§ 210.26 Penalties.

Whoever embezzles, willfully misapplies, steals, or obtains by fraud any funds, assets, or property provided under this part whether received directly or indirectly from the Department, shall if such funds, assets, or property are of a value of $100 or more, be fined no more than $25,000 or imprisoned not more than 5 years or both; or if such funds, assets, or property are of a value of less than $100, be fined not more than $1,000 or imprisoned not more than 1 year or both. Whoever receives, conceals, or retains for personal use or gain, funds, assets, or property provided under this part, whether received directly or indirectly from the Department, knowing such funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud, shall be subject to the same penalties.


§ 210.27 Educational prohibitions.

In carrying out the provisions of the Act, the Department shall not impose any requirements with respect to teaching personnel, curriculum, instructions, methods of instruction, or materials of instruction in any school as a condition for participation in the Program.


§ 210.28 Pilot project exemptions.

Those State agencies or school food authorities selected for the pilot projects mandated under section 18(d) of the Act may be exempted by the Department from some or all of the counting and free and reduced price application requirements of this part and 7 CFR part 245, as necessary, to conduct an approved pilot project. Additionally, those schools selected for pilot projects that also operate the School Breakfast Program (7 CFR part 220) and/or the Special Milk Program for Children (7 CFR part 215), may be exempted from the counting and free and reduced price application requirements mandated under these Programs. The Department shall notify the appropriate State agencies and school food authorities of its determination of which requirements are exempted after the Department’s selection of pilot projects.


§ 210.29 Management evaluations.

(a) Management evaluations. FNS will conduct a comprehensive management evaluation of each State agency’s administration of the National School Lunch Program.

(b) Basis for evaluations. FNS will evaluate all aspects of State agency management of the Program using tools such as State agency reviews as required under §210.18 or §210.18a of this part; reviews conducted by FNS in accordance with §210.18 of this part; FNS reviews of school food authorities and schools authorized under §210.19(a)(4) of this part; follow-up reviews and actions taken by the State agency to correct violations found during reviews; FNS observations of State agency reviews; and audit reports.

(c) Scope of management evaluations. The management evaluation will determine whether the State agency has
taken steps to ensure school food authority compliance with Program regulations, and whether the State agency is administering the Program in accordance with Program requirements and good management practices.

(1) Local compliance. FNS will evaluate whether the State agency has actively taken steps to ensure that school food authorities comply with the provisions of this part.

(2) State agency compliance. FNS will evaluate whether the State agency has fulfilled its State level responsibilities, including, but not limited to the following areas: use of Federal funds; reporting and recordkeeping; agreements with school food authorities; review of food service management company contracts; review of the claims payment process; implementation of the State agency’s monitoring responsibilities; initiation and completion of corrective action; recovery of overpayments; disallowance of claims that are not properly payable; withholding of Program payments; oversight of school food authority procurement activities; training and guidance activities; civil rights; and compliance with the State Administrative Expense Funds requirements as specified in 7 CFR part 235.

(d) School food authority reviews. FNS will examine State agency administration of the Program by reviewing local Program operations. When conducting these reviews under paragraph (d)(2) of this section, FNS will follow all the administrative review requirements specified in §210.18(a)–(h) of this part. When FNS conducts reviews, the findings will be sent to the State agency to ensure all the needed follow-up activity occurs. The State agency will, in all cases, be invited to accompany FNS reviewers.

(1) Observation of State agency reviews. FNS may observe the State agency conduct of any review and/or any follow-up review as required under this part. At State agency request, FNS may assist in the conduct of the review.

(2) Section 210.18 reviews. FNS will conduct administrative reviews or follow-up reviews in accordance with §210.18(a)–(h) of this part which will count toward meeting the State agency responsibilities identified under §210.18 of this part.

(3) School food authority appeal of FNS findings. When administrative or follow-up review activity conducted by FNS in accordance with the provisions of paragraph (d)(2) of this section results in the denial of all or part of a Claim for Reimbursement or withholding of payment, a school food authority may appeal the FNS findings by filing a written request with the Chief, Administrative Review Branch, U.S. Department of Agriculture, Food and Nutrition Service, 3101 Park Center Drive, Alexandria, Virginia, 22302, in accordance with the appeal procedures specified in this paragraph:

(i) The written request for a review of the record shall be postmarked within 15 calendar days of the date the appellant received the notice of the denial of all or a part of the Claim for Reimbursement or withholding payment and the envelope containing the request shall be prominently marked “REQUEST FOR REVIEW.” FNS will acknowledge the receipt of the request for appeal within 10 calendar days. The acknowledgement will include the name and address of the FNS Administrative Review Officer (ARO) reviewing the case. FNS will also notify the State agency of the request for appeal.

(ii) The appellant may refute the action specified in the notice in person and by written documentation to the ARO. In order to be considered, written documentation must be filed with the ARO not later than 30 calendar days after the appellant received the notice. The appellant may retain legal counsel, or may be represented by another person. A hearing shall be held by the ARO in addition to, or in lieu of, a review of written information submitted by the appellant only if the appellant so specifies in the letter of request for review. Failure of the appellant school food authority’s representative to appear at a scheduled hearing shall constitute the appellant school food authority’s waiver of the right to a personal appearance before the ARO, unless the ARO agrees to reschedule the hearing. A representative of FNS shall be allowed to attend the hearing to respond to the appellant’s testimony.
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and to answer questions posed by the ARO;
   (iii) If the appellant has requested a hearing, the appellant shall be provided
       with a least 10 calendar days advance
       written notice, sent by certified mail,
       return receipt requested, of the time,
       date, and place of the hearing;
   (iv) Any information on which FNS’s
       action was based shall be available to
       the appellant for inspection from the
       date of receipt of the request for re-
       view;
   (v) The ARO shall be an independent
       and impartial official other than, and
       not accountable to, any person author-
       ized to make decisions that are subject
       to appeal under the provisions of this
       section;
   (vi) The ARO shall make a deter-
       mination based on information pro-
       vided by FNS and the appellant, and on
       Program regulations;
   (vii) Within 60 calendar days of the
       receipt of the request for review, by
       written notice, sent by certified mail,
       return receipt requested, the ARO shall
       inform FNS, the State agency and the
       appellant of the determination of the
       ARO. The final determination shall
       take effect upon receipt of the written
       notice of the final decision by the
       school food authority;
   (viii) The action being appealed shall
       remain in effect during the appeal
       process;
   (ix) The determination by the ARO is
       the final administrative determination
       to be afforded to the appellant.
(4) Coordination with State agency.
FNS will coordinate school food au-
thority selection with the State agency
 to ensure that no unintended overlap
exists and to ensure reviews are con-
ducted in a consistent manner.
(5) Management evaluation findings.
FNS will consider the results of all its
review activity within each State, in-
cluding school food authority reviews,
in performing management evaluations
and issuing management evaluation re-
ports. FNS will communicate the find-
ings of the management evaluation to
appropriate State agency personnel in
an exit conference. Subsequent to the
exit conference, the State agency will
be notified in writing of the manage-
techniques in accordance with the provisions
§210.25 of this part and/or 7 CFR part
235.
[56 FR 32949, July 17, 1991, as amended at 57
FR 38586, Aug. 26, 1992. Redesignated at 64 FR
50741, Sept. 20, 1999]
§ 210.30  Regional office addresses.
School food authorities desiring in-
formation concerning the Program
should write to their State educational
agency or to the appropriate Regional
Office of FNS as indicated below:
(a) In the States of Connecticut, Main-
   e, Massachusetts, New Hampshire, New
   York, Rhode Island, and Vermont: Nor-
   east Regional Office, FNS, U.S. De-
   partment of Agriculture, 10 Cause-
   way Street, Room 501, Boston, Massa-
   chusetts 02222–1065.
(b) In the States of Alabama, Florida,
   Georgia, Kentucky, Mississippi, North
   Carolina, South Carolina, and Ten-
   nessee: Southeast Regional Office,
   FNS, U.S. Department of Agriculture,
   61 Forsyth Street SW, Room 8T36, At-
   lanta, Georgia 30336.
(c) In the States of Illinois, Indiana,
   Michigan, Minnesota, Ohio, and Wis-
   consin: Midwest Regional Office, FNS,
   U.S. Department of Agriculture, 77
   West Jackson Boulevard, 20th Floor,
   Chicago, Illinois 60604–3507.
(d) In the States of Arkansas, Lou-
   isiana, New Mexico, Oklahoma, and
   Texas: Southwest Regional Office,
   FNS, U.S. Department of Agriculture,
   1100 Commerce Street, Room 5–C–30,
   Dallas, Texas 75242.
(e) In the States of Alaska, American
   Samoa, Arizona, California, Guam, Ha-
   waii, Idaho, Nevada, Oregon, the Com-
   monwealth of the Northern Mariana Is-
   lands, and Washington: Western Re-
   gional Office, FNS, U.S. Department of
   Agriculture, 550 Kearny Street, Room
   400, San Francisco, California 94108.
(f) In the States of Delaware, District
   of Columbia, Maryland, New Jersey,
   Pennsylvania, Puerto Rico, Virginia,
   Virgin Islands, and West Virginia: Mid-
   Atlantic Regional Office, FNS, U.S. De-
   partment of Agriculture, 300 Corporate
   Boulevard, Robbinsville, New Jersey
   08691–1598.
(g) In the States of Colorado, Iowa,
   Kansas, Missouri, Montana, Nebraska,
   North Dakota, South Dakota, Utah,