action plans must be developed and follow-up visits must be conducted within 45 calendar days of the initial review. All sites must be visited for lunch and 50% of sites must receive a breakfast review.

### **Ineligible for Reimbursement**

When a student purchases a second breakfast or lunch, the meal cannot be claimed for reimbursement. Since no federal or state reimbursement is received for these second meals, they should be priced the same as adult meals.

When a student refuses to select the minimum food items required for a reimbursable meal, the meal cannot be claimed for reimbursement. SFAs may either ask the student to return for additional food items so the meal will meet minimum requirements or charge the student a la carte prices for each item.

Only meals offered to all students regardless of category (free, reduced-price, paid) and meeting meal pattern requirements are eligible for reimbursement. A la carte items cannot be claimed for reimbursement

Only enrolled students are eligible for reimbursable meals. Meals served to ineligible students, adults, younger siblings or visitors may not be claimed for reimbursement.

Even if the system is approved on paper, all necessary procedures must be followed in order for the meal count system to be acceptable. If an improper counting method is used no meals are eligible for reimbursement. All meal accountability staff should be adequately trained in their responsibilities.

## **Meal Accountability Policies**

### **One Breakfast/Lunch/Snack per Child per Day**

National School Lunch Program (NSLP) regulations state that SFAs shall plan for and prepare school meals on the basis of participation trends, with the objective of providing one breakfast/lunch/ snack per child per day. Only one lunch and/or one breakfast and/or one snack per student per day may be claimed for reimbursement. The following steps assure compliance with this regulation:

- Be aware of participation fluctuations. Perhaps there are certain days of the week when participation regularly dips or peaks. Students are more likely to eat when their



favorite menu is served. The manager should plan the amount of food needed to provide each student with one meal.

- Keep accurate production records. (See Forms Section)
- Despite careful planning, fluctuation in participation occurs. If second meals are served, they cannot be claimed for reimbursement.

## **Other Circumstances**

### **Field Trips**

When planning for special functions, parties, field trips, etc., the Child Nutrition Program (CNP) department should be involved in the process to ensure that students are not overtly identified or denied meals and that the meals claimed for reimbursement meet requirements.

### **Claiming Meals for Student Workers**

USDA regulations state that recipients of free and reduced-price meals shall not be required to work for those benefits. However, students are not prohibited from voluntarily working in the cafeteria. Meals served to students who work in the cafeteria are eligible for reimbursement. They must be claimed in the category in which the student is eligible. The count must be taken at the point of service to assure a complete meal is served.

### **Serving Older Students**

Federal regulations and guidance stipulate that adults are eligible to participate in the NSLP and their meals may be reimbursed if:

1. The adults are enrolled in a General Education Development (GED) program that meets in the school during the school day; or
2. The adults are enrolled in a school up to grade twelve.

In the latter case, the school district includes the adult students in its total student enrollment for funding and other purposes. An adult enrolled in a site that processes applications is expected to complete a meal application to determine eligibility status. If the site participates in CEP the adult can receive a free reimbursable meal.

Reimbursement cannot be claimed for any adult participating in non-GED adult education programs (including EvenStart) regardless of scheduling time or evening GED programs. These individuals should pay the regular adult meal price.

### **Serving Visiting Students**

Meals served to students who are visiting from other schools during a specific school function (e.g. vocal competition, band day) can be claimed for meal reimbursement. The students' meals may be claimed by category for reimbursement if the visiting SFA provides the host SFA with each student's eligibility determination. If the visiting SFA does not provide this information or if they are from an SFA that does not participate in the CNP, the host SFA may claim reimbursement for the meals served to the students in the paid category. A school official must

explain the reason for the high meal count on the meal count form used by the SFA (see Forms Section). Meals served to individual school-age guests who are not participating in a specific school function may not be claimed for reimbursement.

### **Serving Students Off-Site**

The CNP regulations require reimbursable meals to be served on school premises or at a school-related location. Meals taken off-site are not reimbursable. Meals given to students to eat on the bus and meals taken home with students due to early dismissal are not reimbursable.

Meals consumed on school-sponsored and supervised field trips may be reimbursed if the meals are prepared by the CNP staff, meet meal pattern requirements and are served and consumed as part of a school-related function. A list, roster, or other method of claiming the meals by category must be used to record counts. The Roster of Student Meals Served form provided in the Forms Section may be used as a sample form. Refer to Meal Service Policies in this *Program Reference Manual* for more information concerning school-prepared sack lunches. Extra caution should be taken during field trips to keep the food safe. Refer to Safety & Sanitation for additional information on how to keep food safe.

### **Serving Students in Alternative/Cooperative Schools**

Many public school districts participate in some type of alternative/cooperative school or campus that serves students from several districts. Procedures for maintaining applications and the counting and claiming of reimbursable meals must be established.

The host SFA provides meal service and may claim reimbursement for eligible students in the proper category. A student's attendance in such a school may be short-term (a few days) or long-term (entire school year). Adjustments and notations should be entered on the meal accountability records to justify the claim when applicable and to document current numbers of approved students. If the SFA wants to use a different procedure than the ones mentioned here, contact SCDE.

### **Serving Non-student Guests**

Visiting Adults and very young children who participate in the nutrition program must pay the adult meal price or an established guest meal charge. An SFA may wish to establish a meal price for very young children, if not the adult meal price must be paid for the child's meal. Guest meals cannot be claimed for reimbursement.

### **Charging Meals**

SFAs must have a local meal charge policy. As of July 1, 2017, all SFAs operating the NSLP and/or SBP must have in place a written local meal charge policy to address situations when children participating at the reduced price or paid rate do not have funds to pay for their meal at the time of the meal service. The policy must be communicated to all households with children attending the SFA and all school or SFA-level staff members responsible for the local meal charge policy's enforcement. State agencies and SFAs retain the authority to establish the specifics of their policies based on local conditions. For additional information, see *Unpaid Meal Charges: Local Charge Policy Requirement* (SP 46-2016) and *Unpaid Meal Charges: Guidance and Q&A* (SP 23-2017).

### **Lost, Stolen, Misused and damaged IDs**

USDA instructions regarding handling lost, stolen, misused and damaged ID, pin numbers or tickets state that SFAs may establish their own procedures regarding this matter. Any system that limits the number of tickets reissued must conform to the standards described in the section entitled, “Serving Students with Lost, Stolen, Misused or Damaged Meal Tickets” in Meal Service Policies

### **Exchanging/Borrowing IDs, Pin Number, or Tickets**

Exchanging or borrowing meal tickets/cards is prohibited in order to protect the confidentiality of students’ eligibility category and to ensure that all meals are claimed in the correct eligibility category.

## **On-Site Accountability Reviews**

According to 7 CFR 210.8(a)(1) and 7 CFR 220.11(d)(1), every school year, prior to February 1, each School Food Authority (SFA) with more than one school (as defined by 7 CFR Part 210.2 to include Residential Child Care Institutions (RCCIs)) must perform no less than one on-site review of the meal counting and claiming system. The review must include the readily observable general areas of review identified under 7 CFR 210.18(h) in each school operating the National School Lunch Program (NSLP) and 50% of schools operating the School Breakfast Program (SBP) under its jurisdiction.

### **Person Completing the Review**

Someone not involved with the daily operation of the site must complete the review. Examples of persons who may complete the reviews include the authorized representative, superintendent and food service director. A building principal should not conduct the review in his/her own building but may conduct the review at other serving sites.

### **Goals of the Review**

The review should, at a minimum, ensure that:

1. The counting system is consistent with that described on the SFA’s “Meal Count/Collection Procedures” in the Policy Statement and in the SCAPS profile information as approved by SCDE;
2. The counting system, as implemented, yields the actual number of reimbursable free, reduced-price, and paid lunches served for each day of operation;
3. The counting system prevents overt identification of students receiving free and reduced-price lunches; and
4. The system provides for adequate monitoring to ensure that only reimbursable meals are counted.

### **Corrective Action Plan and Follow-up Review**

If the initial on-site review identifies problems with the school's meal counting or claiming procedures, the school must develop and implement a corrective action plan. The plan must be in writing and should be developed jointly by the school food service manager and the SFA food service supervisor, director or the person who conducted the review. It should detail the corrective action necessary to bring the serving site into compliance and assign responsibility for implementing each step of the plan.

The SFA must conduct a follow-up on-site review within 45 calendar days of the initial review to ensure that all problems have been resolved.

**On-Site Review Form and Record Keeping**

On-Site SFA Review of Counting and Claiming Procedures has been provided in the Form Section. It should be copied and used to conduct the on-site review at each serving site. The completed review forms should be kept on file with the SFA's other food service records for review by SCDE staff. Do not send the completed form to SCDE.

### Questions and Answers

**Q1:** If the SFA uses an advance meal count to determine how many portions of a menu item to prepare, can the student be required to pay for the ordered meal if the student is not served the meal?

**A1:** No, SFAs may not charge households for meals individual students have not been served, even if a student has indicated he/she intends to eat the meal.

**Q2:** Some SFAs require students to sign up in advance for a specific menu option. If a student indicates in advance that they will select a specific menu option (chef salad, peanut butter and jelly sandwich or alternate entrée), can the SFA require the student to take that menu selection?

**A2:** No, the student must be allowed to make a choice in the serving line even if it differs from the pre-selected menu item.