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## **Child Nutrition Programs Late Claim Procedure**

### **Purpose and Background**

To outline the Vermont Agency of Education Child Nutrition Program's procedure for monitoring the approval and payment of late claims.

[P.L. 97-370](#) specifies "That only final reimbursement claims for service of meals, supplements, and milk submitted to State Agencies (SAs) by eligible schools, summer camps, institutions, and service institutions within 60 days following the claiming month shall be eligible for reimbursement from funds appropriated under this Act."

Program regulations specify that a final claim for reimbursement shall be postmarked and/or submitted to the SA, or FNS regional office (FNSRO) where applicable, not later than 60 days following the last day of the full month covered by the claim. Claims not postmarked and/or submitted within 60 calendar days shall not be paid with program funds unless FNS determines that an exception should be granted or is otherwise authorized by FNS.

Complete federal guidance on this topic is found in *Guidance for Local and State Agencies on 60-Day Claim Submission and 90-Day Reporting Requirements for Child Nutrition Programs*, published by the USDA Food and Nutrition Service in August 2018, or any subsequent updates, hereafter referred to as the August 2018 *Guidance*. This policy uses the definitions found in the August 2018 *Guidance*.

### **Claim Revisions Not Requiring an Exception**

1. Claim revisions can be submitted at any time (including past the 60-day deadline) by the Local Agency when the number of enrollments by income category, number of meals or snacks, and/or costs reported on the revised claim results in a downward adjustment in the reimbursement value of the claim OR when revisions do not result in an increase in reimbursement.
2. To initiate a downward claim revision or a revision not resulting in increase to reimbursement after the claim year has been closed out in the CNP Web System, the Local Agency should contact the Director of Child Nutrition Programs to request that the system be re-opened.
3. Claim revisions (upward or downward adjustments) resulting from State Agency review findings or independent audits will be initiated by the State Agency, or the State Agency may instruct the Local Agency to enter the revision themselves as part of Corrective Action. These revisions are permitted without requiring an exception.

## **Within Your Control: One-Time Exception**

1. If the lateness of the claim or upward revision is due to circumstances within the institution's control, the State Agency may grant a One-Time Exception once every 36 months for each of the program types (NSLP, FFVP, CACFP, SFSP, etc.) For all VT Child Nutrition Programs, the 36-month window begins with the last claim month for which a one-time claim exception was approved.
2. The One-Time Exception can only apply to a single month's claim, even if more than one month's claim was late for the same reason.
3. The reasons or circumstances for a late claim submission within the Local Agency's control include but are not limited to: an administrative or clerical error, or failure of the institution to make adequate provisions to ensure that it can meet its obligation to submit the claim before the deadline. Examples are personnel changes, such as the person who normally submits the claim quit or was fired, inadequate staffing, lack of training for personnel, or time needed to gather and calculate the claim. Institutions should have back-up systems in place to ensure that requirements are met. In general, reasons are within the control of a Local Agency if a corrective action plan can be developed to ensure against reoccurrence of the lateness.
4. In order to receive a One-Time Exception, Local Agency's should begin by inquiring whether they are eligible for an exception. The State Agency will check to see if the Local Agency has received a one-time exception for that program within the last 36 months. If no exception was granted within the last 36-months, the State Agency will instruct the Local Agency to complete the Late Claim Exception Request and Corrective Action form (Appendix A).

A corrective action plan must:

- a. Request an exception for the specific month and state reason claim/upward revision was late and actions taken to avoid repetition of the situation linked to the late submission; Actions taken to avoid any future late claim/upward revision submission;
- b. Indicate who the individual is that will be responsible for the corrective action or ensuring future claims or revisions will not be late;
- c. State that the institution understands that the One-Time Exception can only be granted once every 36 months and that future late claims/upward revisions within 36 months of the date of the exception will not be paid unless they are determined to be due to causes outside your control; and
- d. Include the signature of the person who signed the Program Agreement or other authorized representative of the institution.

5. Send all requests to the attention of the Director of Child Nutrition Programs at the following address:

Vermont Agency of Education  
Child Nutrition Programs  
1 National Life Drive, Davis 5  
Montpelier, VT 05620-2501

Or by email as a signed PDF to the attention of the Director of Child Nutrition Programs.

6. The Director of Child Nutrition Programs will review the Corrective Action Plan (CAP) to ensure that it includes a reasonable plan for correcting the cause of the late claim. The Director of Child Nutrition Programs may deny the one-time exception request if the CAP is not satisfactory. If denied, the Local Agency will be given an opportunity to revise the CAP until it is acceptable.
7. Upon approval of the CAP, the Director of Child Nutrition Programs will over-ride the error in the electronic system. This action kicks the claim back to "Pending" status. At this point, the AOE will notify the Local Agency that their one-time late claim request has been approved and they need to go into the Claim Reporting and Reimbursement system and click "certify and submit" on the claim. When the Local Agency re-submits the claim after the error message has been over-ridden, the system will complete all other edit checks and move the claim to "accepted" status.

NOTE: Before requesting a One-Time Exception, institutions should evaluate whether the late claim/upward revision is large enough (in relation to other monthly claims) to justify "using up" the exception for the next 36 months or whether the exception should be "saved" for possible future use.

### **Late Claims Resulting from Circumstances Beyond the Control of the Local Agency**

1. A late claim submission is considered outside a Local Agency's control if it was due to a situation or occurrence which could not have reasonably been anticipated or provided for by the Local Agency AND it can be shown that the situation or occurrence was a direct cause of the failure of the Local Agency to submit its claim by the required deadline. Examples of reasons that would be allowed under this exception include: records that were destroyed by accident or natural disaster such as flood, fire, and vandalism, or serious illness or injury of the person responsible for submitting the report.
2. If there is more than one late claim/upward revision and there are different reasons for each, a separate request must be submitted for each cause. If multiple claims/upward revisions are late for a single reason, one request may be submitted for the multiple late claims/upward revisions.

3. To request this type of exception, the Local Agency must submit on agency letterhead a signed (signature of the person who signed the Program agreement or other authorized representative of the institution) written request for an exception for late claim resulting from circumstances beyond the control of the Local Agency. The request should include:
  - a. The name and agreement number for the Local Agency;
  - b. Each month for which an upward adjustment is requested;
  - c. An explanation of each upward adjustment and why it was beyond the control of the Local Agency. If the request includes two or more adjustments and attributes them to different reasons, identify separately the effect of each reason;
  - d. A detailed description of the events and circumstances that prevented the claim/upward adjustment from being submitted within the 60-day deadline.
4. The State Agency will review the request. If the State Agency determines that the lateness was within the control of the Local Agency, written notice will be sent stating the request will not be submitted to the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Regional Office, and the late claim exception will not be granted. Local Agency's submitting requests for the SFSP or CACFP may appeal a decision not to forward the request to the USDA FNS Regional Office according to 7 CFR §225.13(a), §226.6(k)(2)(x).
5. If it is clear that the late claim/upward revision was due to circumstances beyond the control of the Local Agency, the request will be forwarded to the USDA FNS Regional Office for review. The Local Agency will be notified in writing when a decision is reached.
6. If the USDA FNS Regional Office approves the request, the Director of Child Nutrition Programs will over-ride the error in the electronic system. This action kicks the claim back to "Pending" status. At this point, the AOE will notify the Local Agency that their one-time late claim request has been approved and they need to go into the Claim Reporting and Reimbursement system and click "certify and submit" on the claim. When the Local Agency re-submits the claim after the error message has been over-ridden, the system will complete all other edit checks and move the claim to "accepted" status.

If the United States Department of Agriculture Food and Nutrition Service Regional Office denies the Beyond the Control of the Local Agency Exception request, the institution may request a One-Time Exception for one month's claim if it has not received an exception in the previous 36 months.

**Appendix A**  
**Vermont Agency of Education**  
**Child Nutrition Programs**  
**Late Claim Exception Request & Corrective Action Plan**

**Vermont Agency of Education  
Child Nutrition Programs  
Late Claim Exception Request & Corrective Action Plan**

Programs must submit claims within sixty (60) days following the last day of the claim month; State Agency best practice requests claims to be submitted by the 15<sup>th</sup> of the following month. Claims not submitted within 60 days shall not be paid with program funds unless authorized by the Food & Nutrition Service (FNS). A one-time exception for payment of one month for late submission of a claim within the control of the SFA/Institution may be granted if the SFA or Institution submits a corrective action plan that is approved by the state.

**Instructions:** A school business official, fiscal officer or institution director must complete and submit this request and corrective action plan. To request a claim exception, indicate the name of the school food authority (SFA) or institution, the Agreement Number, the claim month and program for which the exception is requested. Thoroughly complete the corrective action plan below and submit it to the State Agency for review and approval. The State Agency will notify you if the Corrective Action Plan has been accepted and any next steps to take.

**Corrective Action Plan**

**Name of SFA/Institution:** \_\_\_\_\_

**Agreement #:** \_\_\_\_\_

**Claim Month:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Program:**    School Nutrition Programs       FFVP       CACFP       SFSP

1. Indicate why the claim was not submitted within the required 60-day time line.
  
  
  
  
  
  
  
  
  
  
2. What actions or procedures will be implemented to ensure claims will be submitted within the required timeline?

3. Who will be responsible for implementing the corrective action?

4. When and how will the corrective action be implemented to ensure full and permanent procedures or actions will be carried out to ensure timely submission of claims each month?

I understand that if my request for a claim exception is approved, my organization will not be eligible for another claim exception for a 36-month period.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**E-mail Address:** \_\_\_\_\_

**State Agency Action:**

Date Received: \_\_\_\_\_

Month of last one-time late claim exception, if applicable: \_\_\_\_\_

Exception Granted: \_\_\_\_\_

Claim Approved Date: \_\_\_\_\_

Exception Denied: \_\_\_\_\_

Notes: