

Child Nutrition Program Requirements

NJ Circular 04-04 OMB requires audits of recipients in accordance with the Single Audit Act, Amendments, OMB Circular No. A-133 Revised (OMB A-133) and state policy, or a financial statement audit performed in accordance with Government Auditing Standards (Yellow Book) depending on the amount of funds expended. NJ Circular 04-04 OMB states “Auditors should use the same risk based approach to audit and monitor State financial assistance, as used for federal programs. This approach is described in OMB A-133 Revised.” The district’s/charter school’s independent auditor should refer to OMB A-133 paragraphs .520 and .525 to calculate whether the Child Nutrition Cluster programs meet the federal major program determination criteria. Auditors should follow the federal Compliance Supplement (Department of Agriculture) for the Child Nutrition Cluster (CFDA 10.553 School Breakfast Program, CFDA 10.555 National School Lunch Program, CFDA 10.556 Special Milk Program for Children, CFDA 10.582 Fresh Fruit and Vegetable Program, and CFDA 10.559 Summer Food Service Program for Children). The federal Compliance Supplement can be obtained (upon release) at <http://www.whitehouse.gov/omb/circulars/index.html>. The Bureau of Child Nutrition Programs’ audit policy complies with OMB A-133 with revisions published June 27, 2003 and June 26, 2007. The procedures below reflect the Compliance Supplement but are not intended to be all inclusive.

Districts/charter schools and their auditors should refer to the sample Proprietary Fund statements (Exhibits B-4, B-5, and B- 6) on the NJDOE website <http://www.nj.gov/njded/finance/fp/cafr/>. When a district/charter school has more than two programs in the Proprietary Fund, combining statements should be prepared. The Proprietary Fund combining statements at this website are labeled Exhibits G-1, G-2 and G-3.

Auditors should report on the condition of the financial transactions and statistical records of the School Food Service Fund, including a review of monthly reimbursement vouchers, meal count records, Edit Check Worksheets, net cash resources, and eligibility applications. **Determine whether there are controls providing reasonable assurance that all meals reported to the state agency for reimbursement are based on accurate counts and are served to eligible children.**

Note to auditor: Click on the link below to access a sample NET CASH RESOURCE calculation prepared in the format required by the USDA. **This schedule is only required to be included in the AMR if the Child Nutrition Program is audited as a major program in the current audit period in accordance with federal OMB Circular A-133.**

[Net Cash Resource Schedule Link.xlsx](#)

Please Note: Monthly reimbursement claims are entered on-line using the School Nutrition Electronic Application and Reimbursement System (SNEARS) website via the myNewJersey portal. This on-line system provides payment status, payment logs and a monthly report summarizing meals claimed by site. The auditor may request these reports from the district/charter school.

1. Suggested audit procedures to ensure that reimbursement received is supported by source documents.
 - a) **ELIGIBILITY APPLICATIONS** – Review household eligibility applications to evaluate completeness of required information and verify eligibility determination. Form number 63 provides guidance for the application approval process and is available on the NJ Department of Agriculture website at <http://www.state.nj.us/agriculture/divisions/fn/pdf/form63.pdf>. Any incomplete free or reduced price applications should be placed in the Paid (denied) category, and an over claim must be assessed on the Schedule of Meal Count Activity (where applicable). Incorrectly determined applications should be placed in the correct category, and the resulting over claim/under claim must be identified on the Schedule of Meal Count Activity (where applicable). Additionally, audit findings related to the free and reduced