Local System Requirements Checklist

Background

Local level software systems used to administer federal child nutrition programs must meet specific requirements in order to be used. CDE School Nutrition does not review or approve specific software systems, but local program sponsors can use the checklist below to ensure that their software system is compliant with minimum state and federal requirements. A full list of USDA requirements and best practices for local software systems can be obtained by [requesting a copy here](#).

Functionality Checklist (Requirements)

Student Certification- Applications	
System shall track information provided on the Household Application for Free and Reduced Price Meals/Milk	
System shall allow for electronic household applications for free and reduced price meals/milk	
System shall have the capability to provide legally binding electronic signatures per State and local regulation	
System shall calculate total household income collected in applications for free/reduced price meals/milk and determine whether an application is approved or denied.	
System shall maintain currently approved and denied applications for free and reduced price meals and milk and a description of the verification activities, including verified applications, and any accompanying source documentation	
System shall provide a mechanism to safeguard who has access to the confidential free and reduced price status and application information	
System shall maintain application Income eligibility guidelines that are updated to the most recent guidelines published by School Nutrition Unit	
System shall ensure that income is calculated correctly, including when annualized frequencies occur. System shall have the ability to select the correct income frequency (weekly, bi-weekly, 2x/month, monthly, and annual) based on how the household application is completed.	
System shall ensure that other source categorical applications (migrant, runaway, head start, foster, homeless) are not automatically approved	
System shall have the ability to add additional student to, and amend, existing applications	
System shall differentiate case number applications vs. direct certification status	
System shall ensure online applications only accept valid case numbers and/or are queued for manual approval	

COLORADO
Department of Education
School Nutrition

System shall ensure the information letter to household, use of information and non-discrimination statement are accessible within the electronic version of the application	
Online applications shall meet all application requirements, including obtaining electronic signature	
Colorado: System shall differentiate requirements for a School Meal Application vs. a Family Economic Data Survey (FEDS form)	

Student Certification- Benefit Issuance

System shall interface with the local Student Information System to ensure accurate accounting of all students enrolled in the SFA	
System shall note when student enrollment changes in the local Student Information System to ensure accurate enrollment number	
System shall track direct certification/categorical eligibility determinations based on certification method, as well as source, and date certified for each student. Direct certification/categorical eligibility shall take precedence over household application certification	
System shall have the ability to categorize the qualify type of direct certification (SNAP, TANF, Medicaid, FDPIR, migrant, foster, head start, runaway, homeless)	
System shall have the ability to determine the benefit type (free, reduced, paid)	
System shall differentiate extended eligible students vs. directly certified students	
System shall document the user who made an extended eligibility or manual eligibility determination	
System shall properly document extended eligibility (date, method, and original directly certified student)	
System shall grant the same eligibility status for free and reduced price meals/milk to all students who are members of the same household. Students certified through this method shall be tracked as Extended Direct Certification students	
System shall automatically generate a notification of eligibility letter, to be sent electronically or printed, after a student's eligibility for free/reduced price meals/milk is determined. Letter shall contain information on appeal rights for eligibility determination and right to deny benefits	
System shall assign the effective date of direct certification/categorical eligibility based on the date the information was generated/provided or when the information was entered into the system System shall automatically calculate the necessary sample size for verification activities based on the criteria prescribed by USDA. System shall track which method was used to calculate verification sample size.	
System shall track documentation for the verification of eligibility status in a sample of household applications approved for free and reduced price meal benefits	
System shall automatically generate a change in eligibility status letter, to be sent electronically or printed, if an update is made during the verification process	

COLORADO
Department of Education
School Nutrition

System shall make the appropriate changes in eligibility after the initial approval process on a timely basis: (1) changes in eligibility resulting in increased benefit levels shall be made no later than 3 operating days of the date the SFA makes the final decision on a student's eligibility status; (2) changes in eligibility resulting in decreased benefit levels shall be made no later than 10 operating days of the date the SFA makes the final decision on the student's eligibility status	
System shall provide a mechanism to safeguard who has access to the confidential free and reduced price status and application information	
System shall carry over a student's eligibility status up to the first 30 operating days of the new school year. Carryover date is 30 operating days per site/grade group start dates; Cannot have district-wide drop-off date if sites/grades have different start dates.	
Point of Service	
System shall allow for operation of the Special Provisions and CEP Program at specific sites. System shall allow for modification to claiming, reports, edit checks etc. to accommodate CEP and the Special Provisions as needed.	
System shall maintain an accurate count of daily meals served at the point of service by eligibility category (free, reduced price, paid)	
System shall require multi-factor authentication for student identification at the point of service to ensure the correct account is charged and the correct eligibility category is applied.	
System shall maintain pre-paid accounts to process meals for paid/reduced price students. This account shall be fillable by cash or check and deposits to this account shall be made available in less than 24 hours. This account is necessary to ensure overt identification of students eligible for free or reduced price meals does not occur	
System shall consolidate daily meal and milk counts by category for reporting in the Claim for Reimbursement	
System shall maintain a mechanism to prevent the double claiming of reimbursable meals at the point of service, especially where multiple POS systems are in use simultaneously	
System shall maintain records to document compliance with pricing of paid lunches	
System shall have provisions to assist in the establishment of standard accounting controls concerning collection and receipt of money at the point of service (POS). System shall have the ability to limit access to various system functions based on each user's account	
System must ensure that a student's eligibility status is not disclosed without authorization at any point, from solicitation and application through the service line or in reporting	
System must capture the number and dollar amount of non-program sales (a la carte, adult meals, etc.)	
Reporting	
System shall maintain documentation of participation data by school in support of the Claim for Reimbursement and data to demonstrate one reimbursable meal per child per meal program	

COLORADO
Department of Education
School Nutrition

System shall be able to produce reports on claiming and student benefit issuance, particularly any documentation related to establishing the Identified Student Percentage for Community Eligibility Provision within 3 year time period	
System shall maintain information required to meet Performance Standard 1 during an Administrative Review: All free, reduced price and paid lunches claimed for reimbursement are served only to children eligible for free, reduced price and paid lunches, respectively; and are counted, recorded, consolidated and reported through a system which consistently yields correct claims	
System shall track data required for FNS-828 to report on School Food Authority paid reimbursable lunch prices for elementary, middle and high school students.	
System shall track data required for FNS-742 to report on SFA verification activities.	
System shall track data required for FNS-742A to report on independent second reviews of LEA/SFA applications	
System shall maintain all data for at least three fiscal years after the date of submission of the final Financial Status Report for the fiscal year; if audit findings have not been resolved, the records shall be retained beyond the 3 year period as long as required for the resolution of the issues raised by an audit	
System shall maintain all accounts and records pertaining to the school food service, as well as individual applications for free and reduced price meals for 3 years after the date of the final Claim for Reimbursement for the fiscal year to which they pertain. If the audit findings have not been resolved, the records shall be retained beyond the 3 year period for as long as needed	