



Georgia Department of Early Care and Learning

**BRIGHT FROM THE START:  
Georgia Department of Early Care and Learning**

**Nutrition Services**

<b>POLICY</b>	<b>No.: SFSP/03-12</b>	<b>Effective Date:</b> 4/1/2003
		<b>Revised:</b> 3/12/2015
		<b>Revision Effective:</b> 3/12/2015

**SUBJECT:** Responsibilities and Guidelines for the Board of Directors in All Federal Tax-Exempt Non-Profit Sponsors Applying to or Participating in the Summer Food Service Program

**LEGAL AUTHORITY:** O.C.G.A. § 20-1A-4(3); 7 C.F.R. § 225

*Cross Reference/See Also:* CACFP/03-28 - Responsibilities and Guidelines for the Board of Directors in All Federal Tax-Exempt Non-Profit Institutions and For-Profit Institutions Applying to or Participating in the Child and Adult Care Food Program (December 15, 2014)

**I. PURPOSE**

The purpose of this policy is to outline the responsibilities and guidelines for the Board of Directors for all Federal tax-exempt non-profit sponsors applying to or participating in the Summer Food Service Program (SFSP).

**II. APPLIES TO**

This policy applies to all Federal tax-exempt non-profit sponsors applying to or participating in the SFSP.

**III. DEFINITION(S)**

"Sponsor" means a public or private nonprofit school food authority, a public or private nonprofit residential summer camp, a unit of local, municipal, county or State government, a public or private nonprofit college or university currently participating in the National Youth Sports Program (NYSP), or a private nonprofit organization which develops a special summer or other school vacation program providing food service similar to that made available to children during the school year under the National School Lunch and School Breakfast Programs and which is approved to participate in the Program.

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"Non-profit sponsor" means any corporation, trust, association, cooperative, or other organization that is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; and is not organized primarily for-profit; and uses its net proceeds to maintain, improve, or expand the operations of the organization.

## IV. POLICY

Federal regulations state that all Federal tax-exempt non-profit sponsors applying to or participating in the SFSP must have internal controls and other management systems in effect to ensure fiscal accountability in accordance with the requirements of 7 C.F.R. § 225. One of the many ways a sponsor must demonstrate Program accountability is by ensuring that it has adequate oversight of the Program as defined by Federal and State statutes and requirements by its governing Board of Directors.

The internal revenue service (IRS) requires that a Federal tax-exempt non-profit sponsor be governed by a Board of Directors that is "primarily" composed of members of the community it serves who are not financially interested in the organization's activities and/or who are not "related parties." "Primarily" means having a board that consists of over 50% of members of the community rather than of "insiders" or individuals who are related to its personnel or to each other. "Related parties" are considered to be the Founder, Directors, their families, and/or employees, and individuals who do business with the sponsor.

The governing Board of Directors is responsible for:

- Determining the organization's mission and purpose
- Providing operational oversight
- Ensuring compliance with regulatory requirements
- Selection and evaluation of the Executive Director
- Policy setting for the organization
- Providing fiscal guidance
- Ongoing governance
- Regularly reviewing the organization's policies, programs and budgets
- Staying informed or trained on the most current Program requirements and regulations
- Approving decisions about compensation of employees and other parties providing services

NOTE: SFSP sponsors participating in or considering applying to the Child and Adult Care Food Program (CACFP) must adhere to CACFP requirements and guidelines concerning their board of directors. Each Program has its own distinct set of requirements. Unlike SFSP, CACFP regulations provide a more extensive description of adequate oversight of the Program by

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governing boards. For this reason, the guidelines outlined in CACFP shall take precedence.

Therefore, SFSP sponsors participating in or applying to the CACFP, must follow the guidelines outlined in Policy No.: CACFP/03-28, Responsibilities for the Board of Directors in All Federal Tax-Exempt Non-Profit Institutions and For-Profit Institutions Applying to or Participating in the CACFP (dated December 15, 2014). Applicable SFSP sponsors must ensure their boards of directors also meet the Federal and State requirements for CACFP.

## V. PROCEDURE(S)

Federal tax-exempt non-profit sponsors applying to or participating in the SFSP must document in their application that their organization has adequate oversight of the Program by its governing Board of Directors to ensure Program accountability. Federal tax-exempt non-profit sponsors must include the names of the members of their governing Board of Directors in their application along with the name, mailing address and date of birth of the Chairman of the Board of Directors. The board must be comprised "primarily" of members of the community it serves who are not financially interested in the organization's activities or who are not "related parties." If the members of the governing board change, the Program Contact in the organization must notify Bright from the Start: Georgia Department of Early Care and Learning (DECAL) in writing of the change so that their records can be updated.

The sponsor must document in its management plan how often the governing Board of Directors will meet and participating sponsors must maintain records of board minutes as documentation of decisions made during the board meetings. These records must be maintained with all of the other required Program records and must be available for review by USDA, DECAL, and/or any of its agents at all times (See SFSP/03-5 Recordkeeping Requirements for the SFSP). The organization's policies, operations, programs, and budgets must be reviewed regularly at board meetings. All decisions to make changes in the organization's policies, operations, programs and/or budgets must be documented in the governing board's meeting minutes.

Applicable SFSP sponsors must ensure their boards of directors also meet the Federal and State requirements for CACFP.

## VI. COMMENT(S)

Any questions regarding this policy should be directed to the Policy Administrator at (404) 651-8193.