**Massachusetts State Waiver Request to Delay the Implementation of the Program Integrity Final Rule**

**1. State agency submitting waiver request and responsible State agency staff contact:**

Massachusetts Department of Elementary and Secondary Education

**2. Region:**

Northeast Region

**3. Eligible service providers participating in waiver and affirmation that they are in good standing:**

CACFP State Agency

**4. Description of the challenge the State agency is seeking to solve, the goal of the waiver to improve services under the Program, and the expected outcomes if the waiver is granted. [Section 12(l)(2)(A)(iii) and 12(l)(2)(A)(iv) of the NSLA]:**

The State agency is requesting approval to delay implementation of the following Child Nutrition Program Integrity Final Rule provisions by one year to allow additional time to plan and prepare for the significant changes: annual review of a sponsoring organization’s bank account activity and annual review of actual expenditures and meal reimbursement funds retained from centers for administrative costs for CACFP sponsoring organizations of unaffiliated centers. The provisions currently have a compliance date of 8/23/24.

The Massachusetts Department of Elementary and Secondary Education will fulfill the requirement of these provisions at the time of a Sponsoring Organization’s onsite Administrative Review. Approximately 120 Sponsoring Organizations will require the annual review of at least one month’s bank account activity. MA DESE will require the documentation is made available at the time of the onsite Administrative Review for approximately half of those who meet the requirement (approximately 60 Sponsoring Organizations) in Fiscal Year 2025. Bank statements and supporting documentation (invoices, checks, expense reports, payroll records, etc.) will be requested and reviewed. The records will be reviewed virtually for Sponsoring Organizations who will not have an Administrative Review within the fiscal year, however, additional time is requested (one year) to plan and prepare for the collection of documents for organizations which are not on the FY review cycle.

The increase in number of fiscal reviews will require staff recruitment and training as well as modifications to the Security Portal, the State Agency’s online platform used to collect, manage and review documentation of contracted sponsoring organizations participating in CACFP. An additional year will allow the State Agency to modify the existing Nutrition Application to securely obtain and review requested bank account activity and supporting documentation on an annual basis. The delay in implementation will also allow time to review procedures implemented with subgroup, (about 60 of the 120 SO) meeting the annual requirement, to ensure compliance with the final rule.

**5. Specific Program requirements to be waived (include statutory and regulatory citations).**

The State Agency is seeking a waiver of the following regulations:

* 7 CFR 226.7(b)(1)(i) to annually review at least 1 month’s bank account activity for all sponsoring organizations.
* 7 CFR 226.7(b)(1)(ii) to annually review actual expenditures and meal reimbursement funds retained from centers for administrative costs for CACFP sponsoring organizations of unaffiliated centers.

**6. Detailed description of alternative procedures and anticipated impact on Program operations, including technology, State systems, and monitoring:**

Delaying the implementation of the specified provisions by one year will allow the State Agency to create a system to obtain the required financial documentation from sponsoring organizations, recruit and train staff, and develop comprehensive fiscal review procedures.

**7. Description of any steps the State has taken to address regulatory barriers at the State level. [Section 12(l)(2)(A)(ii) of the NSLA]:**

There are no regulatory barriers at the state level.

**8. Anticipated challenges State or eligible service providers may face with the waiver implementation:**

There are no anticipated challenges with this waiver.

**9. Description of how the waiver will not increase the overall cost of the Program to the Federal Government. If there are anticipated increases, confirm that the costs will be paid from non-Federal funds. [Section 12(l)(1)(A)(iii) of the NSLA]:**

The waiver will not result in an increase in the overall cost of the program.

**10. Anticipated waiver implementation date and time period:**

8/24/24 – 8/24/25

**11. Proposed monitoring and review procedures:**

The State Agency is requesting a one-year implementation delay to plan and prepare for the fiscal review requirements. During this time, the State Agency will fulfill the fiscal review requirements onsite for those required if they are receiving an Administrative Review in Fiscal Year 2025. The State Agency will modify the Security Portal to create a system for the maintenance and electronic review of the financial documentation annually for the remainder of Sponsoring Organizations for whom an administrative review will not be conducted in the fiscal year. Policies and procedures related to fiscal reviews will be developed to ensure compliance with the final rule.

**12. Proposed reporting requirements (include type of data and due date(s) to FNS):**

**13. Link to or a copy of the public notice informing the public about the proposed waiver [Section 12(l)(1)(A)(ii) of the NSLA]:**

[**Latest & Greatest - Office for Food and Nutrition Programs (mass.edu)**](https://www.doe.mass.edu/cnp/newsletter.html)

**14. Signature and title of requesting official:**

**TO BE COMPLETED BY FNS REGIONAL OFFICE:**

*FNS Regional Offices are requested to ensure the questions have been adequately addressed by the State agency and formulate an opinion and justification for a response to the waiver request based on their knowledge, experience and work with the State.*

**Date request was received at Regional Office:  Check this box to confirm that the State agency has provided public notice in accordance with Section 12(l)(1)(A)(ii) of the NSLA**

** Regional Office Analysis and Recommendations:**