United States Department of Agriculture
Food and Nutrition Service
Mountain Plains Region
1244 Speer Boulevard
Denver, CO 80204

Reply to Attn. of: SP 94-C-9

NOV 8 1993

Subject: Electronic Transfer of Claim Information between School Food Authorities and State Agencies

To: STATE AGENCY DIRECTORS (Special Nutrition Programs) - Colorado ED, Iowa, Kansas, Missouri ED, Montana OPI, Nebraska ED, North Dakota, South Dakota, Utah, Wyoming ED

Part 210.8(c) of the National School Lunch Program regulations states ". . .The claim shall be signed by a School Food Authority (SFA) official. . .." This statement appears to indicate that only a paper claim with an original signature can be accepted for payment. As many State agencies (SAs) are becoming more and more computerized, many have the capability of receiving claim information electronically. Several SAs have raised the question of accepting the claim information from a SFA electronically and paying that claim without having an original signature.

Claim information can be transmitted electronically between the SFA and SA and accepted by the SA. It is assumed there will be a signature authority delegation between the SA and SFA. The designated official at the SFA level--the principal, superintendent, or school board officer--is the same official who is responsible for signing the claim form if it is transmitted via mail. If the information is transmitted electronically, this official is given a password from the SA in order to access the SA's communication system. If the SFA official gives his password to the secretary or some other individual in order for the information to be transmitted, he is still responsible for the accuracy of the information that has been transmitted. It is assumed, for security reasons, the password would be kept in a confidential location. Also, it would be expected that all claim information will be maintained at the SFA level in the same manner as it is when sending a claim form through the mail.

The question has also arisen concerning acceptance of a claim for reimbursement for payment that has been datafaxed to the SA. The SA can accept the claim for reimbursement providing it has a signature on it, and the SA need not require that the original claim be mailed to the State office. It is expected that the original claim will be available at the SFA office for review at any time.

If you have questions concerning this matter, please call our office at 303-844-0355.

for ANN C. HECTOR
Regional Director
Special Nutrition Programs