

Food Service Management Companies (FSMC)

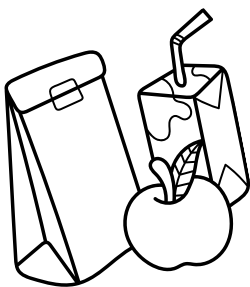
Contracts with FSMCs may establish either a vendor or service organization relationship.

VENDOR

Simply provides vended meals to the school at an agreed-upon price per meal

Does **not** process financially significant transactions for the school

Not responsible for complying with federal, state, or local laws or DEW requirements for purchasing, report submission, etc



OR

SERVICE ORGANIZATION

Typically established with reimbursement-basis FSMC contracts, but could also established with price-per-meal contracts

Processes financially significant transactions for the school

Responsible for complying with federal, state, and local laws as well as DEW requirements for purchasing, report submission, etc

Schools must closely evaluate their FSMC contract to determine the relationship created.

Regardless of the relationship established, the school must procure the FSMC in accordance with federal and state requirements and establish controls over the contractual activity.