



Food Service Contracts/Agreements: Ensuring Institutions, Vendors, Contractors and FSMCs Maintain Recordkeeping Integrity

Legal Authority

7 CFR 226.10(f); 7 CFR 226.6(i)(2); 7 CFR 226.6(i)(5); 7 CFR 226.6(i)(6); 7 CFR 226.14(a); 7 CFR 226.15(e); 7 CFR 226.16(e); 2 CFR 200; 2 CFR 200.113; 2 CFR 200.318(b)

Definitions

Food service management company (FSMC) means an organization other than a public or private nonprofit school, with which an institution may contract for preparing and, unless otherwise provided for, delivering meals, with or without milk for use in the Program.

Vendor or Contractor means a merchandiser of complete meals, meal components, or raw materials.

Purpose

The purpose of this memorandum is to remind Child and Adult Care Food Program (CACFP) institutions – including their meals service vendors, contractors and FSMCs – of their obligation to uphold recordkeeping integrity when entering into CACFP food service contracts or agreements. Note: This guidance does not apply to School Food Authorities (SFA's) that participate in the National School Lunch Program (NSLP), if the school does not separate CACFP expenses to conduct procurement and procurement is conducted with combined purchases for the NSLP and CACFP.

Requirements

Recordkeeping

GA DECAL emphasizes that CACFP institutions must uphold the highest level of integrity when entering into, fulfilling and monitoring food service contracts and/or agreements. Specifically, CACFP institutions are required to maintain all records relating to administration, financial responsibility, and operation of

the Program. The records must support: (1) all food service operations are conducted principally for the benefit of enrolled participants, of which all of the Program reimbursement funds are used solely for the operation or improvement of the CACFP food service; and (2) federal Program funds were used for its intended purpose (See also, [DECAL Policy No. CACFP 02-18, Recordkeeping Requirements in the Child and Adult Care Food Program \(CACFP\)](#) and GA DECAL Policy Memorandum, [Monitoring Requirements – Monitoring Sponsored Centers Non-profit Food Service and Procurement Procedures \(October 1, 2021\)](#)). **Vendors, contractors and FSMCs who engage with CACFP institutions for CACFP meal services are not excluded from this requirement and are held to the same recordkeeping requirements.** Failure to adhere to the requirements in this policy may result in serious adverse actions against the CACFP institution, vendor, contractor and/or FSMC. (See also **Penalties for Non-Compliance** mentioned later in this document).

By signing the contract/agreement, both the CACFP institution and the vendor, contractor or FSMC agree to comply with all terms, conditions and provisions outlined in the contract/agreement. Specifically, CACFP institutions must ensure all required records are maintained for a minimum of three years, plus the current year, and records must be made available for review upon request (Note: Records must be retained longer if there is an unresolved audit or investigation). Institutions participating in the Child and Adult Care Food Program (CACFP) are subject to audits or compliance reviews designated by DECAL, DECAL contractors, USDA, or any of their representatives. The reviews may be announced or unannounced. The requested CACFP records will only be accepted and reviewed if made available upon request and retrieved from the location as stated within the "Recordkeeping" section of the institution's Management Plan in GA Atlas.

CACFP institutions are ultimately responsible for ensuring the vendor, contractor or FSMC maintain records in the same manner. Pursuant to DECAL Policy No. CACFP 02-18, records include, but are not limited to, the original contract/agreement, delivery tickets, invoices, purchase receipts, purchase orders, bank statements, production records for the contract, or other evidence for inspection and reference, to support payments and claims. Furthermore, the vendor, contractor, or FSMC must also submit required reports to the CACFP institution promptly at the end of each month, unless more frequent reports are required by the institution. Representatives of Georgia DECAL, USDA, and the United States General Accountability Office may examine or audit these records at any reasonable time and place.

Lastly, the CACFP institution, vendor, contractor or FSMC must ensure the records are complete, accurate and have not been manipulated or altered from their original format. This especially pertains to delivery receipts, invoices, purchase receipts and bank statements, or any other documentation which supports Program payments and claims. All required records must be kept on file at the facility at minimum for the current year plus a period of three years. As with institutions and their sponsored centers,

CACFP Contracting Sponsored Centers

CACFP institution's sponsored centers entering into a contract/agreement with a vendor, contractor and/or FSMC must also maintain and provide food service contract/agreement records as previously described. All required records must be kept on file at the facility at minimum for the current year plus a period of three years.

CACFP Participating Vendors, Contractors and FSMCs

CACFP participating vendors, contractors, and FSMCs are required to ensure that records -- including, but not limited to the original contract/agreement, delivery tickets, invoices, purchase receipts, purchase orders, bank statements, production records for the contract, or other evidence for inspection and reference, to support deliverables and payments received from an institution and/or sponsored facility -- are made available and/or submitted to the institution, sponsored center and/or DECAL as required and upon request by DECAL, DECAL contractors, USDA, or any of their representatives.

Penalties for Non-Compliance

Per FNS regulations and their established agreement with GA DECAL, CACFP institutions must accept final financial and administrative responsibility for management of an effective food service program and compliance with the CACFP regulations under 7 C.F.R. § 226. If upon an audit, investigation or other review it is determined that meals served and/or purchased as outlined in the contract/agreement cannot be validated due to lack of Program supporting records, engagement in unlawful acts and/or a lack of Program integrity by the CACFP institution, the sponsor's Program meals could potentially result in reclaimed meals, disallowed costs, non-payment of future claims and/or be declared seriously deficient by Georgia DECAL. *(In some instances, a CACFP sponsoring organization may be required to also declare their sponsored facilities seriously deficient).* Overall, these actions could adversely affect reimbursements to the CACFP institution and a recommendation that the vendor, contractor or FSMC is not used.

If, during an audit, investigation, or other review, it is determined that meals provided by the vendor, contractor, or FSMC cannot be validated due to lack of Program supporting records, engagement in unlawful acts and/or a lack of Program integrity by the vendor, contractor, or FSMC, Georgia DECAL reserves the right to deny the vendor, contractor or FSMC future involvement in the Child Adult Care Food Program (CACFP) or the Summer Food Service Program (SFSP) as a vendor, contractor or FSMC.

In the event of reclaimed meals, disallowed costs, and/or disruption of payments, the CACFP institution reserves the right to an appeal. Vendors, contractors and/or food service management companies may only reserve the right to appeal denial/removal of the vendor, contractor or FSMC's registration and/or denial of future participation in the Child and Adult Care Food Program (CACFP) or the Summer Food Service Program (SFSP).

Specifying Contractual Recordkeeping Terms, Conditions and Provisions

Effective October 1, 2025, CACFP contracting institutions and their sponsored centers must include a detailed recordkeeping clause in their food service contracts and/or agreements. This clause must incorporate the language from the above **Recordkeeping** and **Penalties for Non-Compliance** sections of this memorandum. Georgia DECAL highly encourages all CACFP contracting institutions use DECAL's procurement templates when securing food service contracts and agreements. The procurement templates can be found on the DECAL web site and may also be accessed [here](#). If a contracting institution utilizes its own template (and for sponsored centers), the contract/agreement **must incorporate all elements of the DECAL contract/agreement templates**, including the required items mentioned in this memorandum.

Comments

For questions concerning this policy, please contact the Policy Administrator at (404) 651-8193.