

**USDA Child Nutrition Programs
Administrative Review Summary Report**

School Food Authority: Florence School District

Agency Code: 191855

School(s) Reviewed: Florence High School

Review Date(s): 3/20/18-3/21/18

Date of Exit Conference: 3/21/18

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, meal benefit determination process, procurement, and many other topics. More information along with other upcoming trainings and webinars can be found on the Wisconsin DPI [School Nutrition Training](http://dpi.wi.gov/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](http://dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills) webpage (dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills).
- The US Department of Agriculture has a toolkit of resources to assist schools in meeting the nutrition standards on their [Healthier School Day: The School Day Just Got Healthier](http://www.fns.USDA.gov/healthierschoolday) webpage. The topics covered include Smart Snacks, offering fruits and vegetables, reducing sodium, and serving whole grain-rich products (http://www.fns.USDA.gov/healthierschoolday).
- [The Smarter Lunchrooms Movement](http://smarterlunchrooms.org) encourages schools to implement low-cost and no-cost lunchroom solutions to help students' select healthier meal options (http://smarterlunchrooms.org). Smarter Lunchroom techniques are easy to begin implementing and do help encourage student consumption of fruits, vegetables, legumes, non-flavored milk, and other healthful choices. These strategies are effective and research-based. Consider trying the Smarter Lunchroom techniques for [increasing consumption of white milk](https://www.smarterlunchrooms.org/scorecard-tools/smarter-lunchrooms-strategies#Milk) (https://www.smarterlunchrooms.org/scorecard-tools/smarter-lunchrooms-strategies#Milk).

Appreciation/Commendations/Noteworthy Initiatives:

Thank you to the staff at Florence School District for the courtesies extended to us during the on-site review. Thank you for being available when answering questions and providing additional information. All were very 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

Certification and Benefit Issuance

Commendations/Comments/Technical Assistance/Compliance Reminders

- There was 152 student applications that were selected for the review. Out of those, there were four application errors identified and they were corrected on site.

Free and Reduced Price Meal Applications

- An individual student's eligibility status from the previous school year (before July 1) carries over for up to 30 operating days into the new school year, or until a new eligibility status is made, whichever comes first. The 30 operating days begins on the first operating day of school.
- Applications must be processed within 10 operating days.
- All free/reduced applications and the direct certification runs were available for review. All applications have been approved and students are receiving the benefits they have been determined eligible for.
 - When an application only has one frequency of payment indicated for all of their reported incomes on the application, the income should not be converted to annual. Instead use the [Income Eligibility Guidelines](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/income-eligibility-guidelines-1718.pdf) and look at the amount of their income under the column indicating the stated frequency (i.e., weekly, twice monthly, every two weeks, monthly, annually) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/income-eligibility-guidelines-1718.pdf>).
- When a household has income in addition to a loss from a business, that income must be included on the free and reduced application in full and is not offset by the business loss. A business loss (negative dollar amount) would become \$0 for the income on the application.

Household Size Box

- The total household member size box (Step 3G) includes all children and adults in the household and must match the number of names on the application for that application to be considered complete.

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 with the household. The SFA may return the application to the household or contact the child's parent or guardian either by phone or in writing/email. The determining official should document the details

of the conversation plus 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.

Other Source Categorical

- If a household submits an application that indicates Other Source Categorical Eligibility, such as homeless, migrant, or runaway, the SFA must confirm the children's status by an appropriate program official either through direct contact with the agency or by a list of names provided by the agency, before meal benefits can be provided. Once confirmed, this eligibility is only available to the designated child and is not extended to other members of the household.
- Applications that indicate a child is a foster child are categorically eligible for free meals. The child's status for free meals does not require confirmation of eligibility prior to receiving benefits. This benefit is not extended to other household members.

Direct Certification

- As a reminder, you are required to run direct certification a minimum of three times a year: at or near the beginning of the school year, three months after the initial run and six months after the initial run.
- The effective eligibility date for a DC eligible student is the date of the original output file.

Disclosure

- The information provided by the family 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, registration fee waiver, school fees, etc. Consent must be obtained each school year. Find the [Sharing Information with Other Programs](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sharing-info-other-programs.doc) template on the Free and Reduced Meal Applications and Eligibility webpage (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sharing-info-other-programs.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 of Free and Reduced Price Information](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/disclosure-agreement.docx) form is located on the SNT website (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/disclosure-agreement.docx>).

Findings and Corrective Action Needed: Certification and Benefit Issuance

Finding 1: Four applications were missing the adult signature, social security number or the household size did not match the number of people listed on the application.

Corrective Action Needed: Please follow up with the households to confirm the household size, social security number and/or adult signature. **Corrected on site, no further action required.**

Finding 2: Some of the applications were processed after the required 10 operating days.

Corrective Action Needed: Please submit a statement of understanding that applications need to be processed within the 10 operating days.

Verification

Commendations/Comments/Technical Assistance/Compliance Reminders

- Two applications were selected for verification. Verification was completed on time and both households kept their original eligibility status.

Findings and Corrective Action Needed: Verification

☐ **Finding 3:** Nondiscrimination statement on the “We Must Check Form” must match the size of the document.

Corrective Action Needed: Please submit a statement that the SFA will use the “We Must Check Form” or work with the software company to have the proper information entered into the system.

Meal Counting and Claiming

Commendations/Comments/Technical Assistance/Compliance Reminders

- Counting and claiming was accurate and claims were submitted on time. Thank you for using the proper edit check to submit claims.
- Average Daily Attendance (ADA) was at 100%. Work with software company to change the ADA to a more accurate depiction.
- Moving forward, it is best practice for the Benefit Issuance List to indicate how the benefit was determined. The software indicated who matched via DC free or reduced and by what program, and how the applications were determined based off of income, categorical eligibility or a case number. Best practice would be to have the BI list reflect the system’s information.

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

Thank you to the food service staff at Florence School District for providing documentation prior to the review. Documentation was thorough and well organized. Staff on-site was friendly and professional. All of my questions were answered very quickly which helped to expedite the process of reviewing meal pattern compliance. Thank you for all you do for the students at Florence High!

Comments/Technical Assistance/Compliance Reminders

Documentation

In order to accurately document the items that were offered as part of the reimbursable meal, items should be recorded by type on the production record (for example, if a variety of muffins are offered, each type should be recorded on a separate line with planned number of servings, actual number prepared, leftover, etc.). Alternatively, a separate tracking sheet can be used to document the variety offered and then the total planned and prepared amounts can be documented on the production record.

Currently, the 7-8 and 9-12 students are being recorded on separate lunch production records. While this is acceptable, utilizing a [two grade group production record](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/production-records) may aid in consolidating information and streamlining the documentation process (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/production-records>).

Standardized recipes are required for all menu items that have more than one ingredient (e.g. baked beans, seasoned vegetables). All standardized recipes must include detailed information about the specific ingredients, equipment, and procedures used to prepare the recipes. A standardized recipe has been tried, tested, evaluated, and adapted for use by your foodservice operation. It produces a consistent quality and yield every time when the exact procedures, equipment, and ingredients are used, which is crucial for crediting school food service recipes. Recipes should be standardized in each kitchen to *reflect the products* and practices that are used in that facility. This same process must be done to standardize USDA quantity recipes, especially when substitutions are made. Instructions for standardizing recipes and recipe templates can be found on the [Meal Planning](http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/recipes) web page (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/recipes>).

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 with a CN label with a watermark during the bidding process or on their websites. Original CN labels on product cartons will not have a watermark. Product information on the CN label with a watermark can be changed. CN labels must be verified and collected from boxes as products are delivered. Once labels have been collected, check when new shipments arrive to determine if crediting towards the meal pattern has changed.

Meal Pattern Crediting

Be careful with the difference between weight and volume. Spoodles measure fluid ounces, not ounces by weight, so it is not appropriate to use a 4 fluid ounce spoodle for an intended 4 ounce (by weight) serving, and conversely, it cannot be assumed that 4 oz (by weight) provides a ½ cup serving. Fruits and vegetables are credited based on the volume served, so the serving size should be documented as a volume rather than 5.5 oz.

To ensure that students are receiving the adequate amount of meat/meat alternate (such as the diced ham), weigh the meat/meat alternate, then determine which scoop will hold that weight of meat.

Offer versus Serve (OVS)

No more than half (50 percent) of the fruit offered over the course of a week can be in the form of juice. It is possible to offer juice daily and meet the 50 percent juice limit if it is offered along with fruit (fresh, frozen, dried, or canned). Use caution when determining if students can select duplicate juice cups with meals. SP 10-2012, Questions and Answers on the Final Rule defines an “offering” of fruits or vegetables for the purposes of assessing the juice limit, as “the amount a child is able to select at a given meal, regardless of the number of options/variety of fruits or vegetables.” The total amount of juice available at all meals over the course of the week (separately for lunch and breakfast) is then divided by this total fruit offering to determine the weekly juice offering. No more than half of the total fruit offering may be in the form of juice.”

When analyzing the juice limit, consider the total amount of fruit students are able to select each day and how much juice they have access to.

Therefore, if 1 cup of fruit is offered daily in the form of ½ cup juice and ½ cup fruit, the students have access to 2.5 cups of juice and a total of 5 cups of fruit over the week

- 2.5 cups juice/5 cups fruit = 50%

In this situation, duplicates of juice are not allowed. If students are allowed to take duplicates, they have access to 1 cup of juice at breakfast each day, or 5 cups of juice over the week.

- 5 cups of juice/5 cups of fruit = 100%

Therefore, while students can take duplicate serving of the fruit at the discretion of the menu planner, they cannot take two juices. Use signage to communicate this to your students.

The nutrigrain bars offered at breakfast credit as 0.75 oz eq of grain and therefore cannot be counted as a full food item under OVS. It is recommended that a larger bar or a different item be planned in place of the current product to avoid confusion for students and point of service staff. If the current product will continue to be served, it is important to ensure that students are selecting 3 other full food items, including at least ½ cup of fruit or vegetable in order to have a reimbursable meal.

A large grain (such as a 2 oz eq muffin) may count as more than one item at the discretion of the menu planner for purposes of OVS at breakfast. Since a food item is defined as 1 oz eq grain, if a 2 oz eq grain product is offered, the menu planner may count this as 2 food items. However, they also have the discretion to choose to count it as 1 food item as long as at least 3 other food items are offered (to make the total of the 4 food items needed for OVS). This same discretion applies to large fruit items such as an apple crediting as 1 cup of fruit.

In order to ensure students are selecting a reimbursable meal, it is imperative that students and food service staff are very clear on how the menu planner has decided to count these larger items. Consider the following example:

1 apple (1 cup fruit = 2 food items) + 1 cup milk (1 food item) = 3 food items (1 of which is at least ½ cup fruit) = reimbursable meal.

However, if the menu planner plans an apple as 1 food item, the above scenario requires an additional food item, in the form of a grain or fruit (or vegetable). This example illustrates the importance of the menu planner determining the number of food items that large fruit and grain items will count as prior to meal service.

The menu planner also has the discretion to allow students to select duplicates at breakfast. When a menu planner offers two different 1 oz eq grain items at breakfast, a student *may* be allowed to take two of the same grain item and count this as two grain items for purposes of OVS. Some things to keep in mind when deciding whether or not to allow duplicates are the calorie, saturated fat and sodium content of the menu item and the food costs. If there is a significant difference in calories between two menu items, it may not make sense to allow students to take duplicates of the higher calorie item (or the item with a higher food cost) as this will cause the weighted weekly average to increase.

- *Note: the signage provided by DPI and used on-site inherently allows for duplicates. Therefore, if the menu planner does not want to allow duplicates at all, or for certain items, this should be communicated to the students either by writing in the notes section of the signage, posting additional signage, verbal communication or a combination of these methods.*

Findings and Corrective Action Needed

□ Finding #1: Production record templates provided by DPI are being used. However, they are not being filled in completely with all required information according to the **production record requirements** (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/production-record-requirements.pdf>). The following information was not documented:

- Planned number of servings for each menu item

- Total number of purchase units prepared (actual quantity prepared column)

Note: as discussed on-site, planned number of servings/total planned quantity and actual number of servings prepared/actual planned quantity may very often reflect the same amount. However, this isn't always the case if additional food needs to be prepared or if you forecast in advance and need to adjust the actual amount prepared prior to or during meal service. The planned/actual quantity is purchase units should reflect the amount of food (cases, pounds, pans, cups, gallons, etc.) needed to make the number of planned/actual servings for each menu item.

Corrective Action Needed: Please submit 1 week of completed production records for both breakfast and lunch.

☐ Finding #2: Baked beans on the day of observation were prepared by combining a variety of bean types. However, no standardized recipe was available.

Corrective Action Needed: Provide a standardized recipe for the baked beans.

☐ Finding #3: On 2/12, the breakfast entrée options included 2 boiled eggs OR scrambled eggs with ham OR mini pancakes OR cereal/1 boiled egg. The boiled egg and scrambled egg/ham meals were missing the required 1 oz eq of grain as students selecting these options did not have opportunity to select a grain with their meal. Additionally, on 2/13, the 2 boiled egg option was offered again. As these meals are missing the grain component, they are subject to fiscal action.

Corrective Action Needed: In order to evaluate the number of meals to be reclaimed, submit breakfast production records from all sites. These will be reviewed for any entrée options offered that did not include a grain option.

Please also provide a written statement and labels/supporting documentation as needed to show how these meals will be in compliance with meal pattern requirements the next time they are offered. This could include allowing students to select one of the offered grain options along with their entrée, changing the entrée to offer a smaller portion of the meat/meat alternate and pair it with a grain or discontinuing the service of the entrée.

☐ Finding #4: No crediting documentation was available for the hard cooked eggs and the product formulation statement (PFS) for the liquid egg product was not complete.

Corrective Action Needed: Additional documentation is needed to determine how these products credit towards meal pattern requirements. Submit a complete and accurate PFS showing how these product credits towards meal pattern requirements. Alternatively, a statement describing what will be served in place of this product (be specific and include serving size) along with any necessary documentation and/or recipes is acceptable.

☐ Finding #5: Diced ham crediting cannot be determined. The documentation provided credits the ham based on weight, but the planned serving size was provided in a volume measure (1/4 cup).

Corrective Action Needed: Determine the weight of a ¼ cup serving of ham. If this product will not be served again prior to the corrective action deadline, please provide documentation for a product that would be served in its place.

Once the Public Health Nutritionist has all crediting documentation and updated standardized recipes for the week of review, it can be analyzed to determine if the meal patterns for the National School Lunch Program and School Breakfast Program are being met. Until that time, the review cannot be closed. Please be aware that the possibility to conduct a weighted nutrient analysis exists if substantial errors are found. Additional errors may also be subject to fiscal action. Thank you.

3. RESOURCE MANAGEMENT

Nonprofit School Food Service Account

Commendations/Comments/Technical Assistance/Compliance Reminders

- Financial topics were discussed with the Business Manager including how to locate the agency's Child Nutrition Program report, which provides you with a compilation of meals claimed, your reported revenues and expenditures, amount of federal reimbursement received and per meal costs for lunch and breakfast.
- The Aids Register shows the amount deducted from reimbursement to pay for shipping, handling and processing costs of USDA Foods and to track all program deposits made to the agency's account. Both resources are accessible from our [Online Services](https://dpi.wi.gov/nutrition/online-services) webpage (dpi.wi.gov/nutrition/online-services).
- SFAs must limit the net cash resources in order to not exceed three months average expenditures.

Annual Financial Report (AFR)

- All revenues (reimbursements and student payments) and expenses (including food, labor, equipment, purchased services, and the other category) need to be separated into each program; this will aid the school in calculating its "yearly" reference period for nonprogram food compliance which is highly recommended. The [16-17 Annual Financial Report instructions](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/annual-financial-report-instructions.pdf) are located on the DPI website (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/annual-financial-report-instructions.pdf).
- When a student deposits funds in their lunch account which will be used for meal purchases, the amount received is not treated as revenue until the meal has actually been served to the student. The amount of funds on hand in student accounts is treated as a deposit or liability account in either the foodservice fund (Fund 50) or the general fund (Fund 10) until the meal is served, at which point the deposit account is converted to revenue. This amount should not be recorded as revenue or part of the fund balance on your Annual Financial Report.
- The ending balance on June 30 from the previous year needs to be the beginning balance on July 1 for the current year.
- The ending balance, on June 30, can never be a negative balance. A transfer must be made from the non-federal funds to bring the ending balance to \$0.00.
- These categories of the AFR that should be addressed when tracking revenues and expenditures include:
 - Expenses for paper supplies, chemicals, thermometers, etc., should be reported under "Other". Only expenses for edible food items and beverages should be reported under "Food".
 - "Equipment" should reflect major purchases of equipment. Utensils, pans, smaller equipment such as a cart, etc., should be reported under "Other".
 - Under "Purchases Services" report any time you pay someone for services provides such as equipment repair and health inspections.

- Under “Ala Carte”, report 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.
- When revenues are recorded from the federal reimbursement payments, make sure that you are recording the full reimbursement based on the printed claim form and not what is actually deposited into your account. As you will note on the claim, there may be money deducted from shipping, handling and processing fees for USDA Foods. The amount deducted from your revenue should be reported as a food expenditure.

Allowable Costs

- The nonprofit school food service account is to be used for the operation of the school meal program including food, supplies, equipment and personnel.
- The nonprofit school food service account may not be used to purchase land and/or buildings unless approved by FNS.
- Allowable costs are defined in 2 CFR 200 Subpart E and should be necessary, reasonable and allocable. More information on allowable costs can be found within the [Indirect Costs guidance](http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>).
- 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. [SP23-2017 Unpaid Meal Charges guidance Q&A](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) may be found our Financial Management webpage (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>).

Unpaid Meal Charge Policy

- USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs to have a written and clearly communicated policy that addresses unpaid meal charges. SFA had an Unpaid Meal Charge Policy was on file. However, according to the policy, students would be sold an alternate meal consisting of a peanut butter and jelly plus a milk to the students. This would have to meet smart snacks.
- 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) (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>). For a more comprehensive overview, see SP 23-2017: [Unpaid Meal Charges Guidance](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-23-2017.pdf) <https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-23-2017.pdf>
 - Best Practices
 - Local meal charge policy checklist
 - Sample outstanding balance letter
 - Sample robo-call script
- Funds in student meal accounts are considered a liability until a meal is purchased. When the funds are left “unclaimed”, they cannot be used to offset another student’s negative account, unless *paid* households have *chosen to donate* those funds to the school food service account. All funds left in any student meal account which cannot be contacted must be turned over to the Wisconsin Department of Revenue (DOR) as unclaimed property. The DOR has rules concerning [unclaimed property](https://www.revenue.wi.gov/DOR%20Publications/pb82.pdf) that must be followed (<https://www.revenue.wi.gov/DOR%20Publications/pb82.pdf>).

Findings and Corrective Action Needed: Nonprofit School Food Service Account

❑ **Finding 1:** On the Annual Financial Report, the Summer Food Program expenses and revenues were not broken out into the revenue and expense category. Additionally, the commodities were not reported on the 16-17SY Annual Financial Report either.

Corrective Action Needed: Please resubmit your 16-17 Annual Financial Report with the commodities and the Summer Food Program revenues and expenses broken out by program and category. To do this, you will need to contact Jacque Jordee at Jacqueline.jordee@dpi.wi.gov or 608-267-9134 and fax or email her an updated report to complete a manual update. Let the consultant know when this has been completed.

Paid Lunch Equity

Commendations/Comments/Technical Assistance/Compliance Reminders

- Thank you for completing the Paid Lunch Equity tool each year and adhering to the pricing requirements.
- This year, according to the PLE tool submitted on the contract, Florence School District used the split calculator and will need to transfer in \$1,205.70 to cover the cost of the high school meals.

Revenue from Nonprogram Foods

Commendations/Comments/Technical Assistance/Compliance Reminders

- Thank you for completing and utilizing the Nonprogram Food Revenue Tool prior to the Administrative Review.
- Nonprogram foods include: Adult Meals, A la Carte, Extra Entrees, Extra Milk (for cold lunch or milk break), Vended Meals (meals sold to other agencies), Catered Meals, and Food Service operated Vending Machines.
- All costs associated with nonprogram foods, including food, labor, equipment, and purchased services 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.
- Since nonprogram foods include Adult Meals and extra milk, these expenses and revenues must be separated from Program foods.
- 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>).

$$\frac{\textit{Nonprogram food revenue}}{\textit{Total program and nonprogram revenue}} \geq \frac{\textit{Total nonprogram food costs}}{\textit{Total program and nonprogram food costs}}$$

Findings and Corrective Action Needed: Revenue From Nonprogram Foods

Indirect Costs

Commendations/Comments/Technical Assistance/Compliance Reminders

- Indirect costs were not charged to the food service account.

4. GENERAL PROGRAM COMPLIANCE

Civil Rights

Commendations/Comments/Technical Assistance/Compliance Reminders

- Thank you for using the appropriate nondiscrimination statement on your program materials.
- SFA had an established process for complaints, great job!

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 updated in 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 or low balance notices, the abbreviated statement may be used, “**This institution is an equal opportunity provider.**” Either of these statements must be in the same size font as the other text in the document.

Civil Rights Training

- Civil rights training must be conducted on a yearly basis for all staff and volunteers who administer any portion of a school nutrition program.
- Civil rights training had been attended by all staff in the schools and documentation was available for review.

Special Dietary Needs

- All food substitutions made outside of the meal pattern requirements must be supported by a signed medical statement from a licensed medical professional. SFAs may use the [prototype Medical Statement](#) for Special Dietary Needs posted on the DPI website, which is also available in Spanish and Hmong (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>). Meals served to students with special dietary needs with the signed medical statement do not need to meet meal pattern requirements. Additional information on [special dietary needs](#) can be found on the DPI School Nutrition Team website (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>). This [flow chart](#) gives guidance on special dietary needs, as well (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sdn-flowchart.pdf>)
- School food service staff may make food substitutions, at their discretion, to accommodate children without a signed medical statement from a licensed medical practitioner. It is highly recommended that the SFA have a completed medical statement on file from a medical authority (which could be the school nurse) to support the request. These accommodations made for students must meet the USDA meal pattern requirements in order for the meals to be reimbursable. It is recommended that the SFA develop a policy for handling these types of accommodations to ensure that requests are equitable for everyone.

On-site Monitoring

Commendations/Comments/Technical Assistance/Compliance Reminders

- On site monitoring was completed before February 1st of the current school year.

Findings and Corrective Action Needed: On-site Monitoring

❑ **Finding 2:** On-site monitoring for lunch was completed at the Elementary School and for breakfast at the Middle/High School. On-site monitoring must be completed at each school participating in lunch and only 50% of the schools participating in the breakfast program.

Corrective Action Needed: Please submit a copy of the on-site monitoring for NSLP at the high school.

Local Wellness Policy

Commendations/Comments/Technical Assistance/Compliance Reminders

- SFA had implemented a detailed wellness policy.
- 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 (HHFKA) of 2010. The final rule requires School Food Authorities (SFAs) to begin developing a revised local school wellness policy during School Year 2016-17 with full compliance of the final rule by June 30, 2017.

Findings and Corrective Action Needed: Local Wellness Policy

❑ **Finding 3:** SFA LWP met all but one of the USDA LWP requirements. The Local Wellness Policy must include how the SFAs will notify the public about the content, implementation of, and updates to the LWP.

Corrective Action Required: Please provide a timeline for updating your policy to include the information above.

Smart Snacks

Commendations

Great job using the Alliance for a Healthier Generation product calculator to ensure a la carte snack items meet Smart Snack standards. Beverages sold to students in the cafeteria are clearly and correctly labeled based on the grade groups they are compliant for.

Comments/Technical Assistance/Compliance Reminders

Smart Snacks

The Smart Snacks Final Rule, published in the Federal Register on July 29, 2016, finalized science-based nutrition guidelines for competitive foods sold on the school campus during the school day. Foods and beverages sold in schools must meet both the general standards and nutrient standards if they do not qualify for an exemption.

The Wisconsin Department of Public Instruction allows two fundraiser exemptions per student organization per school per school year, not to exceed two consecutive weeks each. An exempt fundraiser may sell foods and beverages that are not allowable under the Smart Snacks rule but this may not occur in the meal service area during meal service times.

There is no required template that must be used to track fundraisers or products sold that are subject to Smart Snacks standards. However, tracking tool templates are available on the [Smart Snacks page](#) of

our website and may be helpful in tracking this information (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>). Locations where exempt fundraisers occur, must be documented to ensure compliance with the regulation.

The [Smart Snacks in a Nutshell](#) document provides a great overview and summary of the general standards, nutrient standards and allowable beverages for your reference (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/smart-snacks-in-a-nutshell.pdf>).

If multiple grades have access to vending machines with beverages, products must meet Smart Snacks standards for the youngest age/grade group. For example, if a vending machine with beverages is available to 7-12th graders, beverages must meet Smart Snacks standards for the 6-8 age/grade group; therefore, items like caffeinated, low-calorie (≤ 5 kcal/fluid oz.) flat or carbonated, or no-calorie beverages (< 5 kcal/8 fluid oz; ≤ 10 kcal/20 fluid oz.) flat or carbonated beverages are unallowable.

Professional Standards

Commendations/Comments/Technical Assistance/Compliance Reminders

Professional Standards: Training 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.
- Trainings can be provided in a variety of formats (online, in person, webinars) and through various providers (DPI, USDA, in-house, etc.).
- SFAs should clearly document all required training information and maintain that file including the name of staff person, date hired, title/position, brief list of core duties/responsibilities, status (full, part-time, substitute, volunteer, etc.), professional standards position (director, manager or staff). Learning codes are not required, but encouraged. A template tracking tool is posted to our [Professional Standards](#) webpage (<http://dpi.wi.gov/school-nutrition/training/professional-standards>).

Annual Training Requirements for All Staff

- Directors: 12 hours
- Managers: 10 hours
- Other Staff (20 hours or more per week): 6 hours
- Part Time Staff (under 20 hours per week): 4 hours
- If hired January 1 or later, only half of the training hours are required during the first school year of employment.

Water

Commendations/Comments/Technical Assistance/Compliance Reminders

- Water was available for students during meal service. Students were able to use the drinking fountains outside of the cafeteria.

Food Safety and Buy American

Commendations/Comments/Technical Assistance/Compliance Reminders

Food Safety Plans

- The Food Safety Plan was available for review. It was obvious in observing the food service manager/director at work that they are very knowledgeable about food safety practices and safe food handling. All temperature logs, calibration logs, and sanitizing solution logs were up-to-date.

Food Safety Inspections

- Every school operating USDA School Child Nutrition Programs must have two food safety inspections during each school year: including food safety inspection and a review of the site's Food Safety Plan.
- Food safety inspection reports must be posted in public view. Posting the food safety inspection report in the same location as the "And Justice For All" poster can be a convenient way to have both items publicly visible.

Storage

- SFAs are required to ensure that facilities for the handling, storage, and distribution of purchased and donated foods are properly safeguarded against theft, spoilage, and other loss (7 CFR 210.13(d)).
- The on-site and/or off-site storage areas were reviewed, including freezers, refrigerators, dry good storage rooms and other areas. It was observed that reusable plastic containers, like yogurt containers, were being used to store food. After discussing with the food service director, she ordered new containers during the review.

Findings and Corrective Action Needed: Food Safety

❑ **Finding 4:** The food safety plan must be updated every year. It was last revised in 2014, but was being utilized currently.

Corrective Action Required: Please send a copy of the front page of the food safety plan, showing that the plan has been updated & reviewed for the current school year.

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 the local economy, small local farmers and provides healthy choices for children in the school meal programs. 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. Furthermore, bidder assurance of the Buy American provision ensures that the bidder is responsive and responsible to the solicitation.

SFAs must monitor contractor performance as required in 2 CFR Part 200.318(b), formerly in 7 CFR Part 3016.36(b)(2), to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

- The following products may be exceptions to Buy American provisions: pineapples, mandarin oranges, olives, tuna, bananas and coffee.

- If no country of origin identified on label, than SFA must get certification from distributor or supplier stating: “We certify that (green beans) were processed in the U.S. and contain over 51% of its agricultural food component, by weight or volume, from the U.S.,” This can accepted within an email.
- What is acceptable to determine compliance on a label? Label should indicate if the product is grown, processed and packed in the continental U.S. and any U.S. Territories. If label indicates that product is distributed or packed in the U.S, but the country of origin is not listed, this product requires the distributor’s certification as mentioned above.
- Any substitution of a non-domestic product for a domestic product (which was originally a part of the RFP), must be approved, in writing, by the food service director, prior to the delivery of the product to the School.
- Any non-domestic product delivered to the school, without the prior, written approval of the Food Service Director, will be rejected. Should non-domestic substitutes that were not pre-approved in writing by the food service director be delivered to and rejected by the school, selected distributor(s) shall be held accountable for all over-claims that result from failure to meet the school’s required meal pattern.
- Agricultural products which are processed and produced outside of the U.S. may be accepted with proof from manufacturer that poor market conditions exist (weather, and/or supply availability of market); this requirement applies to private labels as well as other labels.
- The SFA should maintain written procedures to ensure product received and inventory is compliant with the Buy American procedure. Sample written procurement contract management procedures (<https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/contract-management>) and Buy American monitoring procedures (<https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/buy-america>).
- 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, including a tool to assist with tracking noncompliance products, can be found on the [SNT Procurement webpage](http://dpi.wi.gov/school-nutrition/procurement/buy-american) (<http://dpi.wi.gov/school-nutrition/procurement/buy-american>).

In USDA Memo SP 38 -2017, any product that does not identify the country of origin now requires certification from the manufacturer or distributor. See the notes above for sample certification language. This will be treated as technical assistance for the 2017-18 school year, but work with your distributor/supplier to move toward compliance. The following products were found without a clear country of origin indicated on the product or product packaging:

- 10” tortillas
- Pizza sauce
- Mayo
- Syrup
- Mrs. Dash
- Garlic and herb seasoning

Findings and Corrective Action Needed

□ Finding #1: Vending machines selling beverages to students are accessible by all 7-12 students. However, the beverages are not compliant for the 6-8 grade group.

Corrective Action Needed: Submit a written statement describing your plan for ensuring these vending machines are in compliance with Smart Snack regulations. A timeline for implementation should also be included. Options could include:

- Turning the machines off during the school day (defined as midnight through 30 minutes after the instructional day ends).
- Only sell beverages that are compliant for all students.
- Only allow 9-12 grade students to purchase beverages from the vending machine. If posting signage and communicating this restriction to students is determined to be effective, this can be an acceptable solution. However, it is the expectation of the State Agency that the effectiveness of this option be evaluated and/or monitored periodically and if the 7-8 grade students continue to purchase from the machine, a different solution should be implemented to maintain compliance.

□ Finding #2: A different hot entrée is available for purchase a la carte each day. During the on-site observation, these entrees included chicken nuggets, pizza, breaded chicken patty on a bun, cheese burger on a bun and nacho chips with cheese. All of these items exceed the nutrient standards for sodium and/or percent calories from fat.

While entrees offered as part of the reimbursable meal are except from the general and nutrient standards the day of and the day after they are served as part of the reimbursable meal, this exemption does not apply to the a la carte options offered at this site.

Corrective Action Needed: Please submit a written statement describing your plan for achieving compliance with the Smart Snack regulations for items sold a la carte during meal service. A timeline for implementation should be included. Some possible options could include:

- Discontinue service of these a la carte items and offer students the option to purchase the a second/a la carte entrée option from the planned reimbursable meal.
- Find new a la carte entrée options that are compliant.

□ Finding #3: While reviewing product storage for compliance with the Buy American provision, broccoli from Mexico, tropical fruit salad from Thailand, pineapple from Thailand and juice cups from USDA/Argentina/Chile/Mexico were found. Documentation was available for the pineapple and tropical fruit salad, but nothing was on file for the broccoli or juice cups. Additionally, it was unclear if the Buy American provision was properly addressed in the procurement process.

Corrective Action Needed: Submit [documentation](#) for an exception to the Buy American provision for the broccoli and juice cups or documentation for domestic products that will be used in their place (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-noncompliant-list.docx>). Additionally, please contact Alex Zitske (alex.zitske@dpi.wi.gov or 608-267-9822) to discuss Buy American further and ensure that procurement, monitoring and tracking are being done properly. Submit a written statement describing the information gathered during this contact and changes that will be implemented going forward.

Reporting and Recordkeeping

Commendations/Comments/Technical Assistance/Compliance Reminders

- Thank you for completing the required USDA and DPI reports and maintaining the paperwork in an organized manner.
- All records are kept for the recommended time frame of three years, plus the current year.

Summer Food Service Program (SFSP) and School Breakfast Program (SBP) Outreach

Commendations/Comments/Technical Assistance/Compliance Reminders

- SFA operates the Summer Food Service Program and does a great job promoting the program.
- School breakfast is offered throughout the district and is promoted in the public release and within each school.

Breakfast Promotion

The breakfast participation in the highschool is low compared to participation at lunch. Therefore, it is suggested that ideas for increasing participation be considered. One idea would be to look at offering breakfast in the classroom or a mid-morning breakfast model (either out of the kitchen or in the classroom). More information about potential breakfast service models as well as financial models can be found in the [Serving up a Successful School Breakfast Program](http://dpi.wi.gov/school-nutrition/school-breakfast-program) guide (<http://dpi.wi.gov/school-nutrition/school-breakfast-program>).

A [Breakfast in the Classroom Toolkit](https://dpi.wi.gov/school-nutrition/school-breakfast-program/resources) is also available if that option is considered (<https://dpi.wi.gov/school-nutrition/school-breakfast-program/resources>).

Dr. Tony Evers, State Superintendent of Wisconsin Department of Public Instruction, shares a vision that every student will graduate prepared for college and career. 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](https://dpi.wi.gov/statesupt/every-child-graduate) webpage (<https://dpi.wi.gov/statesupt/every-child-graduate>).

