



**United States
Department of
Agriculture**

Food and
Nutrition
Service

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Center Drive
Alexandria, VA
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DATE: November 26, 2014

MEMO CODE: SP 11-2015

SUBJECT: CN Labels Copied with a Watermark

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The purpose of this memorandum is to clarify that Child Nutrition (CN) Labels copied with a marking referred to as a “watermark” are not generally acceptable documentation for an administrative review except in limited situations with additional approval from Food and Nutrition Service (FNS). An acceptable CN Label must not contain a watermark.

When the CN logo and contribution statement are used on product information other than the actual product carton, the CN Label must be copied with a watermark that states “Copy not for documenting Federal meal requirements.” Manufacturers may provide schools with a CN Label copied with a watermark during the bidding process. However, CN Labels that are copied with a watermark are not acceptable documentation for an Administrative Review. A watermarked CN Label may contain preliminary information and is subject to change. The watermark requirement is also in accordance with the Food Safety and Inspection Service (FSIS) policy, which prohibits the use of USDA inspection legends on devices or literature other than the product label. This helps to maintain the integrity of the CN Labeling Program.

During an Administrative Review, school program operators are responsible for providing a valid CN Label not bearing the watermark. This ensures that the CN Label came from a product that was purchased by the school and accurately reflects that product. The proper process to document a CN Label logo and contribution statement is to remove the CN Label from the product carton. School program operators are responsible for keeping records of the original CN Label. If the actual CN Label is laser printed on the product carton or cannot be easily removed, then a photocopy of the valid CN Label may be provided as acceptable documentation. A photograph of the CN Label while it is still attached to the product carton is also acceptable documentation. CN Labels that are photocopied or photographed must be visible and legible. The CN Label provides a warranty against audit claims. When a valid CN Label is provided, State reviewers must not request additional crediting information such as a Product

Regional Directors

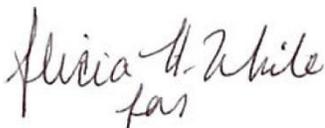
State Directors

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Formulation Statement. FNS is currently working with the Agricultural Marketing Service to develop a CN Label verification system. This system will assist State reviewers during the Administrative Review, to verify the status of a CN Label as well as the corresponding contribution statement. The expected completion date for this verification system is Fall 2015.

If the actual CN Label, photograph, or photocopy of the valid CN Label is not available, school program operators may document the CN identification number and the product name on the Bill of Lading (invoice). During an Administrative Review, the Bill of Lading (invoice) may be used as verification that the product was received with a valid CN Label. However, the State reviewer must contact the Child Nutrition Programs, Nutrition and Technical Assistance Branch at cnpntab@fns.usda.gov to verify the information on the Bill of Lading (invoice). In this case only, a copy of a watermarked label obtained from the manufacturer that has been verified by FNS may be used for documentation and menu planning purposes.

Regional offices are asked to ensure State agencies are aware of the process for verifying acceptable documentation and proper procedures for handling products with a valid CN Label. State agencies should distribute this memorandum to program operators as soon as possible. State agencies may direct any questions concerning this memorandum to the appropriate FNS regional office. FNS regional offices may direct any questions to FNS Headquarters.

A handwritten signature in cursive script that reads "Cheryl Jackson Lewis" with "fas" written below it.

Cheryl Jackson Lewis

Director

Nutrition Promotion and Technical Assistance Division