



SECTION 8: Meal Pattern Substitutions and Processed Food Documentation

Family day care homes, group homes and sponsoring organizations participating in CACFP must provide reasonable modifications to meals and snacks to accommodate disabilities that restrict a participant's diet.

- Food Substitutions and Variations
- Fluid Milk Substitutions
- Medical Statement to Request Special Meals and/or Accommodations
- CN Labels
- Product Formulation Statement

Food Substitutions and Variations

Program regulations require program operators to make reasonable modifications to meals and snacks, including providing special meals at no extra charge, to accommodate disabilities which restrict a participant's diet. In many cases, disabilities can be managed within the Child and Adult Care Food Program (CACFP) meal pattern requirements when a well-planned variety of nutritious foods is available to participants. However, in other cases, the needs of a participant with a disability may involve requests for accommodations that result in the service of meals that do not meet the meal pattern requirements.

Program regulations require CACFP operators to provide modifications for participants with disabilities on a case-by-case basis only when requests are supported by a written statement from a state licensed healthcare professional, such as a physician, physician assistant, or nurse practitioner. Meals that do not meet the meal pattern requirements are not eligible for reimbursement unless supported by a medical statement. However, CACFP operators may choose to accommodate requests related to a disability that are not supported by a medical statement if the requested modifications can be accomplished within the meal pattern requirements. Such meals are reimbursable. (Reference [CACFP 14-2017 Policy Memorandum on Modifications to Accommodate Disabilities in the Child and Adult Care Food Program and Summer Food Service Program](#))

Medical Statement Requirements

In order to claim a meal that does not conform to the regulatory meal pattern, there must be a medical reason or a special dietary need and a signed statement on file. Use of the **Medical Statement to Request Special Meals and/or Accommodations** (CACFP-227) is recommended; however, an equivalent form provided by a medical authority which documents the requirements is acceptable.

Disability

When a child has a disability that affects the food the child can consume, the parent or guardian must provide a medical statement form signed by a medical authority. The statement must be kept on file, handled confidentially and include:

- A description of the participant's physical or mental impairment that is sufficient to allow the program operator to understand how it restricts the participant's diet.
- An explanation of what must be done to accommodate the child's disability.
- The food or foods to be omitted from the participant's diet.
- The appropriate food substitutions.

Family day care homes (FDCH) and group homes participating in the CACFP are required to make substitutions or modifications to the meal pattern when a disability restricts the diet. Substitutions must be made only when supported by a written statement signed by a physician, physician assistant, nurse practitioner, or registered dietitian.

If it is necessary for a parent to furnish a particular food item(s) for medical reasons as described in [7 CFR 226.20\(g\)](#), the meal may still be claimed for reimbursement if the request is supported by a written statement signed by a physician, physician assistant, nurse practitioner, or registered dietitian and the FDCH or group home supplies at least one required meal component.

Note: Reimbursement for meals served with documented food substitutions are claimed at the same reimbursement rate as meals which meet the meal pattern. The home may not charge for the substituted food item; substitutions that exceed program reimbursement are at the home's expense.

Special Dietary Need

If a home is serving a child with special dietary needs that are not a disability, the parent or guardian may request substitutions by submitting an accurately completed **Medical Statement to Request Special Meals and/or Accommodations** form signed by a recognized medical authority listing the foods to be omitted and appropriate substitutions. Substitutions may be made on a case-by-case basis, at the discretion of the home, for a participant who is unable to consume a food item because of a non-disability medical or other special dietary need.

Fluid Milk (Non-Dairy) Substitutions

Milk substitutions that are made due to special dietary needs that are not a disability must be nutritionally equivalent to fluid milk, even when accompanied by a medical statement. The facility may make such substitutions at its discretion, but it is not required. A written request for a fluid milk substitution may be made by a medical authority or parent or guardian, and must identify the medical or other special dietary need that restricts the diet of the child. Fluid milk substitutes must contain all nutrients in the minimum quantities specified to be considered nutritionally equivalent to fluid cow's milk:

Fluid Milk Substitute - Minimum Nutrient Requirements

Nutrient	Per one (1) cup 8 ounces
Calcium	276 mg.
Protein	8 gm.
Vitamin A	150 mcg retinol activity Equivalents (RAE)
Vitamin D	2.5 mcg
Magnesium	24 mg.
Phosphorus	222 mg.
Potassium	349 mg.
Riboflavin	0.44 mg.
Vitamin B-12	1.1 mcg.

A medical statement is required for non-dairy substitutions due to a disability that do not meet the nutritional standards of cow's milk as described above.

Non-Dairy Beverages that meet USDA Substitution criteria per eight fluid ounces include:

- **8th Continent:** Original
- **Pacific Natural:** All Natural Ultra Original
- **Kikkoman:** Pearl Organic Soymilk Smart Original
- **Wal-Mart Great Value:** Original Soymilk
- **Sunrich Naturals:** Original Soymilk
- **Silk:** Original Soymilk
- **Ripple:** Original, Vanilla, and Chocolate plant-based milk

Note: The Missouri Department of Health and Senior Services-Community Food and Nutrition Assistance (DHSS-CFNA) does not endorse the companies or products listed. This list is not all-inclusive. Read the nutrition facts panel or contact the manufacturer to ensure that product formulations are current. Non-dairy beverages served to children 1 through 5 years old must be unflavored due to the higher sugar content of flavored varieties. (Reference: CACFP 17-2016)

Any reasonable parent or guardian written request for a non-dairy milk substitution could be accepted at the discretion of the home, as described above, without providing a medical statement. As an example, if a parent has a child who follows a vegan diet, the parent can submit a written request to the child's caretaker asking that soy milk be served in lieu of cow's milk. The written request must identify the medical or other special dietary need that restricts the diet of the child. Non-dairy milk substitutions are at the option and expense of the facility. Other examples that may be considered a reasonable written request would be for religious, cultural or ethical reasons. However, a request which only states that a child "does not like milk" would not be a reasonable request for a fluid milk substitute.



MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES
 COMMUNITY FOOD AND NUTRITION ASSISTANCE (CFNA)
 CHILD AND ADULT CARE FOOD PROGRAM (CACFP)

MEDICAL STATEMENT TO REQUEST SPECIAL MEALS AND/OR ACCOMMODATIONS

SPONSOR NAME	SITE NAME, IF DIFFERENT	SITE TELEPHONE NUMBER
NAME OF PARTICIPANT		DATE OF BIRTH
NAME OF PARENT OR GUARDIAN		TELEPHONE NUMBER

Participant has a disability or medical condition and requires a meal substitution or accommodation. CACFP institutions, schools and agencies participating in federal nutrition programs must comply with requests for special meals and any adaptive equipment. **A licensed physician, physician assistant, nurse practitioner, or registered dietitian must complete and sign this form.** Food preferences are not an appropriate use of this form. Food preferences may be met with substitutions within the program required meal pattern.

CACFP participant does not have a disability, but is requesting a special accommodation for a fluid milk substitute that meets the nutrient standards for non-dairy beverages offered as milk substitutes. **A parent or guardian may sign this form.** Food preferences are not an appropriate use of this form. CACFP institutions, schools, and agencies participating in federal nutrition programs are encouraged to accommodate reasonable requests.

Note: If a milk substitute is requested that does not meet the nutrient standards for non-dairy beverages, this form must be completed and signed by a licensed physician, physician assistant, nurse practitioner, or registered dietitian.

Disability or medical condition requiring a special meal or accommodation. (Describe the medical condition that requires a special meal or accommodation, for example: juvenile diabetes, peanut allergy, etc.):

If participant has a disability or medical condition, provide a brief description of participant's major life activity affected by the disability:

Diet prescription and/or accommodation: (Describe in detail to ensure proper implementation - use extra pages as needed, for example: "All foods must be either in liquid or pureed form. Participant cannot consume any solid foods.")

Foods to be omitted and substitutions. List specific foods to be omitted and required substitutions; if needed attach a sheet with additional information.

Foods to be omitted	Substituted Foods

Indicate texture: Regular Chopped Ground Pureed

Adaptive equipment, describe specific equipment required to assist the participant with dining. Examples may include sippy cup, a large handled spoon, wheel-chair accessible furniture, etc.

SIGNATURE OF PREPARER	PRINTED NAME	DATE
SIGNATURE OF MEDICAL AUTHORITY	PRINTED NAME	DATE



MEDICAL STATEMENT TO REQUEST SPECIAL MEALS AND/OR ACCOMMODATIONS

The information on this form should be updated to reflect the current medical and/or nutritional needs of the participant. It is recommended to review the form on an annual basis.

The medical statement should include a description of the participant's physical or mental impairment that is sufficient to allow the program operator to understand how it restricts the participant's diet. It should also include an explanation of what must be done to accommodate the disability. If the medical statement is unclear, or lacks sufficient detail, program operators must obtain appropriate clarification so that a proper and safe meal can be provided.

Definitions.

Disability: a physical or mental impairment which substantially limits one or more "major life activities," a record of such impairment, or regarded as having such impairment.

Major life activities are broadly defined and include, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating, and working. "Major life activities" also include the operation of a major bodily function, including but not limited to, functions of the immune system, normal cell growth, digestive, bowel, bladder, neurological, brain, respiratory, circulatory, endocrine, and reproductive functions.

For additional information on the definition of disability, please refer to Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act Amendments Act of 2008.

For more information on documentation required, refer to the CACFP program manuals at: www.health.mo.gov/cacfp.

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/ad-3027.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. **mail:** mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; or
2. **fax:** (833) 256-1665 or (202) 690-7442; or
3. **email:** program.intake@usda.gov

This institution is an equal opportunity provider.

Mini-List of Non-Creditable Foods

The foods listed below are non-creditable in the Child and Adult Care Food Program (CACFP) because they do not meet the requirement as a component in the meal pattern. Non-creditable foods cannot be counted toward meeting the requirements for a reimbursable meal. The alphabetical list is not all-inclusive. The use of a product brand name is not an endorsement but is used for clarity. Refer to the [Crediting Handbook for the CACFP](#) and [USDA's Food Buying Guide for Child Nutrition Programs](#) for a comprehensive list of creditable and non-creditable food.

Acorns	Food with artificial sweeteners	Molasses
Bacon	Fruit drinks	Mustard or mayonnaise
BBQ sauce	Fruit punch	Nectar
Breakfast bars	Fruit leather, commercial	Neufchatel cheese
Cakes	Fruit roll-ups	Non-fat dry milk
Candy	Fruit snacks	Nut or seed meal/flour
Carob bars	Fruit spreads	Oxtails
Catsup	Fudgsicles	Pickle relish
Certified raw milk	Funyuns and similar products	Pig's feet
Cheese, imitation	Gatorade	Pork skins
Cheese powder in boxed macaroni & cheese	Gelatin	Potato chips
Cheese products	Goat's milk	Potted meats
Cheese Puffs and similar products	Granola bars	Powdered cheese
Chestnuts	Half & Half	Pringles
Chili sauce	Ham hocks	pudding
Chitterlings	Hawaiian Punch and similar products	pudding pops
Chocolate bars	Hi-C and similar products	Puffed cheese snacks
Chocolate covered raisins	Home-canned foods	Reconstituted non-fat dry milk
Cookies	Home-butchered foods	Sherbet or sorbet
Cracker Jacks and similar products	Honey	Shoe string potatoes
Cranberry juice cocktail	Hot chocolate with water	Soft drinks
Cream	Ice cream	Sour cream
Cream cheese	Iced tea	Syrup
Cream soups	Infant dinners, commercial	Tang and similar products
Cream sauces	Imitation cheese	Tapioca
Custard	Imitation bacon bits	Toaster pastries
Dairy substitutes	Jam, jelly, preserves	Vanilla wafers
Dairy whip	Jell-O and similar products	Velveeta cheese product and similar products
Egg nog made with raw eggs	Kool-Aid and similar products	Veggie Straws and similar products
Egg substitutes	Lemonade	Yogurt bars
Evaporated milk	Low-iron infant formula	Yogurt, commercially frozen
Fiddle Faddle and similar products	Marshmallow cereal bars	Yogurt, drinkable
Fig bars	Marshmallows	
	Milk, imitation	

Commercially Processed Food Documentation

Some family day care homes (FDCH) and group homes choose to purchase commercially processed meat/meat alternate (m/ma) products rather than prepare these main dish items on site which are commonly referred to as “homemade” or “cooked from scratch”. Some reasons a home may purchase these convenience items is due to the lack of skilled labor or inadequate kitchen preparation equipment. The quality of commercially processed foods varies greatly from manufacturer to manufacturer and from product to product. Because the meal pattern contribution for commercially processed foods cannot be verified, all child care homes are required to maintain documentation to verify the meal pattern contribution to the Child and Adult Care Food Program (CACFP).

Fact sheets, food specification sheets, and product labels formerly provided a way for food manufacturers to communicate with program operators about how their products may contribute to the meal pattern requirements for meals served under the USDA’s Child Nutrition (CN) Programs. Complaints to the Food and Nutrition Service (FNS) about inaccurate or misleading product literature, product labels, and fact sheets have become common.

As a result, USDA released two Policy Memos on March 11, 2015 [[CACFP 09-2015](#) and [CACFP 10-2015](#)], detailing two types of acceptable documentation approved to verify meal pattern compliance: **Child Nutrition (CN) label or manufacturer’s product formulation statement (PFS)**.

Type #1 CN label:

The Child Nutrition Labeling Program is administered by USDA’s Food and Nutrition Service in cooperation with the following agencies: Agriculture Marketing Service, Food Safety and Inspection Service, and National Marine Fisheries Service.

Main dish products which contribute to the meat/meat alternates component of the meal pattern requirements are eligible for a CN label. Examples of these products include beef patties, cheese or meat pizzas, meat or cheese and bean burritos, egg rolls, and breaded fish portions.

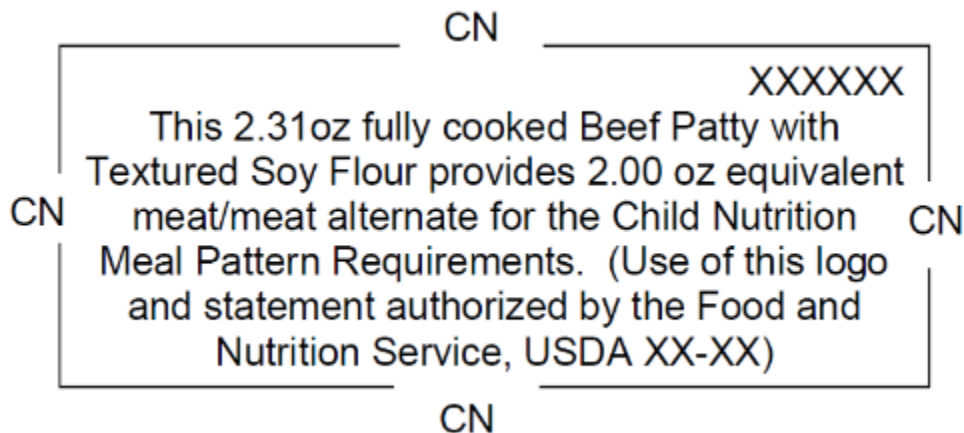
Advantages of using a CN labeled product include:

- A CN label statement clearly identifies the contribution of a product toward the meal pattern requirements. It protects Child Nutrition program operators from exaggerated claims about a product.
- A CN label provides a warranty against audit claims, if the CN labeled product is used according to the manufacturer’s directions.
- CN labels simplify cost comparisons of like products.

CN label product will always contain:

- The CN logo, which has a distinct border;
- The meal pattern contribution statement;
- A unique 6 digit product identification number assigned by USDA/FNS appearing in the upper right hand corner of the CN label
- The USDA/FNS authorization statement;
- The month and year of the final approval.
- Plus the remaining required label features: product name, inspection legend, ingredient statement, signature/address line, and net weight.

A sample CN logo:



Note: The X's in the sample CN Logo are only used to demonstrate the placement of the CN identification number and the final date. If you receive a CN labeled product containing all X's (all zeroes, or non-number symbols) for the CN identification number, the label is not valid. If a CN label is not valid, FNS cannot provide a warranty for its use toward meal pattern requirements.

The CN label is the gold standard for verifying the crediting of menu items and provides a warranty against audit claims when the product is used according to the manufacturer's instructions.

Acceptable and valid documentation for the CN label includes (CACFP 08-2015 and CACFP 09-2015):

- The original CN label removed from the product carton; or
- A photocopy of the CN label shown attached to the original product carton; or
- A photograph of the CN label shown attached to the original product carton.
- CN labels that are photocopied or photographed must be visible and legible.

NOTE: if none of the required documentation is available, program operators may provide the bill of lading or invoice containing the product name and a hard or electronic copy of the CN Label with a watermark displaying the product name and CN number provided by the vendor. A CN label with a watermark is used when the CN logo and contribution statement are used on product information other than the actual product carton and is presented as a separate document. Manufacturers may provide schools (not common for CACFP providers) with a CN Label with a watermark during the bidding process. Original CN labels on product cartons will not have a watermark.

Type #2 Product Formulation Statement (PFS):

The Product Formulation Statement should only be requested when reviewing a processed product without a CN label. PFSs are written and provided by individual manufacturers and are not commonly seen in CACFP facilities. *It is the facility's responsibility to request and verify that the processed food documentation is accurate prior to purchasing processed products.* PFS templates for each meal component are available on USDA's CN labeling website.

Manufacturers may use PFS templates as a guide to help develop a PFS. However, they are not required to use the same format as the USDA's template, but they must present the same information on their company letterhead. It should be noted that a PFS does not provide any warranty against audit claims. Unlike CN labels, a PFS that claims a meal pattern contribution is not a guarantee of USDA meal pattern compliance and can be disputed during a CACFP monitoring review.

The answer to each of the following questions should be yes:

- Is the PFS on signed company letterhead? The signature can be handwritten, stamped, or electronic.
- Does the PFS include product name, product code number, and serving/portion size?
- Do the creditable ingredients listed on the PFS match or have similar description as the ingredients listed on the product label? For example, if the PFS lists ground beef, not more than 20% fat, the product label should also list ground beef, not more than 20% fat.
- Do the creditable ingredients listed on the PFS match or have a similar description to a food item listed in the Food Buying Guide for Child Nutrition Programs?
- If the product is a meat/meat alternate, does it contain an Alternate Protein Product (APP) such as soy concentrate? If yes, does the manufacturer provide supporting documentation that meets USDA APP requirements?
- Does the PFS demonstrate how creditable ingredients contribute toward the meal pattern requirements?
- Are the manufacturer's calculations correct and verified?

The PFS should include:

- Weight of raw portion; percent of raw meat or poultry; percent of fat of raw meat.
- Weight of an APP, if applicable; percent of an APP on an as-is basis for the as-purchased product; certification that an APP meets the USDA, FNS requirements.
- Product's total creditable amount of product per portion towards the meal pattern.
- Certification statement that the PFS is an accurate verification of meal pattern compliance.
- Original signature and title of company official and date.

Product Formulation Statement (PFS) – Approved Example:

XYZ Burrito Factory (Manufacturer's Letterhead)

Effective Date: August 23, 2021 Product No. 9999

Total weight of precooked product: 4.00oz.

Total of raw meat: 0.650 oz.

Percent of fat of raw meat: Not to exceed 30%

Weight of dry Volume per Portion (VPP): 0.094 oz.

Weight of liquid used to hydrate APP: 0.176 oz.

Percent of Protein in dry APP: 52%

Weight of raw meat and hydrated APP: 0.920

Type of APP used: XX Flour: _____ Isolate: _____

Weight of other ingredients: 1.005 oz.

Weight of pinto beans: 0.325 oz. Factored Wt. 0.503

Weight of cheese: none

Weight of cooked meat with APP: 0.64 oz.

Total weight of filling: 2.25 oz.

Total weight of enriched flour tortilla: 1.75 oz. 1.59 serving

I certify the above information is true and correct and that the product (ready for serving) contributes 1.14 ounces of equivalent meat/meat alternative toward the meal pattern when prepared according to direction. I understand that the above named product will be used as a meal component for which Federal reimbursement will be claimed, and that records are available to support the information indicated above. The APP used conforms to Food and Nutrition Service regulations. This product formulation will supersede all previously issued sheets.

SUGGESTED BID SPECIFICATIONS: _____ cases – Red Chili Beef, Bean and Chicken Burrito, 4.00 oz. Each, unfried, packed 3/24 count. Must meet 1.00 ounces of meat/meat/alternate and 1.50 bread servings.

James Smith Director of Manufacturing
James Smith Title

XYZ Burrito Factory

August 23, 2021

All documentation regarding processed foods must be maintained in the home files. If no information is available at the time of a monitoring review, meals containing the processed foods may be disallowed.

Helpful Resources:

USDA's CN Labeling Website includes general background of the CN Labeling Program and provides helpful information for food manufacturers and child nutrition programs. It can be accessed at <https://www.fns.usda.gov/cnlabeling/child-nutrition-cn-labeling-program> or from the **USDA Food Buying Guide for Child Nutrition Programs- Appendix C.**

The CN Label Verification Reporting System can also be accessed from the link and from Appendix C. The system was developed to assist state reviewers, program operators, and the food industry in verifying the status of a CN label and the validity of a CN label. The system produces two reports monthly:

- CN Label Verification Report includes all information pertaining to the valid CN label which includes the crediting information (meal pattern contribution statement); label expiration date; and the manufacturer's establishment number.
- CN Label Manufacturers Report includes contact information for manufacturers that are authorized to produce CN labeled products. This report allows users to link the manufacturer's list from the CN Label Verification Report.

Procurement of Goods and Services

Sponsors participating in the Child and Adult Care Food Program (CACFP) who plan to purchase meals or services from outside sources must follow proper procedures in purchasing these services.

All procurement of food, supplies, goods, and other services with program funds must comply with procurement standards in [7 CFR 226.22](#), [2 CFR 200.317-326](#), and [Food and Nutrition Services \(FNS\) Instruction 796-2, Rev. 4](#). These standards ensure that such materials and services are obtained for the program efficiently and economically and in compliance with applicable laws and executive orders.

Important Terms

- **Bid** means an offer to perform for a fixed price in accordance with the specifications and conditions set forth in an invitation for bids.
- **Food Service Management Company (FSMC)** Under the CACFP, an FSMC means an organization other than a public or private nonprofit school with which a sponsor may contract for preparing and, unless otherwise provided for, delivering meals, with or without milk for use in the program (7 CFR 226.2).
- **Procurement** means the process of obtaining goods and/or services in accordance with applicable rules and regulations.
- **School Food Authority (SFA)** means the governing body that is responsible for the administration of one or more schools and has legal authority to operate the National School Lunch Program (NSLP) or School Breakfast Program (SBP) therein or be otherwise approved by FNS to operate the program.
- **Vendor** means a merchandiser of complete meals, meal components, or raw materials.

Methods of Procurement

- **Micro-purchases** are those purchases that do not exceed \$10,000 per transaction. These purchases can be awarded without soliciting competitive quotations if the price is reasonable based on research, experience, purchase history, or other information and the sponsor maintains related documentation on file. The sponsor should also equitably distribute purchases among qualified suppliers rather than buying all supplies from one source.
- **Small purchases** are those between \$10,000 and \$250,000 per transaction. These purchases can be made using informal methods, such as price or rate quotations for securing products or services. The methods used must ensure free and open competition. The sponsor must contact at least **three** reputable companies to obtain price quotations on the meals they plan to serve. This information must be documented.

A bid packet that includes the competitive bid procedures and forms for meal service contracts \$250,000 or less is available at the following link www.health.mo.gov/cacfp

- **Large purchases or Competitive Sealed Bids:** When purchases are estimated to exceed the small purchase threshold of \$250,000, a sponsor must conduct a price analysis and follow a formal competitive sealed bid process. Bids are publicly solicited from **two or more** responsible bidders, and a bid opening evaluation must be completed by the Department of

Health and Senior Services, Community Food and Nutrition Assistance (DHSS-CFNA). Competitive sealed bid procedures include preparing the invitation for bid, publicly announcing not less than 14 days before bids are opened, notifying the DHSS-CFNA of the time and place at least 14 days before bid opening, publicly opening all bids, and submitting a selected bid to the DHSS- CFNA before accepting the bid.

A bid packet that includes the competitive bid procedures and forms for meal service contracts greater than \$250,000 is available at the following link www.health.mo.gov/cacfp

Standards of Conduct

Institutions contracting for services shall maintain a written code of standards of conduct that governs the performance of officers, employees, or agents involved in the administration or award of the contract. No officer, employee, or agent shall participate in the selection or the award or administration of a contract supported by the Child and Adult Care Food Program (CACFP) funds if a conflict of interest, real or apparent, would be involved.

A conflict of interest is possible when an organization that employs or is about to employ any of the following has a financial or other interest in the firm selected for the award.

- The employee, officer, or agent.
- Any member of his immediate family.
- His or her partner.

An institution's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

To the extent provided by state or local law or regulations, the code of standards must provide for penalties, sanctions, or other disciplinary actions for violations of the standards by the organization's officers, employees, agents, or by contractors or their agents.



Contracting with Small or Minority Firms

To the extent possible, efforts must be made to include small, minority, and women-owned business enterprises on the solicitation list. These firms must be solicited when they are potential sources for purchased goods and services. When economically feasible, total requirements must be divided into small quantities and delivery requirements or schedules must be established to permit maximum participation by these firms.

When indicated, the services of the United States Small Business Administration and the Department of Commerce-Office of Minority Business Development Agency should be used.



