



**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

| Fiscal Years             | <u>2007</u>        | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--------------------------|--------------------|-------------|-------------|-------------|-------------|
| Capital Expenditures     | —                  | —           | —           | —           | —           |
| Operating Costs          | <u>\$1,009,142</u> | —           | —           | —           | —           |
| External Revenues        | <u>\$580,971</u>   | —           | —           | —           | —           |
| Program Income (County)  | —                  | —           | —           | —           | —           |
| In-Kind Match (County)   | —                  | —           | —           | —           | —           |
| <b>NET FISCAL IMPACT</b> | <u>\$428,171</u>   | —           | —           | —           | —           |

**# ADDITIONAL FTE POSITIONS (CUMULATIVE)**

Is Item Included in Current Budget? Yes X No  
 Budget Account No.: Fund 1002 Agency 147 Org. 1449 Object Various  
 Reporting Category Various

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

|         |                            |                |
|---------|----------------------------|----------------|
| Funding | Department of Health (DOH) | \$580,971      |
|         | PBC                        | <u>428,171</u> |
|         |                            | \$1,009,142    |

**C. Departmental Fiscal Review.** *Ready*

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Administration Comments:**

Total County support required to feed all 976 children is \$468,375. This includes the 37 children housed at the Easter Seals facility not covered by the contract.

*Elizabeth Cross*  
 8/15/06  
*DM*  
 8-15-06

OFMB *J. J. Jacoboff* 8/16/06  
 Contract Dev. and Control  
*DM* 8/14/06

This Contract complies with our contract review requirements.

**B. Legal Sufficiency:**

*[Signature]*  
 Assistant County Attorney

**C. Other Department Review:**

Department Director

**This summary is not to be used as a basis for payment.**



Bureau of Child Nutrition Programs  
Child Care Food Program

**FY 2006-2007 CONTRACT**

(Non-Pricing Program)

THIS CONTRACT is entered into between the State of Florida, Department of Health, hereinafter referred to as the "Department," administering the United States Department of Agriculture (USDA) Child and Adult Care Food Program (CFDA# 10.558), codified in Florida at s. 383.011(1)(i), F.S., and known as the Child Care Food Program, and the organization known as Palm Bch County Board of County Comm., providing services under program authorization number S-735, hereinafter referred to as the "Contractor." This contract shall supersede all previous communications, representations, or agreements, either verbal or written between the parties.

**THE PARTIES AGREE:**

**I. THE CONTRACTOR AGREES:**

A. To provide services in accordance with this contract and governing state and federal law, and to comply with any state or federal rules, regulations, instructions, policies, procedures and manuals used by the Department in its administration of the Child Care Food Program.

B. To warrant that it will accept final administrative and financial responsibility for total Child Care Food Program operations governed by this contract. The Contractor shall complete an application that shall include, but not be limited to, a list of all locations at which it will operate or sponsor the operation of the Child Care Food Program.

C. To familiarize itself with and comply with the following:

1. State of Florida Law

a. This contract is executed and entered into in the State of Florida, and shall be construed, performed, and enforced in all respects in accordance with the laws, rules, and regulations of the State of Florida. The Contractor shall perform its obligations herein in accordance with the terms and conditions of this contract and all applicable rules, regulations, instructions, policies, procedures and manuals.

2. Federal Law

a. All federal Child Care Food Program rules, regulations, instructions, policies, procedures and manuals used by the Department in its administration of the Child Care Food Program, including but not limited to applicable provisions of: Title 7 Code of Federal Regulations Part 226; Office of Management and Budget Circular A-21, "Cost Principles for Educational Institutions"; Office of Management and Budget Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments"; Office of Management and Budget Circular A-122, "Cost Principles for Non-Profit Organizations"; USDA Food and Nutrition Service Instruction 796-2, Revision 3; Title 7 Code of Federal Regulations Part 3015, "Uniform Federal Assistance Regulations"; and Title 7 Code of Federal Regulations Part 3016, "Uniform Administrative Requirements For Grants And Cooperative Agreements To State And Local Governments," and Title 7 Code of Federal Regulations Part 3052, "Audits of States, Local Governments, and Non-Profit Organizations." The Contractor expressly acknowledges that the remedies provided herein under federal law are to the exclusion of any potential remedies pursuant to Chapter 120, Florida Statutes.

b. This contract is to effectuate the purposes of the National School Lunch and Child Nutrition Acts, as amended. The Contractor agrees that it will comply with title VI of the Civil Rights Act of 1964, as amended, title IX of the Education Amendments of 1972, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and all requirements imposed by the regulations of the U.S. Department of Agriculture (Title 7 Code of Federal Regulations Part 15), the U.S. Department of Justice (Title 28 Code of Federal Regulations Parts 42 & 50), and the USDA Food and Nutrition Service directives or regulations issued pursuant to that Act and the regulations, to the effect that no person in the United States shall, on the grounds of age, sex, disability, color, race, or national origin, be excluded from participation in, or be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Contractor received federal financial assistance from the Department; and hereby gives assurance that it will immediately take any measures necessary to effectuate this agreement. This assurance is given in consideration of and for the purpose of obtaining any and all federal financial assistance, grants and loans of federal funds, reimbursable

expenditures, grant or donation of federal property and interest in property, the detail of federal personnel, the sale and lease of, and the permission to use federal property or interest in such property, or the furnishing of services without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient or in recognition of the public interest to be served by such sale, lease, or furnishing of services to the recipient, or any improvements made with federal financial assistance extended to the Contractor by the Department. This includes any federal agreement, arrangement, or other contract which has one of its purposes the provision of assistance such as food, food stamps, cash assistance for the purchase of food, and any other financial assistance extended in reliance on the representations and agreements made in this contract.

c. By executing this contract, the Contractor agrees to compile data, maintain records and submit reports as required to permit effective enforcement of the Civil Rights laws applicable to Food and Nutrition Service programs and permit authorized USDA personnel during normal working hours to review such records, books and accounts as needed to ascertain Civil Rights compliance. If there are any violations of this assurance, the USDA Food and Nutrition Service, shall have the right to seek judicial enforcement of this contract.

#### D. Audits, Records, and Records Retention

1. In addition to any other requirements, to establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the Department under this contract.

2. In addition to any other requirements, to retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this contract for a period of three (3) years after expiration or termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of three (3) years, the records shall be retained until final resolution of the audit findings or any litigation relating to the audit findings or any action subject to administrative review.

3. In addition to any other requirements, upon expiration or termination of the contract and at the request of the Department, the Contractor will cooperate with the Department to facilitate the duplication and transfer of any said records or documents during the required retention period as specified in Section I., Paragraph D.2. above.

4. In addition to any other requirements, to assure that these records shall be subject at all reasonable times to inspection, review, or audit by federal, state, or other personnel duly authorized by the Department. All Child Care Food Program records shall be maintained at the site at which the Contractor provides program services or at the Contractor's sponsoring organization office as appropriate. Persons duly authorized by the Department shall carry photo identification demonstrating their employment relationship with the Department and shall present it upon request. The Department shall at its sole discretion be authorized to take physical possession of any Child Care Food Program records, or equipment containing such records and any other records maintained on equipment used in the Child Care Food Program.

5. Persons duly authorized by the Department, and federal auditors pursuant to Title 45 Code of Federal Regulations, Part 92, shall have full access to and the right to examine any of Contractor's contracts and related records and documents, regardless of the form in which kept, at all reasonable times for as long as records are retained. Persons duly authorized by the Department shall carry photo identification demonstrating their employment relationship with the Department and shall present it upon request.

6. In the event that the Contractor is a not-for-profit organization or non-federal governmental entity and expends \$500,000 or more in Federal awards in its fiscal year, the Contractor must have a single or program-specific audit conducted in accordance with the provisions of Office of Management and Budget Circular A-133, as revised. In determining the Federal awards expended in its fiscal year, the Contractor shall consider all sources of Federal awards, including Federal funds received from the Department. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by Office of Management and Budget Circular A-133, as revised.

7. In connection with the audit requirements addressed in Section I, Paragraph D.6, the Contractor shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of Office of Management and Budget Circular A-133, as revised.

8. If the Contractor expends less than \$500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of Office of Management and Budget Circular A-133, as revised, is not required. In the event that the Contractor expends less than \$500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of Office of Management and Budget Circular A-133,

as revised, the cost of the audit must be paid from non-Federal funds (i.e., the cost of such an audit must be paid from Contractor funds obtained from other than Federal entities).

9. Copies of audit reports for audits conducted in accordance with Office of Management and Budget Circular A-133, as revised, and required by Section I, Paragraph D.6, of this agreement shall be submitted by or on behalf of the Contractor directly to each of the following:

- a. Office of Inspector General  
Florida Department of Health  
4052 Bald Cypress Way, Bin #A-03  
Tallahassee, FL 32399-1704
- b. Bureau of Child Nutrition Programs  
Florida Department of Health  
4052 Bald Cypress Way, Bin #A-17  
Tallahassee, FL 32399-1727
- c. Federal Audit Clearinghouse  
Bureau of the Census  
1201 E. 10<sup>th</sup> Street  
Jeffersonville, IN 47132
- d. Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), Office of Management and Budget Circular A-133, as revised.

E. Documents to be Submitted to the Department

1. In addition to any documents required to be submitted to the Department in compliance with state and federal law, the Contractor agrees to submit any receipts, invoices, documentation or other evidence that the Department in its sole discretion deems necessary to evaluate the validity of any and all claims for reimbursement submitted by a contractor. Such requirement for documentation may also require the Contractor to submit the documentation prior to payment of any claim. Any claim or portion thereof which is not supported by documents requested by the Department in writing shall be disallowed.

2. All contractors shall provide any and all information requested by the Department which the Department deems necessary in its sole discretion to evaluate an application to participate in the Child Care Food Program or an application to renew its participation in the Child Care Food Program or to evaluate a contractor's performance in the Child Care Food Program, including but not limited to, documents which the Department determines are necessary to evaluate the applicant's or the contractor's financial viability, administrative capability and fiscal responsibility.

F. Departmental Approval of Contractor's Operations

1. A Contractor serving as a sponsor of any Child Care Food Program with which the contractor has no affiliation shall obtain prior written approval from the Department for all salaries and benefits funded by CCFP reimbursements. Salaries and benefits must be reasonable, prudent and necessary for the furtherance of the CCFP in addition to being in compliance with federal law. The reasonableness of salaries and benefits shall be determined by the Department after its review of the Contractor's operations or anticipated operations and shall not exceed those salaries and benefits generally made available to non-profit corporation employees and officers in the same geographical area for similar services.

2. A Contractor serving as a sponsor of Child Care Food Programs with which the contractor has no affiliation shall not employ staff or officers or directors who are related by blood or marriage without the prior written approval of the Department. Any such approval will be granted only upon written documentation of extraordinary circumstances and shall only be granted for the shortest period of time necessary to address the justifying circumstances.

3. All Contractors shall submit budgets and budget amendments that are reasonable, prudent and necessary for the furtherance of the CCFP. All budgets and budget amendments shall require prior written approval by the Department. No more than two budget amendments may be filed in any federal fiscal year unless the Contractor is able to show good cause, in the sole discretion of the Department, why additional amendments are required due to expenses which reasonably could not be anticipated and handled through the allowed number of amendments. Contractors serving as sponsors of Child Care Food Programs with which the contractor has no affiliation shall have complied with the budget requirements set forth in Attachment 3 to this contract which is

attached hereto and incorporated by reference and shall continue to be bound by those requirements during the term of this contract.

4. All Contractors shall comply with program meal requirements as specified by the Department. Failure to meet Department specifications, regardless of whether the requirements are more stringent than those provided by the USDA, shall subject the Contractor to disallowance of payment for the non-compliant meals or snacks and shall subject the Contractor to issuance of a notice of serious deficiency, proposed termination, refusal to renew the contract, disqualification, and/or suspension.

G. Monitoring, Compliance and Review Procedures

1. In addition to reviews of audits conducted in accordance with Office of Management and Budget Circular A-133, as revised, monitoring procedures by the Department may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by Office of Management and Budget Circular A-133, as revised, and/or other procedures or audits deemed necessary in the sole discretion of the Department to evaluate program operations. By entering into this agreement, the Contractor agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department. In the event the Department determines that an audit or a limited scope audit of the Contractor is appropriate, the recipient agrees to comply with any additional instructions provided by the Department to the Contractor regarding such audit. The Contractor further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, or the State of Florida's Comptroller or Auditor General.

2. In addition to any other requirements, to permit persons authorized by the Department to inspect any records, papers, documents, facilities, and/or goods and services of the Contractor which are relevant to this contract, and/or to interview any clients and employees of the Contractor. Any such inspections or monitoring visits may be announced or unannounced and shall be made to assure the Department of the satisfactory performance of the terms and conditions of this contract. Following such evaluation, the Department will deliver to the Contractor a written report of its findings with regard to the Contractor's performance of the terms and conditions of this contract. The Contractor will correct all noted deficiencies identified by the Department within the specified period of time set forth in the Contractor's corrective action plan as agreed upon by the Department. The Contractor's failure to submit a corrective action plan acceptable to the Department within required timeframes, and to correct noted deficiencies, may at the sole and exclusive discretion of the Department, result in any one or any combination of the following: (1) the Contractor being deemed in breach or default of this contract; (2) the withholding of payment to the Contractor by the Department; and, (3) the termination of this contract for cause. The Department shall notify the Contractor if it determines that a deficiency warrants termination or suspension of the contract and disqualification of the Contractor and/or its responsible principals or individuals and will afford the Contractor and/or its responsible principals or individuals the review procedures authorized under Title 7 Code of Federal Regulations, Part 226, which shall be the exclusive means to challenge the Department's determination.

3. Any Contractor sponsoring the Child Care Food Program shall monitor each program and ensure its compliance with the requirements of state and federal rules, regulations, policies, instructions, procedures and manuals. Contractor personnel responsible for monitoring must carry photo identification demonstrating their relationship to the sponsoring organization and present it upon request.

H. Indemnification. NOTE: This paragraph is not applicable to contracts executed between the Department and state agencies or subdivisions, as defined in Section 768.28, Florida Statutes, or between the Department and federal agencies or sovereign American Indian nations.

1. The Contractor shall be liable for and shall indemnify, defend, and hold harmless the Department and all of its officers, agents, and employees from all claims, suits, judgments, or damages, consequential or otherwise and including attorneys' fees and costs, arising out of any act, actions, neglect, or omission by the Contractor, its agents, or employees during the performance or operation of this contract or any subsequent modifications thereof, whether direct or indirect, and whether to any person or tangible or intangible property.

2. The Contractor's inability to evaluate liability or its evaluation of liability shall not excuse the Contractor's duty to defend and indemnify within seven (7) days after such notice by the Department is given by certified mail, equivalent delivery service, e-mail or facsimile transmission. Only adjudication or judgment after highest appeal is exhausted specifically finding the Contractor not liable shall excuse performance of this provision. The Contractor shall pay all costs and fees related to this obligation and its enforcement by the Department. The Department's failure to notify the Contractor of a claim shall not release the Contractor of the above duty to defend.

I. Assignments and Subcontracts

1. The Contractor shall not assign the responsibility of this contract to another party. Any such assignment, transfer, or sublicense shall be null and void.

2. The Contractor shall not subcontract for any of the work contemplated under this contract without prior written approval of the Department. Any subcontract otherwise occurring shall be null and void.

3. The Contractor shall be responsible for all work performed and all expenses incurred for implementing the Child Care Food Program on behalf of the Department. If the Department permits the Contractor to subcontract all or part of the work contemplated under this contract, including entering into subcontracts with vendors for services and commodities, the Contractor agrees that the Department shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and the Contractor shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract. The Contractor, at its expense, will defend the Department against such claims.

4. The State of Florida shall at all times be entitled to assign or transfer its rights, duties, or obligations under this contract to another governmental agency in the State of Florida, upon giving prior written notice to the Contractor. In the event the State of Florida approves transfer of the Contractor's obligations, the Contractor remains responsible for all work performed and all expenses incurred in connection with the contract. In addition, this contract shall bind the successors and legal representatives of the Contractor and of any legal entity that succeeds to the obligations of the State of Florida.

J. Contractor as a Corporation

1. The Department recognizes that corporations may participate in the Child Care Food Program and that such entities are recognized under Florida law as natural persons. The Department also understands that the funds for the Child Care Food Program are funds paid by the taxpayers of the United States and therefore subject to greater oversight than if the funds were private in nature. The Department, in performing its function, is akin to a fiduciary on behalf of the taxpayers. In consideration of the foregoing, the provisions of this section shall apply to all contractors organized as corporations in which stock is not publicly traded.

2. During the term of this agreement, if more than fifty percent (50%) of the stock of the Contractor's corporation is sold, transferred or otherwise conveyed, this contract shall terminate. Prior to such termination, the Contractor and/or the prospective majority stockholders may apply to the Department for participation in the program. The Department shall receive and process such application pursuant to its established policies and procedures. This agreement and the privilege of participating in this program is not subject to sale, assignment, transfer, or any other form of conveyance.

K. Return of Funds

1. To return to the Department any overpayments due to unearned funds or funds disallowed pursuant to the terms of this contract or applicable state or federal law, rules, regulations, instructions, policies, procedures or manuals, that are used by the Department in its administration of the Child Care Food Program. In the event that the Contractor or its independent auditor discovers that an overpayment has been made, the Contractor shall notify the Department by certified mail within five (5) days of such discovery. In the event that the Department first discovers an overpayment has been made, the Department will notify the Contractor by letter of such a finding. Repayment shall be made pursuant to the Department's instructions to the Contractor and shall include interest as required by federal law; such instructions may include but are not limited to a sponsor's payment to centers and a contractor's payment to the Department.

L. Disallowance of Payment for Program Meals

1. In the event the Department discovers, prior to payment, the Contractor's failure to comply with recordkeeping requirements pertaining to records directly supporting claims for reimbursement, the Department shall disallow payment for any meals not supported by such records. Records that support claims for reimbursement include, but are not limited to, free and reduced price meal applications, daily meal counts, menu records, enrollment records, and attendance records.

M. Independent Capacity of the Contractor

1. In performance of this contract, it is agreed between the parties that the Contractor is an independent Contractor and that the Contractor is solely liable for the performance of all tasks contemplated by this contract, which are not the exclusive responsibility of the Department.

2. The Contractor, its officers, agents, employees, or subcontractors in performance of this contract, shall act in the capacity of an independent Contractor and not as an officer, employee, or agent of the State of Florida. The Contractor shall not represent to others that it has the authority to bind the Department unless specifically authorized in writing to do so.

3. The Contractor, its officers, agents, employees, and its subcontractors are not entitled to state retirement benefits, state leave benefits, or to any other compensation of state employment as a result of performing the duties and obligations of this contract.

4. The Contractor agrees to take such actions as may be necessary to ensure that each subcontractor of the Contractor will be deemed to be an independent Contractor and will not be considered or permitted to be an agent, servant, joint venturer, or partner of the State of Florida.

**N. Training and Security**

1. The Contractor agrees to attend all meetings and training sessions required by the Department. The Contractor agrees to maintain any and all records, documents, forms, reports, and information, in whatever form, confidential and secure as required by Florida and federal law.

**O. Non-Pricing Policy**

1. The Contractor agrees that all children in attendance at site(s) listed on the Site Information Form(s) and/or Provider Information Form(s), are offered the same meal at no separate charge regardless of race, color, sex, age, national origin, or disability, and there is no discrimination against any child in the course of the meal service based on race, color, sex, age, national origin, or disability. The Contractor agrees to keep confidential from family day care home providers the identity of Tier I or Tier II eligible recipients and income information pertaining to individual households. The Contractor agrees to limit access to eligibility information to persons directly connected with the administration and enforcement of the Child Care Food Program.

**II. THE DEPARTMENT AGREES:**

A. To reimburse the Contractor for meals and other allowable costs as further provided in applicable rules, regulations, instructions, policies, procedures or manuals. Claims for reimbursement not filed with the Department within 60 days after the close of the month in which the claim was incurred shall be disallowed except where a claim for reimbursement has been filed late because of audit adjustments. The Department may, at its sole discretion and with any necessary approval from USDA, grant an exception to this requirement.

B. Should the Contractor violate any terms of this agreement, or any Child Care Food Program policies, instructions, procedures, or manuals, or the rules, regulations and laws governing the program, and as a result, the Department acts to withhold funds or to restrict or terminate the Contractor's participation in the program, the Contractor shall be accorded a review procedure only if required by federal law pursuant to Title 7 Code of Federal Regulations Part 226.

**III. THE DEPARTMENT AND THE CONTRACTOR MUTUALLY AGREE:**

**A. Effective and Ending Dates**

1. This contract shall begin on October 1, 2006, or on the date on which the contract has been signed by both parties, whichever is later or at the discretion of the Department, pursuant to Title 7 Code of Federal Regulations §226.11. The contract shall expire on September 30, 2007, and may be renewed pursuant to procedures and requirements established by the Department.

**B. Termination**

1. Termination at Will. This contract may be terminated by either party without cause upon no less than thirty (30) calendar days notice in writing to the other party unless a lesser time is mutually agreed upon in writing by both parties. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery.

2. Termination Because of Lack of Funds. In the event funds to finance this contract become unavailable, the Department may terminate the contract upon no less than twenty-four (24) hours notice in writing to the Contractor. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery. The Department shall be the final authority as to the availability and adequacy of funds.

3. In the event of termination of this contract for reasons III. B. 1 or 2 above, the Contractor will be compensated for program costs lawfully incurred prior to notification of termination.



4. Termination for Cause. The Department may terminate this contract for cause for the Contractor's noncompliance with any provision of this contract or for any of the serious deficiencies identified, but not limited to, those in Attachment 1.

C. Enforcement

1. If any term or provision of the contract or of any Child Care Food Program rules, regulations, policies, procedures, instructions, or manuals is found to be illegal or unenforceable, the remainder of the contract shall remain in full force and effect and such term or provision shall be stricken.

D. Venue

1. Venue for any action arising from the terms of this contract or the application of state or federal law to any dispute between the parties shall be in Leon County, Florida.

I have read the above contract and understand each section and paragraph.

IN WITNESS THEREOF, the parties hereto have caused this 7 page contract and its subject attachments, Attachment 1, Attachment 2, and Attachment 3, to be executed by their undersigned official as duly authorized.

CONTRACTOR:

S-735  
(Authorization Number)  
PBC Board of County Comm.  
(Name of Organization)  
301 N Olive Avenue  
(Address)  
West Palm Beach 33401

Signature of COB, President, Owner or  
Delegated Authority

PRINTED NAME: Tony Mbsilatti  
TITLE: Chairman  
DATE: \_\_\_\_\_

STATE OF FLORIDA  
DEPARTMENT OF HEALTH:

SIGNATURE: \_\_\_\_\_

NAME: Philip E. Reeves

TITLE: Chief, Bureau of Child Nutrition Programs

DATE: \_\_\_\_\_

**APPROVED AS TO TERMS  
AND CONDITIONS**

BY:   
**DEPARTMENT HEAD**



**Bureau of Child Nutrition Programs  
Child Care Food Program  
CONTRACT 2006-2007**

**ATTACHMENT 1**

This attachment incorporates those serious deficiencies found in Title 7 Code of Federal Regulations Part 226 and provides examples of non-compliance with program requirements. Contractors who commit or engage in any serious deficiencies, including but not limited to those incorporated herein, shall be subject to termination and disqualification from the Child Care Food Program (CCFP).

**1. Submission of false information to the Department**

- *Failure to disclose ineligible officers, directors, key employees*
- *Listing fictitious employees/officers/board members on an application*
- *Claiming tax-exempt status when denied, rescinded, etc.*
- *Submitting the IRS tax-exempt determination letter of a different or defunct organization*
- *Concealing a conviction for any activity occurring during the previous seven years that indicates a lack of business integrity*
- *Falsification of documentation*

**2. Permitting an individual on the National Disqualified List to serve in a principal capacity with the Contractor or at a site sponsored by the Contractor**

**3. Failure to operate the CCFP in conformance with performance standards established in Title 7 Code of Federal Regulations §226.6(b)(2)(vii), regarding financial viability and financial management, administrative capability, and program accountability**

- *Failure to ensure provision of adequate financial resources for daily program operations*
- *Failure to maintain adequate funds to withstand temporary interruptions in program payments and/or fiscal claims against the Contractor*
- *Failure to maintain an adequate number and type of qualified staff to ensure proper CCFP operations*
- *Failure to establish and implement internal controls and other systems to ensure fiscal accountability*
- *Failure of the Board of Directors to provide adequate program oversight*

**4. Failure to maintain adequate records**

- *Failure to maintain appropriate records to document compliance with CCFP requirements including budgets, approved budget amendments, and when applicable, management plans and records pertaining to facility operations*
- *Consistently missing/incomplete records during different reviews, complaint investigations, agreed-upon-procedures reviews, or audits*
- *Missing/incomplete/incorrect invoices, receipts, canceled checks, inventories resulting in false/inflated/unsubstantiated claimed costs*
- *Cost records not maintained according to generally accepted accounting principles resulting in false/inflated/unsubstantiated claimed costs*

**5. Failure to adjust meal orders to conform to variations in the number of participants**

- *Inflated meal counts, such as meals claimed regularly equal the number of meals ordered/planned or the number of participants on the center roster*

**6. Non-compliance with applicable bid procedures and contract requirements of federal child nutrition programs**

- *Failure to competitively procure goods and services*
- *Anti-competitive practices, such as collusion, kickbacks, conflicts of interest*
- *Inclusion of non-competitive provisions in a bid, e.g., "successful bidder for a contract to provide meals must establish a scholarship fund"*

**7. Claiming reimbursement for meals not served to participants**

- *Claiming meals delivered or planned for as meals served to participants*
- *Claiming meals for participants not present on a given day or for a particular meal*
- *Claiming meals served to non-existent children*
- *Claiming meals served to non-enrolled children or to staff*
- *Inflating facility meal counts*
- *Claiming non-existent and non-participating facilities*
- *Claiming meals for ineligible facilities*
- *Claiming dual participating facilities*
- *Claiming the same participant for the same meal at more than one facility*

**8. Claiming reimbursement for a significant number of meals that do not meet CCFP requirements**

**9. Use of a food service management company that is in violation of health codes**

**10. Failure of a sponsoring organization to disburse payments to its facilities in accordance with its management plan and/or CCFP requirements**

- *Checks to facilities prepared more than 5 days after receipt of reimbursement*
- *Payments sent without endorsements or otherwise incomplete*
- *Payments made for other than the full amount the facility is entitled to*
- *Payments made to a facility other than the facility that earned the payment*
- *Payments made to an entity/person other than the facility without express written permission of the facility*
- *Checks not mailed within 5 day timeframe or first business day thereafter*
- *Failure to transfer full amount of facility payments to facility bank account within 5 day time frame*
- *Failure to maintain full amount of facility payments in commingled bank account until checks clear*
- *Using provider reimbursement funds to pay provider advances*
- *Using day care home funds to pay sponsored centers or center funds to pay day care homes*
- *Retaining sponsored center funds in excess of the amount approved in the management plan*

**11. History of administrative or financial mismanagement in any USDA child nutrition program**

- *Sponsor left Summer Food Service Program because of a serious documented problem in its operation*
- *Failure to maintain required corrective actions*
- *Sponsor terminated for serious deficiency in one part of the CCFP (child care center for example) applies to administer a different part (day care homes for example)*

**12. Claiming reimbursement for meals served by a proprietary child care center during a calendar month in which the center does not meet Title XX eligibility requirements or Free and Reduced eligibility requirements, as applicable**

**13. Failure by a sponsoring organization to properly classify individuals or homes in the correct reimbursement category**

**14. Failure of a sponsoring organization to properly exercise its oversight responsibilities**

- *Failure to adequately monitor*
- *Failure to require full, permanent, and systemic corrective actions*
- *Failure to impose sanctions on centers, sites, or day care home providers when serious deficiencies are identified*
- *Failure to follow suspension, termination, disqualification and appeal procedures*

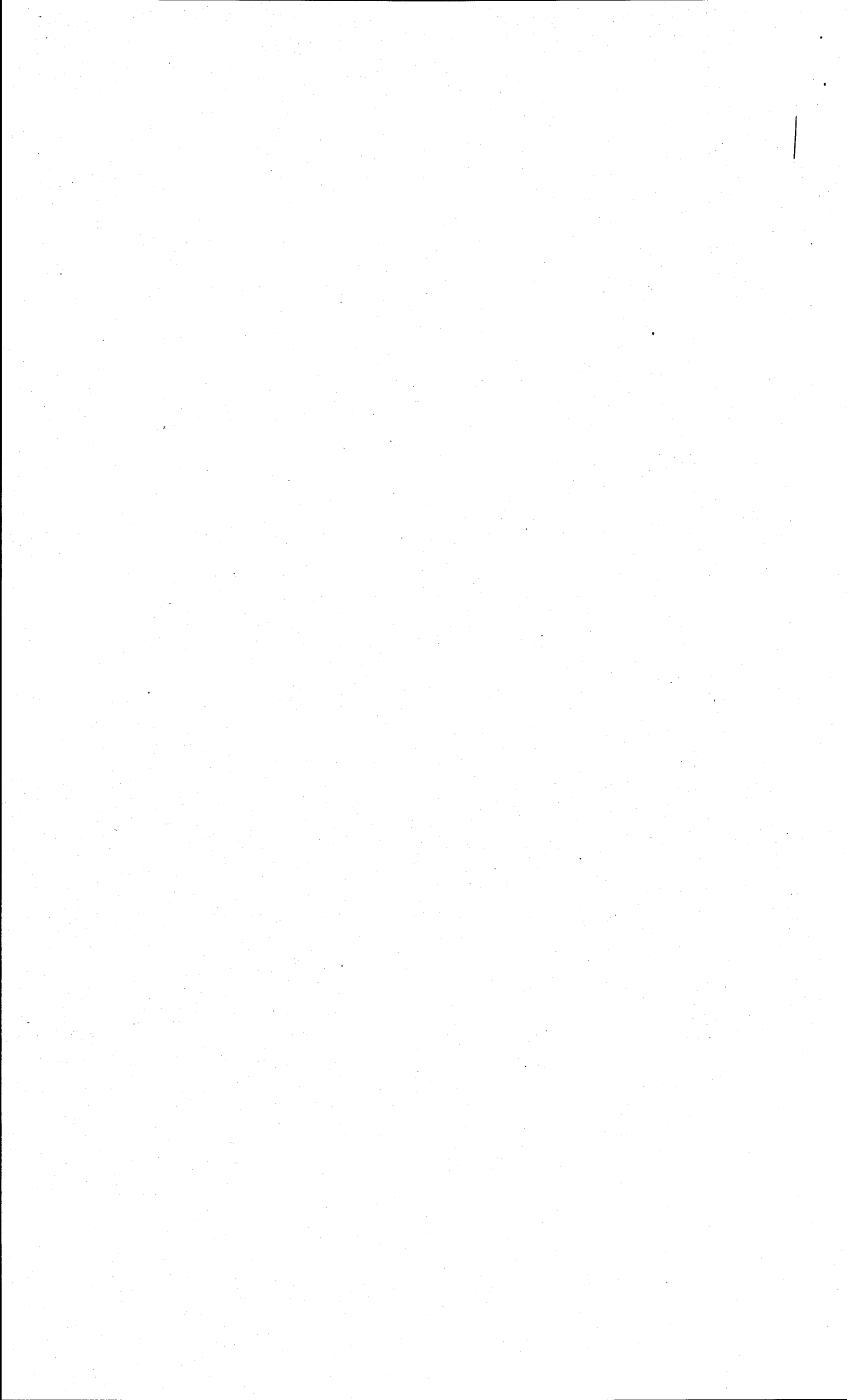
**15. The fact that the Contractor or any of its principals have been declared ineligible to participate in a publicly funded program due to violating that program's requirements**

**16. Conviction of the Contractor or any of its principals for any activity that occurred during the past seven years and that indicates a lack of business integrity**

**17. The following acts or omissions are also serious deficiencies**

- *Failure to make records associated with the CCFP available upon request at a reasonable time and place*
- *Failure to maintain current licensure requirements*
- *Misuse of CCFP funds*
- *Serious mismanagement (e.g. failure to monitor properly)*
- *Failure to obtain a required audit*
- *Failure to notify the Department of change in IRS status*
- *Violations of IRS regulations*
- *Failure to remit periodic payments (required by statute or regulation) to regulatory agencies (e.g. employee withholding for income taxes, social security, unemployment compensation)*
- *Failure to implement corrective action(s) within required timeframes*
- *Failure to follow-up/require and maintain corrective action for facility review findings*
- *Creating fictitious records*
- *Failure to make required repayment of program funds to the Department*
- *Failure to comply with state incorporation requirements*
- *Paying employees salaries based on the number of homes/centers recruited; paying recruitment bounties or bonuses*
- *Failure to attend training required by the Department*
- *Failure to make payment(s) to subcontractor(s) for program services rendered*

**18. Failure to comply with any other financial and/or administrative requirements of Title 7 Code of Federal Regulations, Part 226 and/or failure to comply with applicable federal or Department of Health CCFP rules, regulations, policies, instructions, procedures and/or manuals.**





**Bureau of Child Nutrition Programs  
Child Care Food Program  
CONTRACT 2006-2007**

**ATTACHMENT 2**

**SERIOUS DEFICIENCIES, CORRECTIVE ACTION PLANS,  
PROPOSED ACTIONS SUBJECT TO ADMINISTRATIVE REVIEW  
AND THE NATIONAL DISQUALIFIED LIST**

All contractors are required to abide by the requirements set forth in Title 7 Code of Federal Regulations Part 226. All notices of serious deficiency, notices of proposed termination and notices of proposed suspension shall be provided by the Department to the Contractor and its executive director, owner, and/or chairman of the board of directors and responsible principals or responsible individuals, as applicable, by facsimile transmission, e-mail, certified mail or equivalent delivery service.

If the Department determines that a contractor has failed to comply with a requirement of Title 7 Code of Federal Regulations Part 226, which constitutes a serious deficiency the Department shall issue a Notice of Serious Deficiency that specifies the serious deficiency or deficiencies and provides a date certain by which the Contractor shall file a corrective action plan with the Department. If the corrective action plan is timely filed and is acceptable to the Department, the Department will conduct an unannounced follow-up review of the Contractor. If the follow-up review establishes that the serious deficiencies noted in the Notice of Serious Deficiency appear to have been fully and permanently corrected, the Department will rescind the Notice of Serious Deficiency. If the follow-up review does not establish that the serious deficiencies have been fully and permanently corrected the Department shall issue a Notice of Proposed Termination and Disqualification of Responsible Principals and Responsible Individuals. If the corrective action plan is not timely filed, or is not acceptable to the Department, the Department may grant additional time to file or amend a corrective action plan or it may issue a Notice of Proposed Termination and Disqualification of Responsible Principals and Responsible Individuals.

If a Notice of Serious Deficiency for the same or substantially the same serious deficiencies is issued within three calendar years of a rescinded Notice of Serious Deficiency, the Department shall issue a Notice of Proposed Termination and Disqualification of Responsible Principals and Responsible Individuals since the second Notice of Serious Deficiency establishes that the previous serious deficiency was not fully and permanently corrected.

If the Department determines that a contractor has filed a false or fraudulent claim, or if the Department determines that there is an imminent threat to the health or safety of program participants, or that the contractor poses a threat to public health or safety, it may issue a Notice of Proposed Suspension and shall provide notice of the procedures for suspension review. In any such event, the Department shall propose termination and disqualification and provide notice of procedures for administrative review.

**Administrative Review Rights**

The Contractor is not entitled to administrative review of a Notice of Serious Deficiency. The Contractor is entitled to administrative review of other Department actions, as provided by Title 7 Code of Federal Regulations Part 226, which affect the Contractor's participation or reimbursements in the Child Care Food Program, including but not limited to proposed termination and disqualification. To obtain an administrative review, the Contractor and/or responsible principals or responsible individuals must request it in writing within 15 days of receipt of the Department's notice. The written request must be received by the Department of Health Agency Clerk, Sam Power, 4052 Bald Cypress Way, Bin No. A-02, Tallahassee, Florida 32399-1703; telephone number 850-245-4005, facsimile number 850-410-1448, within the time permitted. If no written request is submitted or if the written request is not received within 15 days of the Department's notice, then the Department's proposed action against the Contractor, responsible principals and responsible individuals shall no longer be subject to administrative review and the proposed action will become effective. The Agency Clerk will acknowledge receipt of the request for administrative review within 10 days and, if the request was timely filed, will appoint an administrative review official. If the request for administrative review was not timely filed, the Department shall notify the Contractor, responsible principals and responsible individuals that review is no longer authorized and that the Department's proposed action has now taken effect.

If a timely written request is submitted, the Contractor, responsible principals and responsible individuals must submit documentation in opposition to the proposed Department action no later than 30 days after receipt of the Department's notice to the administrative review official. The Department may submit documentation in support of its action within 15 days of the Contractor's request for administrative review. The administrative review official will consider the Department's proposed actions based upon written submissions by the Department and the Contractor.

A hearing will be held in addition to, or in lieu of, a review of written information only if the Contractor or a responsible principal or individual requests such a hearing in the initial written request for administrative review. The administrative review official may consider any evidence that he or she determines is credible, trustworthy and would reasonably be relied upon by a prudent person in the conduct of his or her normal daily activities. Either party may be represented by counsel. If a hearing is requested, the parties may call witnesses to testify and may cross examine witnesses. Witnesses may testify by telephone and may be sworn over the telephone and may be permitted to testify in narrative form. The administrative review official will issue a decision within 60 days of the Department's receipt of a timely filed written request for administrative review.

The administrative review official's determination is the final administrative determination to be afforded to the institution and responsible principals and individuals.

#### **National Disqualified List**

If a contractor, responsible principals and responsible individuals do not timely request administrative review or if administrative review upholds the Department's proposed action for disqualification from the Child Care Food Program, the Contractor and/or responsible principals and responsible individuals will be placed on the National Disqualified List with the United States Department of Agriculture and will be prohibited from participating in the Child Care Food Program for a period not to exceed seven years.



**Bureau of Child Nutrition Programs  
Child Care Food Program  
CONTRACT 2006-2007**

**ATTACHMENT 3**

**BUDGET AND BUDGET AMENDMENT REQUIREMENTS FOR SPONSORS OF  
DAY CARE HOMES AND SPONSORS OF UNAFFILIATED CHILD CARE CENTERS**

Any Contractor serving as a sponsor of day care homes or unaffiliated child care centers shall file an administrative budget and any amendments to that budget through electronic submission to the Department using the forms available on Child Care Food Program (CCFP) website. Each schedule shall be completed and submitted with the budget summary. The budget must reflect projected costs for the federal fiscal year beginning October 1 of the current year through September 30 of the next year. It is not necessary to complete all line items and corresponding schedules if expenditures will not be incurred for those specific items. The budget shall reflect anticipated allowable costs associated with the business operations of the sponsoring organization. The costs on the CCFP Administrative Budget Summary form must match those totals listed on each of the 23 supporting schedules.

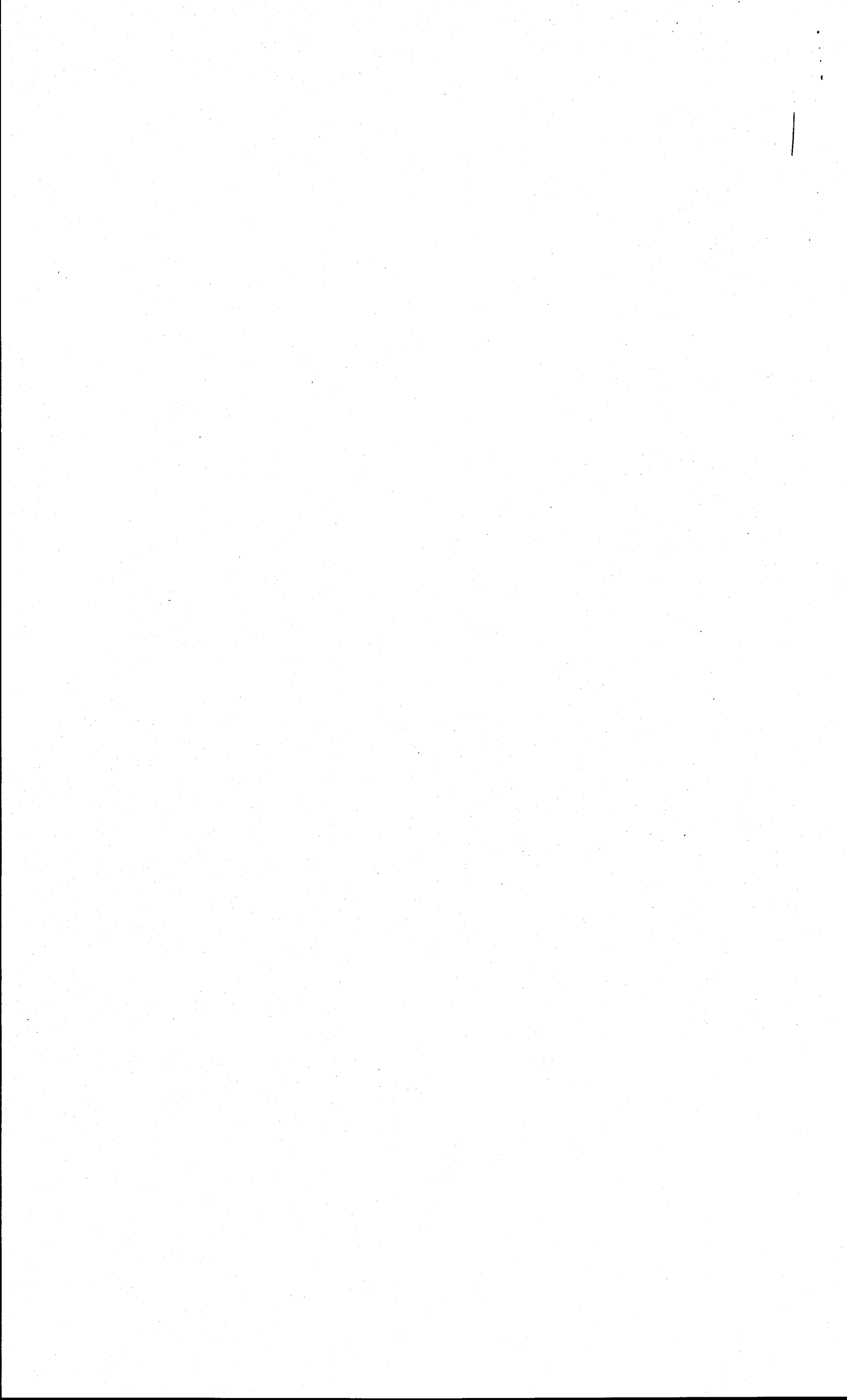
The Contractor shall use the Projected Administrative Earnings Worksheet to project administrative earnings and to project the administrative budget grand total. The Contractor's administrative budget grand total must be equal to or less than the total projected administrative earnings. For renewing contractors, a copy of the Contractor's administrative budget summary for the preceding federal fiscal year will be made available by the Department upon request.

A number of expenditures are allowable under the CCFP only if prior written approval is obtained from the Department. The Department has attempted to identify expenditures which require such approval in its "Supplemental Budget for Special Cost Items" form. Contractors shall use this form to obtain prior Departmental approval. However, the Contractor shall provide to the Department any additional documentation, justification or information necessary to determine whether the expenditure is reasonable, prudent and in the furtherance of the CCFP, in the sole discretion of the Department. Expenditures for which prior written approval is being requested shall be included on the applicable schedule in the Contractor's budget or amended budget.

The Contractor agrees that the Department shall have the authority to review and approve or disapprove budgets and budget amendments which shall become final unless the Contractor timely requests administrative review as permitted by the federal regulations. Contractors shall not make administrative expenditures except within the category specified in the approved budget, however a transfer of expenditure authority from one category to another may be made in a budget year so long as the transfer amount does not exceed 10% of the category from which the funds are being transferred and 10% of the category to which the funds are being transferred. This transfer authority shall not be used for salary or benefit expenditure categories. Any alteration to salaries or benefits requires submission of an amended budget and is subject to Departmental approval.

Submission and approval of a budget or budget amendment does not constitute the Department's agreement to the expenditures made pursuant thereto. The Department's approval or review is intended to assist Contractors in meeting CCFP requirements. However, the Contractor is solely responsible for all expenditures and shall be subject to notices of serious deficiency, proposed termination, disqualification, suspension, disallowance of expenditures or other actions if the Contractor has failed to abide by any applicable state rules, policies, procedures and manuals or any applicable federal Child Care Food Program rules, regulations, instructions, or policies.





**Delegation of Signing Authority  
for the Child Care Food Program**

To Whom it May Concern:

By means of this letter, I, Tony Masilotti (the Delegating Official, which is the Chairman of the Board, President or Owner), delegate the authority

herein described, to Carmen A. Nicholas (my representative), on the following terms and conditions:

1. My representative may sign, on my behalf, any documents pertaining to the Child Care Food Program.
2. The effective date of this delegation is August 14, 2006 and shall run until September 30, 2007, or until revoked by the delegating official.
3. The authority delegated is not subject to sub-delegation without my prior and written consent.
4. I understand that this delegation does not relieve me of responsibility to manage and supervise operation of the Child Care Food Program, that I may be liable for repayment of funds received and that I may be subject to disqualification from future participation in the Child Care Food Program should the terms of the contract with DOH for participation in the Child Care Food Program not be fulfilled.

\_\_\_\_\_  
Signature (Delegating Official)

Tony Masilotti

Chairman, PBC Board of County Commissioners

\_\_\_\_\_  
Name and Title (Chairman of the Board,  
President or Owner)

\_\_\_\_\_  
Date

Acknowledged and agreed:

\_\_\_\_\_  
Signature (Representative)

Carmen A. Nicholas

Director, Head Start/Early Head Start

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Date

# FLORIDA DEPARTMENT OF HEALTH

7/10/2006

## CHILD CARE FOOD PROGRAM

2:40PM

### BUDGET FOR RENEWING SPONSORING ORGANIZATIONS OF CENTERS

Authorization #: S - 735

Area: 7

Fiscal Year: 2006 - 2007

Organization Name: HEAD START & CHILDREN SERV.

Budget Prepared by: Dorene Leckey Phone #: ( 561 ) 233-1630 FAX #: ( 561 ) 233-1633

Date: 8/10/06 Original Budget ( ) Amended Budget (x) Date Amended: 8/10/06

| <b>FOOD SERVICE (OPERATIONAL) COSTS</b>        | <b>FY 2006 - 2007<br/>ANNUAL COST</b> |
|--|---------------------------------------|
| Food Purchases:                                | <u>572,632</u>                        |
| Food Service Labor and Benefits:               | <u>330,572</u>                        |
| Non-Contracted Purchased Services:             | <u>0</u>                              |
| Non-Food Supplies:                             | <u>50,273</u>                         |
| Food Service Equipment:                        | <u>0</u>                              |
| Transportation:                                | <u>0</u>                              |
| Other (Includes Special Cost Items):           | <u>5,054</u>                          |
| Describe: SPECIAL COST                         |                                       |
| <b>Total Food Service (Operational) Costs:</b> | <b>Subtotal <u>958,531</u></b>        |
| <br><b>ADMINISTRATIVE COSTS</b>                |                                       |
| Administrative Salaries and Benefits:          | <u>39,903</u>                         |
| Non-Contracted Purchased Services:             | <u>4,886</u>                          |
| Training:                                      | <u>400</u>                            |
| Travel:  | <u>450</u>                            |
| Rent and Utilities:                            | <u>2,954</u>                          |
| Office Supplies:                               | <u>2,018</u>                          |
| Other (Includes Special Cost Items):           | <u>0</u>                              |
| Describe:                                      |                                       |
| <b>Total Administrative Costs:</b>             | <b>Subtotal <u>50,611</u></b>         |
| <br><b>BUDGET GRAND TOTAL:</b>                 | <br><b><u>1,009,142</u></b>           |

(DOH) Approved by: \_\_\_\_\_

Approval Date: \_\_\_\_\_



**Bureau of Child Nutrition Programs  
Child Care Food Program**

## SUPPLEMENTAL BUDGET FOR SPECIAL COST ITEMS

Palm Beach County

**Authorization No.:** S-735      **Name of Organization:** Board of County Commissioners

- Use this form to list any special cost items for which you are requesting prior written approval (per FNS 796-2, Rev. 3) in your budget; **failure to receive prior approval means that these cost items must not be charged to the CCFP.**
- Indicate the dollar amount for **each** specific item of cost in the column titled "Dollar Amount/Administrative" or "Dollar Amount/Food Service (Operational)". Sponsors of unaffiliated centers and sponsors of day care homes must complete only the administrative column.
- Total the amount(s) in each of the columns and enter the totals for each on the "TOTAL" line, Page 2.
- For all contractors (except sponsors of unaffiliated centers and sponsors of day care homes), include each "TOTAL" on your CCFP Budget form in either Food Service/Operational Costs-Other, or Administrative Costs-Other, as applicable; write in the words "special cost item(s)" on the "Describe" line of your organization's CCFP Budget.
- For sponsors of unaffiliated centers and sponsors of day care homes, include the reported amounts on the appropriate schedule.
- Attach this Supplemental Budget to your CCFP Budget.
- Documentation to support these CCFP costs must be maintained by your organization and are subject to review.

**Check one:**   ( ) Original budget    (  ) Amended budget

**For Fiscal Year Ending** 2007

| SPECIAL COST ITEMS  | DOLLAR<br>AMOUNT<br>Administrative | DOLLAR<br>AMOUNT<br>Operational<br>(Food Service) |
|---|------------------------------------|---|
| <b>I. Special Compensation</b>  |                                    |   |
| (A) SPECIAL compensation to nonprofit organization's staff, trustees, directors, officers, or family members thereof for CCFP services performed.....             |                                    |   |
| (B) Stipends to compensate board members for the costs of attending corporate meetings when CCFP business is conducted.....                                       |                                    |   |
| (C) A substantial increase in the organization's level of compensation to an individual or all employees funded from CCFP monies.....                             |                                    |   |
| <b>II. Overtime, Holiday Pay and Compensatory Leave</b>   |                                    |   |
| (A) Payment of overtime, holiday pay for work performed on a nonwork holiday, and compensatory leave.....   |                                    |   |
| (B) Incentive payments and awards exceeding \$500 made to CCFP funded employees.....  |                                    |   |
| (C) Severance pay for CCFP funded employees when it does not constitute excess compensation.....  |                                    |   |
| (D) Deferred compensation for CCFP funded employees when the deferral is in best interest of the CCFP (other restrictions also apply; see FNS 796-2, Rev. 3)..... |                                    |   |
| (E) Amendments or modifications to approved deferral plans for CCFP funded employees  |                                    |   |
| <b>III. Contributions and Donation Costs</b>  |                                    |   |
| Costs required to make goods or services donated to the organization usable for the CCFP (donated or volunteer labor is unallowable).....                         |                                    |   |
| <b>IV. Depreciation and Use Allowance-Equipment and Improvements \$5000 or more</b>   |                                    |   |
| (A) Using a <u>different</u> method of depreciation for space and facility other than the 30 year straight line method or a method accepted by the IRS.....       |                                    |   |
| (B) For publicly owned buildings, the amount assigned as the acquisition cost.....  |                                    |   |
| (C) Unknown acquisition cost.....   |                                    |   |
| (D) Using a <u>different</u> method of depreciation for equipment other than the 15 year straight line method or a method accepted by the IRS.....                |                                    |   |
| (E) A use allowance can be claimed but cannot exceed six and two-thirds percent of the acquisition cost.....  |                                    |   |

AUTHORIZATION #: S-735

FISCAL YEAR: 2006-2007

ORGANIZATION NAME: Head Start & Children Services

Date: 8/10/06

Re: Written Statement of Justification of Budget Grand Total Increase

Palm Beach County Head Start & Children Services requests the Budget Grand Total for 2006-2007 to be increased from the pre-calculated amount of \$724,158 to \$1,009,142. This value is the total actual expenditures taken from claims from October 1, 2004 through September 30, 2005. This allows for a more accurate estimation of costs for fiscal year 2006-2007.



Jeb Bush  
Governor

M. Rony François, M.D., M.S.P.H., Ph.D.  
Secretary

### CHILD CARE FOOD PROGRAM MEMORANDUM

DATE: June 23, 2006

TO: Independent Child Care Centers  
Sponsoring Organizations of Child Care Centers  
Afterschool Snack Program Contractors  
Homeless Child Nutrition Program Contractors

FROM: Philip E. Reeves, M.P.H. *PER*  
Chief, Bureau of Child Nutrition Programs

SUBJECT: Renewal Materials Deadline – August 25, 2006

---

All Child Care Food Program (CCFP) application and renewal materials must be returned to your Area Consultant by the deadline they specify, but in any case no later than August 25, 2006. Receipt by this deadline will ensure your Area Consultant has adequate time to review the application prior to forwarding it to Tallahassee for final approval, contract signing, and data entry.

Your existing contract with the Department of Health ends on September 30, 2006. If your application materials are not received in time to be reviewed and approved, and if new contracts are not signed by October 1, your contract will lapse and we will not be able to authorize payment after the month of September. Any contractor who does not have a new contract in place by October 1, 2006, will be required to go through the new contractor approval process including training and a pre-approval visit before being allowed to come back on the program; this could take several months.

Please ensure your materials are returned to your Area Consultant by August 25, 2006 in order to ensure a smooth transition for you and for us. Thank you.