

USDA Child Nutrition Programs Administrative Review Summary Report

School Food Authority: Loyal School District

Agency Code: 103206

School(s) Reviewed: Loyal Elementary

Review Date(s): 4/4/17

Date of Exit Conference: 4/5/17

State agencies (SA) are required to conduct administrative reviews to assess School Food Authority (SFA)'s administration of the National School Lunch Program (NSLP), School Breakfast Program (SBP), and other school nutrition programs. The objectives of the Administrative Reviews are to:

- Determine whether the SFA meets program regulations,
- Provide technical assistance,
- Secure needed corrective action,
- Assess fiscal action, and when applicable, recover improperly paid funds.

General Program Reminders/Updates:

- The Department of Public Instruction (DPI) School Nutrition Team (SNT) conducts School Nutrition Skills Development Courses (SNSDC) each summer in various locations around the state. Courses cover many areas of the school nutrition programs including administrative responsibilities, program basics, meal pattern requirements and menu planning, financial management, professional standards, procurement, and many other topics. More information along with other upcoming trainings and webinars can be found on the Wisconsin DPI School Nutrition Training webpage dpi.wi.gov/school-nutrition/training.
- SFA staff are encouraged to pursue GOALS Certification. GOALS stands for Goal Oriented Achievement Learning Skills. This is a certificate endorsed by the DPI and is obtained by completing training in nutrition, program administration and operations, and communications and marketing. For more information go to the Wisconsin DPI School Nutrition Training webpage dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills.

Appreciation/Commendations/Noteworthy Initiatives:

Thank you to the staff at Loyal School District for the courtesies extended to us during the on-site review. Staff were available to answer questions and were receptive to recommendations and guidance. In addition, thank you for taking the time to respond to the off-site questions and requests, as well as pulling records for the on-site portion of the review.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Comments/Technical Assistance/Compliance Reminders

Certification and Benefit Issuance

181 eligibility determinations were reviewed, 18 errors were identified.

Applications

- Children are eligible for free or reduced price meal benefits on the date their eligibility is determined complete by the Determining Official.
- When benefit's eligibility status increases, the change must take place within 3 days. When benefit's eligibility decreases, the change cannot take place before 10 calendar days and a notice of adverse action must be sent in writing with appeal rights procedures. A copy of the adverse action and increase benefit DPI templates were provided to the SFA via email while onsite to correct errors on the SFA-1 and SFA-2 forms.

Zero Income

- Effective in SY 2016-2017, any income field left blank is a positive indication of no income and certifies that there is no income to report. When no income is provided for any household members, the application may still be processed as complete.

Household Size Box

- As a reminder, for the household income size box:
 - If the Total Household Members box has been completed, but the number of children and adults listed on the application add up to a different number, the SFA is required to follow up with the household to clarify the correct number of people in the household and ensure all household member have been included on the application *before* an eligibility determination is made.
 - If the Total Household Members box has not been completed, the SFA is required to follow up with the household to confirm the total number of household members. It cannot be assumed that the number of people listed on the application is the total number of household members. This box has been added as an edit check to ensure all members of the household are included and can make a difference in the eligibility determination. Per clarification from the USDA Regional office, any application that does not have this box completed is considered an incomplete application.

Incomplete Applications

- Any application that is missing required information, contains inconsistent information, or is unclear is considered an incomplete application and may not be determined until clarified. The SFA may return the application to the household or contact the child's parent or guardian either by phone, or in writing, including email. The determining official should document the details of the conversation, date, and initial. Applications missing signatures must be returned to the parent to obtain. Reasonable effort should be made to obtain the missing information prior to denying the application.
- Case-number applications do not require a social security number or indication of not having one (part of section 3) to consider the application complete. If all information is filled out correctly within sections 1, 2, and 4- the application can be approved by the DO.

Limited English Proficiency (LEP)

- Application materials and other communications with households concerning eligibility determinations must be provided in a language that parents or guardians can understand in order to diminish any language barriers to participation for individuals with limited English proficiency.
- LEAs must make reasonable efforts to provide household letters and application forms to families in the appropriate languages.
- To assist SFAs in reaching households with limited English proficiency, the SNT provides the Wisconsinized version of the USDA Free and Reduced Price Meal application materials in English, Spanish, Hmong and Albanian.
- The nonprofit food service account may be used to pay for translation services for food service purposes if there is a need to translate materials in a language that is not currently available.

Annual Income

USDA recently updated their stance on reporting annual income on applications.

Per SP 19-2017, when households complete Free and Reduced Priced Meal Applications, they may receive income from a variety of sources with different pay frequencies. Examples include households that rely on seasonal work, agricultural work, or are self-employed. In these cases, reporting current income as an annual figure may be easier and more accurate. If only annual income is provided, SFAs are no longer required to follow up with the household prior to making an eligibility determination. These applications are taken at face value. Additionally, during an AR, if a household reports annual income and the SFA does not have documentation showing they contacted the household, this will no longer result in an error and fiscal action will not be applied.

Direct Certification

- The agency completed the minimum required direct certification runs: at or near the beginning of the school year, three months after the initial run (November) and six months after the initial run (February). Consider running direct certification more often, which may match students not eligible on prior runs earlier in the school year.
- The effective eligibility date for a DC eligible student is the date of the original output file.

Independent Review of Applications

- LEAs that have a 5% or higher error rate during the certification review of the Administrative Review are be required to conduct a second review of applications in the following school year.
- Loyal School District had a 9.94% from SFA-1 certification error rate and will be required to conduct a second review of applications in the following school year. More information on this requirement is found in the Eligibility Manual. You will also receive a SNT memo in June with more information.

Disclosure

- The information provided by families on the free and reduced price application is to be used only for determining eligibility for meal or milk benefits.
- The LEA must seek written consent from the parent or guardian to use the information provided on the application or through direct certification for non-program purposes, such as athletic or testing fee waivers. Consent must be obtained each school year. A template sharing information form is located on the SNT webpage <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sharing-info-other-programs-1617.doc>.

- For anyone receiving eligibility information to approve students for non-food service program benefits after parental consent is received, the *Disclosure Agreement* form should be signed and on file at the district. A template disclosure form is located on the SNT website <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/disclosure-agreement.docx>.

Verification

- The agency is using the confirmation review signature line on the back of the application to document a second review of applications at the time of determination. DPI discourages a voluntary 2nd review of applications, unless required as part of a high error rate- this may slow the approval of applications. If the agency wishes to continue with two determining officials, both individuals must be listed within the online contract.

Do not confuse the initial application determination with the confirmation review. The confirmation review is conducted only on applications that are chosen for verification and must be conducted by an individual that was not involved in the original application determination. For more information on the role of the confirming official, see the Eligibility Manual.

- The LEA has a regulatory obligation to verify “for cause” all approved applications that may be questionable.

Meal Counting and Claiming

- When entering the monthly claim it is necessary to use the edit check report to calculate your reimbursable meals *by site* for consolidation.
- On testing days, the district chooses to cover the cost of student breakfast and lunches. A transfer has been made from Fund 10 to Fund 50 at the paid student rate on these days and the meals are not claimed for reimbursement.

Because all students are going through the café service line and staff are checking to ensure students still have a reimbursable meal, these meals could be claimed by individual eligibility category at the point of service. The district would only have to pay the reduced and paid household per meal charges that are lost by not charging the households. If the district chooses to pursue claiming for these meals, contact your vendor to determine if there is a setting to not charge student accounts on testing days, or an easy way to refund accounts.

If you do not wish to track by the individual student name, the total reimbursable student meals served could be claimed at the paid rate.

If you continue with the same process, the point of service count for these meals can be improved. Reviewer recommended a simple tally sheet or check-off in the cafeteria rather than each classroom that would not need to be by individual student names. The district would only need a total count of student breakfast and student lunches X the paid student per meal price. All meals could be claimed at the paid rate and the claim preparer should make a note of testing on the monthly site-based edit check report to explain why all reimbursable meals served are claimed in the paid category.

Findings and Corrective Action Needed

Certification and Benefit Issuance

Finding #1: Students listed on the SFA-1 and SFA-2 forms are incorrectly certified for meal benefits. Fiscal Action will be assessed for all student errors on the SFA-1 form.

Corrective Action Needed: Send a letter of adverse action or a letter to increase meal benefits as indicated on these forms. For the households receiving a reduction in benefits, provide 10 calendar days to appeal before benefits are changed. Day one is the day the letter is sent. Record the date that corrective action is taken on the SFA-1 and 2 forms and send completed copies back via email. Also send a copy of the updated benefit issuance list (screen shot, or file) once the benefit changes are input in the software system.

Verification

√ **Finding #1:** Section 4 of the VCR was completed incorrectly. The number of applications reported do not match the pool on hand as of October 1 per the agencies software report. The VCR report can no longer be updated, the portal has been closed.

Corrective Action Needed: TA was provided onsite. By signing this report you agree to correctly report section 4 on the VCR moving forward. No further action necessary.

Finding #2: The two applications selected for verification do not have sufficient income documentation to support the eligibility status as reported and approved on the free and reduced application.

Corrective Action Needed: Follow-up with both households to obtain the necessary documentation as discussed onsite. Submit a statement via email explaining the outcome of these applications along with the missing income documents. For one application, this should be proof of job loss during the time of verification (copy of the last paycheck received to show date of receipt, or a notification from the employer). For the other application, this should be the actual bank account ledgers to support the unemployment benefits electronic deposit and/or clarification if the household is now withdrawing from a saving account regularly given their new income status.

Finding #3: The confirmation review was conducted by an individual who was involved in the original application determination.

Corrective Action Needed: By signing this report, the agency agrees to assign an individual to conduct the confirmation review that is not involved with the original application determination. For more information on the confirmation review, see pg. 85 of the eligibility manual.

Meal Counting and Claiming

Finding #1: The agency is not using site-based edit checks to review counts prior to online submission.

Corrective Action Needed: Submit the site-based edit check reports for the NSLP and SBP-SN to support April's consolidated claims. Review site based edit check reports each month against the attendance factor and use these reports to consolidate the monthly claim rather than the district edit check report.

- ❑ **Finding #2:** The Severe Need numbers reported for the 2014-15 SY annual lunches served at Loyal Elementary are incorrectly reported within the online contract. Documentation onsite must match the numbers reported. The difference in numbers does not change SNB status. The agency is still eligible for SNB reimbursement.

Corrective Action Needed: Update the online contract with the following and email the consultant when the contract has been re-submitted for approval:

- Total Free Lunches Claimed: 19,219
 - Total Reduced Lunches Claimed: 5,773
 - Total Paid Lunches Claimed: 15,437
 - Total Free + Reduced: 24,992
 - Total Free + Reduced + Paid=40,429
- Annual Percentages $(24,992/40,429) = 61.82\%$

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

Thank you to the food service director at Loyal School District for planning colorful, nutritious meals for the students. A wonderful variety of fresh fruits and vegetable are offered every day. Thank you to all the food service staff for your hard work and for serving meals with a smile. We noticed that students took a nice variety of fruits and vegetables.

Comments/Technical Assistance/Compliance Reminders

Vegetable Subgroups: Some vegetables included on the garden bar production record were written under incorrect subgroups. The following vegetables all fall into the “other” vegetable subgroup: celery, cucumber, green pepper, pea pods, cauliflower, onion, kohlrabi, and radishes.

Findings and Corrective Action Needed

- ❑ **Finding #1:** During the week of review (February 20-24, 2017) there was a weekly meat/meat alternate (M/MA) shortage at lunch. Grades K-8 must be offered a minimum of 9 ounce equivalents (oz eq) each week, but the week of review provided 7.5 oz eq. When there are two entrée options, you must determine the minimum amount of M/MA that a student could take each week if every day they took the option with the lesser amount of M/MA.

Corrective Action Needed: Please submit a written statement explaining what you will change about the week of review to provide a minimum of 9 oz eq M/MA. If you add any products to the menu, please submit the necessary crediting documentation.

3. RESOURCE MANAGEMENT

Comments/Technical Assistance/Compliance Reminders

Nonprofit School Food Service Account

Annual Financial Report (AFR):

- All revenues including reimbursements and student payments, and expenses including food, labor, equipment, purchased services, and other need to be entered into the program to which they belong. The new 16-17 Annual Financial Report instructions are located on our website at:

<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/annual-financial-report-instructions-new-1617.doc>

- The ending balance on June 30 from the previous year must be the beginning balance on July 1 for the current year.
- Items noted during the review of the AFR that should be addressed when tracking revenues and expenditures moving forward include:
 - Under “Ala Carte”, you should be reporting the expenses for any food items served to students that are not claimed as part of the reimbursable meal. Revenues and expenses from adult meals would also be included here.

Unpaid Meal Charge Policy

- USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs, by July 1, 2017, to have a written and clearly communicated policy that addresses unpaid meal charges. For a snap-shot on what the policy must include, see the Unpaid Meal Charges In a “Nutshell”: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf> . For a more comprehensive overview, see SP 58-2016: Unpaid Meal Charges Guidance: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-58-2016.pdf>
 - Best Practices
 - Local meal charge policy checklist
 - Sample outstanding balance letter
 - Sample robo-call script
- The agency established a written policy, which was communicated in the local newspaper and included in back-to-school packet sent to households. This policy has been enforced. Be reminded that the sale of “second meals” as a unit is unallowable because a whole meal does not meet nutrient standards as part of Smart Snacks in School regulations. Consider revising policy language that mentions “second meals” with “a la carte purchases”.
- Other language that the district should revisit in the policy by July 1, 2017:
 - If a child has money to purchase a reduced price or paid meal at the time of the meal service, the child **MUST** be provided a meal. SFAs may not use the child’s money to repay previously unpaid meal charges if the child intended to use the money to purchase that day’s meal.
 - The current alternate meal offered (PB&J and milk) may not be claimed for reimbursement.
 - Determine if there will be a charge for the alternate meal or if the district will cover the cost. The cost of the alternate meal cannot be absorbed by the food service account, it must be covered through non-federal sources and is subject to nonprogram food regulations. If the items are sold to students (charged to households), these items must also meet Smart Snacks guidelines.
 - For households that graduate or leave the district, households approved for *reduced price* meal benefits must receive a refund. There is a federal requirement that children eligible for reduced price meals pay a maximum of 40 cents for lunch and 30 cents for breakfast; retaining the unused funds would result in a per meal price exceeding these amounts.

- Bad debt is an unallowable expense to the food service program. A transfer must be made from non-federal funds to cover student account write-offs.

Revenue from Nonprogram Foods

- Nonprogram foods include: Adult Meals, A la Carte, Extra Entrees, Extra Milk (for cold lunch or milk break), Vended or Joint Meals (meals sold to other agencies), Catered Meals, and Food Service operated Vending Machines.
- All nonprogram food costs including food, labor, equipment, purchased services, and other must be covered by revenues received from the sale of those foods. Nonprogram foods may not be supported by reimbursable meals or have a nonprogram foods loss absorbed by the food service account. Thus nonprogram foods may never run in the negative unless non-federal funds are transferred into the food service fund to cover the deficit.
- Nonprogram Food costs and revenues must be separated from Program Food costs and revenues.
- The USDA Nonprogram Revenue Tool must be completed yearly, at a minimum. The DPI Nonprogram Food Revenue Tool/Calculator located on our website feeds into the USDA tool and aids in calculating prices of nonprogram foods and meeting the USDA nonprogram food regulation <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/non-program-food-price-calculator.xlsx>.
- Adult meals are considered non-program foods. Food service programs must price adult meals above the overall cost of the meals. Because adult meal costs can be difficult to calculate, SFAs must, at a minimum, follow the pricing guidelines in Food Nutrition Services Instruction 782-5. A *Wisconsin Adult Meal Pricing Worksheet* has been developed to assist you in pricing adult meals <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/wisconsin-adult-meal-pricing-guide.doc>. Districts need to reassess adult meal prices annually prior to contract submission to ensure student reimbursement are not being used to subsidize adult meals. The current reimbursement rates (2016-17 SY) should be used to determine 2017-18 SY prices because rates are not released until July 1 of each year.

Nonprogram Foods Revenue Rule SP-20-2016 <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-20-2016.pdf>

Nonprogram Foods in a nutshell <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/nonprogram-foods-in-a-nutshell.pdf>.

Findings and Corrective Action Needed:

Nonprofit School Food Service Account

- ❑ **Finding #1:** The ending balance on June 30, 2015 for the 2014-15 SY does not match the beginning fund balance on July 1, 2015 for the 2015-16 SY.

Corrective Action Needed: Amend the Annual Financial Report and submit an updated paper copy to Jacque Jordee, the SNT accountant. Fix the beginning and ending fund balances for the 2015-16 SY. The beginning fund balance should be \$44,451.86. Review the expenditures reported within the WUFAR system for the 2015-16 SY. Expense reported within the AFR should match the district WUFAR report of \$355,585.96.

Comprehensive Review- Paid Lunch Equity

- ❑ **Finding #1:** The Paid Lunch Equity Tool uploaded to the 2016-17 SY contract is from the 2012-13 SY. This tool does not reflect the current pricing practices.

Corrective Action Needed: Complete the 2016-17 SY PLE tool to assess compliance. Upload the 2016-17 SY PLE tool to the 2016-17 SY online contract.

*Reviewer assisted agency in completing tool onsite. Results of the tool indicated student prices are set adequately. Reviewer also assisted the agency in running the PLE tool in preparation for the 2017-18 SY. Once the PLE tool is uploaded to the contract this corrective action will be considered complete.

Finding #2: The student paid meal prices and adult prices set within the online contract did not accurately reflect the actual charges in the point of service system.

Corrective Action Needed: Update the online contract to reflect the following for NSLP: \$2.60 EL, \$2.80 Middle/Jr, \$2.80 High School and Adult Price \$3.70. Paid breakfast should be: \$1.50 at all sites and \$1.85 for Adults.

Upon discussion with staff, reviewer found that the original board approval for SBP-SN was \$1.40; however communications sent to households on meal charges were inconsistently \$1.50 and \$1.40 despite the electronic system actually charging \$1.50. It is appropriate to charge \$1.50 per breakfast especially when your AFR indicated on average the cost of producing a breakfast is \$1.68. However, I would encourage the district to be more transparent with households at the start of the school year. Charges should be consistent between DPI reports, what the households received communication on, what the board approved, and what was actually entered into the Infinite Campus software system.

Comprehensive Review- Revenue form Nonprogram Foods

√ **Finding #1:** The agency is not separating the cost and revenue of nonprogram foods from program foods.

Corrective Action Needed: Submit a statement agreeing to begin separating these expenses and revenues. *Received via email on 4/6/17, no further action necessary.

4. GENERAL PROGRAM COMPLIANCE

Commendations

Thank you for sending the public release to the required local media and grassroots (food pantry and library) outlets.

Comments/Technical Assistance/Compliance Reminders:

Civil Rights

Nondiscrimination Statement

- When including the non-discrimination statement on letters, menus, website, and other documents used to convey program information, it is necessary to use the current statement which was just updated in October 2015 <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/civil-rights>.

However, when space is very limited, such as on the printed menus, the abbreviated statement may be used, “**This institution is an equal opportunity provider,**” so that it can be printed in the same size font as the other printing in the document.

And Justice for All Poster

The “And Justice for All” poster must to be posted in public view.

Special Dietary Needs

Fluid Milk Substitute

If providing a fluid milk substitute for students who are lactose intolerant, it cannot be juice, unless based on a medical statement signed by a medical practitioner. Water is available to all students, a lactose free milk could be offered or you can provide a fluid milk substitute that meets the nutritional requirements set forth by USDA. If choosing to provide a fluid milk substitute, you must notify our office in writing and provide us the nutritional panel from the product you will be using. For more information on fluid milk substitutes, <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>.

Medical Statement

DPI has updated the Medical Statement Form posted on our website that you may use <https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/medical-statement.pdf>.

When the form is completed and signed by a licensed medical practitioner, the school is required to provide a meal that meets the child's needs as documented. The meal would not have to meet the meal pattern requirements, as the diet requests serves as the meal pattern for that particular child.

It is recommended that the agency utilize DPI's template. The current local medical statement does not include all the required information. A signed medical statements must include:

- A description of the child's physical or mental impairment that is sufficient to allow the SFA to understand how it restricts the child's diet, and
- An explanation of what must be done to accommodate the disability (for example, the food(s) to be omitted and food(s) to be substituted).

Schools are not required to accommodate requests that are not supported by a signed statement from a licensed medical practitioner. Schools may accommodate non-disability requests if they choose to as long as accommodations are made within the meal pattern requirements. SFAs must ensure that accommodations are provided to all students equally.

For more information on this topic, see the recently posted Wisconsin Q&A:

<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/q-and-a-sp-59-2016.pdf>

Local Wellness Policy (LWP)

Reviewer had difficulty locating a copy of the local wellness policy. Staff were able to obtain a copy onsite, however, the policy is outdated (2006) and is missing many of the minimum required content areas (Policy Leadership, Public Involvement, Food and Beverage Marketing, Foods sold outside of the school meals programs, foods provided but not sold, and school meal regulation language). The policy will need to be reviewed and updated. I suggest using the Local Wellness Policy Checklist: <https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/local-wellness-policy-checklist.pdf> to ensure the minimum content is covered.

The local wellness policy requirement was established by the Child Nutrition and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Reauthorization Act of 2004 and further strengthened by the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The final rule requires School Food Authorities (SFAs) to begin developing a revised local school wellness policy during School Year 2016-2017 and full compliance with the requirements of the final rule by June 30, 2017.

A summary of the requirements can be found at:

https://healthymeals.nal.usda.gov/sites/healthymeals.nal.usda.gov/files/uploads/LWPsummary_finalrule.pdf. USDA Food and Nutrition Service has information on the local school wellness policy process and wellness policy elements at: <https://healthymeals.nal.usda.gov/school-wellness-resources>. Wisconsin Team Nutrition has several wellness policy resources available including a toolkit, a wellness policy builder, and wellness policy report card at: <http://dpi.wi.gov/school-nutrition/wellness-policy>.

Smart Snacks in Schools

Comments/Technical Assistance/Compliance Reminders

- Per the principal, Loyal Elementary School currently does not have any food or beverage fundraisers that occur during the school day. However, it sounds as though there may possibly be fundraisers in the future. Technical assistance was given on the fundraiser tracking tools and the basics of the Smart Snacks rule. Links to resources from the DPI's Smart Snacks webpage and the Smart Snacks calculator were sent to the principal.
- For any upcoming exempt fundraisers, remember that they can be no longer than two consecutive weeks in length and cannot occur in the meal service areas during meal time. Make sure that exempt fundraisers are tracked in a central location to ensure that the guidelines are met.
- Please see our Smart Snacks webpage for more information on the rule, including our "Smart Snacks In a Nutshell" handout, a link to the product calculator, and fundraiser tracking tool templates: <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>.

Professional Standards

- The Professional Standards regulations in 7 CFR 210.30 established hiring standards for new school nutrition program directors, hired on or after July 1, 2015, that manage and operate the National School Lunch and School Breakfast Programs. In addition, the regulations established annual training standards for all school nutrition program directors, managers, and staff which must be tracked.
- Each SFA must designate at least one staff member as a program "director". A program "director" is the person designated to perform or oversee the majority of the program duties such as sanitation, food safety, nutrition and menu planning, food production, procurement, financial management, record keeping, customer service, nutrition education, and general day-to-day program management.
- The hiring standards for SFA directors are based on the size of their SFA and includes education, school nutrition experience and food safety training requirements <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/professional-standards-hiring-chart-by-district-size.pdf>.
- Per SP 38-2016, any School Food Service Director hired after July 1, 2015 that does not meet the minimum education requirements cannot use the nonprofit school food service account to pay their salary; this would be an unallowable cost and the SFA's general fund may be used to pay the salary of a new director who is actively pursuing the minimum education requirements.
- Annual training must be job-specific and intended to help employees perform their duties well. The required annual training hours vary according to the employee's role in the management and operation of the school nutrition program.

- SFAs should clearly document all required training information and maintain a central file including the name of staff person, date hired, title/position, brief list of core duties/responsibilities, status (full, part-time, volunteer, etc.), professional standards position (director, manager or staff). Learning codes are not required, but encouraged. A template tracking tool is posted to our website at <http://dpi.wi.gov/school-nutrition/training/professional-standards>.

Food Safety, Storage and Buy American

Food Safety Inspections

- The most recent food safety inspection report was posted in public view.

Food Safety Plans

- All schools must have a comprehensive *site-specific* food safety plan on site which includes all process 1, 2, and 3 items, all standard operating procedures (SOP) for each individual site, all equipment, and food service staff *and be reviewed yearly*. Updated prototype food safety plan templates and SOPs may be found at our website under <http://dpi.wi.gov/school-nutrition/food-safety#fsp>.
- SFAs are required to update HACCP-based food safety programs to cover any facility where food is stored, prepared, or served for the purposes of the NSLP, SBP, or other FNS programs. This means the food safety program should contain standard operating procedures for safe food handling on school buses, in hallways, school courtyards, kiosks, classrooms, or other locations outside the cafeteria, as applicable.
- All food service employees have a signed Employee Reporting Agreement on file.
- Storage areas were tidy and clean.

Buy American

- The USDA requires that a SFA purchase, to the maximum extent practicable, domestic commodities or products. Using food products from local sources supports small local farmers and provides healthy choices for children in the school meal programs. Purchasing from these entities also supports the local economy. The Buy American provision is required whether food products are purchased by SFAs or entities that are purchasing on their behalf.

The Buy American provision should be included in solicitations, contracts, and product specifications. A reply offer to comply with Buy American terms in a solicitation ensures contractors are aware of Buy American requirements. Further, bidder assurance of the Buy American provision ensures that the bidder is responsive and responsible to the solicitation.

There are limited exceptions to the Buy American provision which allow for the purchase of products not meeting the “domestic” standard as described above (“non-domestic”) in circumstances when use of domestic products is truly not practicable. Refer to SP 24-2016 for more information on the Buy American provision and limited exceptions.

More information on this new requirement can be found on the SNT website at <http://dpi.wi.gov/school-nutrition/procurement/buy-american> including a tool to assist with tracking noncompliance products.

- Noncompliant items found include: pineapple from Vietnam and broccoli from Mexico. Any noncompliant items should be tracked as indicated above, or followed up on with your vendor to obtain a domestic alternative.

Reporting and Recordkeeping

Records must be kept on file for a minimum of three years plus the current year.

SBP Outreach

At the beginning of the school year, the SFA must notify families of the availability of breakfast and schools should send reminders regarding the availability of the SBP multiple times throughout the school year.

Findings and Corrective Action Needed

- Finding #1:** Letter templates sent to households as part of verification notification did not contain the correct nondiscrimination statement.

Corrective Action Needed: Update the, “We Must Check” and “We have Checked” templates in Infinite Campus with the correct non-discrimination statement. Send a copy of both updated letters to the consultant.

- Finding #2:** Documentation to support annual training hours for the food service director were not available to review.

Corrective Action Needed: Submit the professional standards tracking tool with hours completed by the food service director for the 2015-16 SY and current SY.

- Finding #3:** The “And Justice for All Poster” is not posted.

Corrective Action Needed: Put up the “And Justice for All Poster” in the service area where it is visible to the public. I suggest posting it next to the Food Safety inspection report on the bulletin board. Take a picture of the poster and send the picture as an email attachment to the consultant. If you need additional copies of the poster, contact our office- these can be mailed.

- Finding #4:** The food safety plan has not been reviewed/updated since 2009.

Corrective Action Needed: Submit a statement via email outlining a timeline for the plan to be reviewed and updated.

5. OTHER FEDERAL PROGRAMS REVIEWS

Wisconsin School Day Milk Program & Fresh Fruit and Vegetable Program

Findings and Corrective Action Needed

- Finding #1:** Loyal Elementary’s December 2016 FFVP claim was validated by comparing the claim with invoices. There were several discrepancies between the claim and the documentation provided. Technical assistance was given on-site regarding ways to eliminate these errors, and it seems as though the errors could be avoided by simply slowing down and being more careful when submitting the claims. Make sure that every amount claimed is an actual cost that is backed up by an invoice or a timesheet. We also looked at the list of allowable and non-allowable costs

<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/ffvp-allowable-nonallowable-costs.pdf>) as a reminder of what can and can't be served and claimed under FFVP.

There were several discrepancies between the invoices and the fruit/vegetable expenses claimed:

- Three cases of peppers were claimed at \$8.72 per case, while only one case was actually purchased and used for the program.
- Three cases of pomegranates were claimed at \$33.00 per case, while the invoices showed that they were actually \$36.95 per case.
- Blueberries were claimed for a total of \$60.00, but upon review of invoices it was found that these were frozen blueberries. Frozen fruit or vegetables cannot be served in the FFVP.
- Carrots were claimed for a total of \$47.00, but the invoice for this item could not be provided before or during the review.
- One case of broccoli was claimed at \$18.35, while the invoice showed that the case cost \$16.40.

There were also discrepancies between the timesheets and the operating labor claimed:

- For the first employee, 20 hours were claimed at \$10.84 per hour while the timesheet showed 11.5 hours documented towards FFVP.
- For the second employee, 10 hours were claimed at \$11.36 per hour while the timesheet showed 6 hours documented towards FFVP.

A total **over claim of \$252.12** will be reported as fiscal action and subject to the NSLP \$600 disregard as part of Loyal School District's Administrative Review.

Corrective Action Needed: Please submit a written statement explaining how these types of errors will be avoided in the future when submitting claims. Additionally, a FFVP claim will be validated outside of the Administrative Review process before the claim is paid. After you submit your February FFVP claim, please send all supporting invoices and labor timesheets to your FFVP contact at DPI.

Finding #2: Students come to the cafeteria to self-serve their FFVP snack in the afternoon. On some days, low-fat or fat-free dip is offered with vegetables. On the day of observation it was noted that the dip is in a large pump container and students can self-serve as much as they want. Overall students took a small amount of dip, but per FFVP guidelines they should not be able to take more than two tablespoons.

Corrective Action Needed: Please submit a written statement explaining how you will limit the portion size of any low-fat or fat-free dip that is offered with the FFVP snack to two tablespoons or less.

Finding #3: Update the WSDMP contract to reflect current milk counting and claiming practices. **Corrective Action Needed:** Submit a copy of the WSDMP contract: <https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/contract-manual.pdf> to the nutrition program consultant.

Finding #4: The agency was unable to provide records supporting the 2015-16 SY WSDMP annual claim.

Corrective Action Needed: Provide point of service source documents used to assemble the annual claim for the 2015-16 SY. These records must also support that 6th grade and paid student milks were removed from the total claim.

If these documents do not support the current review period claim the state agency reserves the right to request prior years and or assess fiscal reclaim.

Dr. Tony Evers, State Superintendent of Wisconsin Department of Public Instruction, shares a vision that every student will graduate prepared for college and career in an initiative called “Agenda 2017”. His goals are for students to have the knowledge, skills, and habits that will allow them to succeed in life after high school. Access to quality nutrition plays a major role in developing those life-long habits.

The School Nutrition Team believes that what school nutrition programs do every day plays a very important part in the success of every child being able to graduate. We all know that well-nourished children are ready to learn. Thank you for all you do to ensure your students’ success.

For more information on this initiative, please visit the Wisconsin DPI Every Child a Graduate webpage dpi.wi.gov/statesupt/agenda-2017.

