

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

School Food Authority: Ashland School District

Agency Code: 02-0170

School(s) Reviewed: LSLC Elementary, Marengo Elementary

Review Date(s): May 8-11, 2018

Date of Exit Conference: May 11, 2018

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, meal benefit determination process, 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](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, or 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 (USDA) 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 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.

Appreciation/Commendations/Noteworthy Initiatives:

Thank you to the staff at Ashland School District for the courtesies extended to us during the on-site review and for being available to answer questions and provide 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.

The DPI review team extends Kudos for the school nutrition staff at both LSLCS and Marengo elementary schools for their commitment to students. Both sites showed professionalism and a keen commitment for ensuring the nutritional well-being of their students. We were impressed with the colorful food presentations, appealing food choices, cleanliness of the kitchens and cafeterias and the personal interactions with students.

General Technical Assistance Recommendations:

- It is strongly recommended that the district consider employing a part time food service secretary to complete administrative duties for the school nutrition programs. It was evident during the review that administrative staff wear many hats in the district making it difficult to effectively manage all of the administrative regulations set up by USDA for the school nutrition programs. Most districts of this size employ a food service secretary to manage the free and reduced priced application process, benefit issuance, management of civil rights requirements, verification process, claims management, software updates and reporting requirements for the school nutrition program. Funds to pay for such a position are allowable fund 50 expenditures.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Certification and Benefit Issuance

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

450 eligibility determinations were reviewed, one error was identified.

Free and Reduced Price Meal Applications

- Applications must be reviewed in a timely manner. An eligibility determination must be made, the family notified of its status, and the status implemented within 10 operating days of the receipt of the application. Application determinations may never be backdated. USDA requires that benefits are provided only after the determining official has approved the application.
- Children are eligible for free or reduced price meal benefits on the date their eligibility is determined by the Determining Official.

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.

Effective Date of Eligibility

- SFAs may establish the date of submission of an application as the effective date of eligibility, rather than the date the application is reviewed and eligibility is determined. This flexibility applies only to complete applications containing all required information. See SP 11-2014 for more information. The SNT must be contacted prior to implementing this flexibility for approval. Contact Karrie Isaacson at karrie.isaacson@dpi.wi.gov for more information and approval.
- Transferring the eligibility determination between LEAs ensures that qualifying students continue to receive school meal benefits as they transition to new schools, and avoids the possibility of unpaid meal charges. FNS strongly encourages LEAs to immediately accept the eligibility determinations made at a student's previous LEA (if they participated in NSLP) when a student transfers between LEAs during the school year, over the summer, or at the start of the next school year. Wisconsin DPI requires source documentation of the student's previous eligibility. The transfer of eligibility between LEAs for students attending CEP schools will be required by July 1, 2019.

Findings and Corrective Action Needed: Certification and Benefit Issuance

Finding: One application was incorrectly approved for reduced benefits rather than denied. This was a clerical error by the determining official rather than an intentional omission.

Corrective Action Needed: A letter was sent to the household during the onsite review advising them of the error. The family was given 10 days before the new eligibility of paid meals would take effect. No further corrective action is required. Fiscal action will be assessed for this error as part of the calculated fiscal action for the review. USDA allows a \$600 disregard by program before requiring repayment of funds.

Finding: Applications for meal benefits are routinely backdated. Applications received on September 13 were approved and then backdated to the first day of school, September 11. Likewise new applications received after the 30 day carryover had ended were backdated to provide benefits during the days after the final carryover day and the day the household submitted the application. Households have a responsibility to ensure that meal applications are submitted each year and are responsible for meal charges incurred when a new application is not submitted before the school year begins or after the carryover date has ended.

Corrective Action Needed: Submit a detailed statement indicating the steps that will be taken to ensure that applications will no longer be backdated. Because the error appeared to be general practice by the district, per a State Agency management team directive, fiscal action will be assessed for identified applications that were backdated after the carryover ended and for identified applications backdated at the beginning of the school year for families not receiving carryover benefits from the previous school year. The district will need to verify the application approval dates for the flagged applications provided during the review and show if the household was under carryover at the time the application was backdated. Fiscal action will be assessed for this error as part of the calculated fiscal action for the review. USDA allows a \$600 disregard by program before requiring repayment of funds.

Verification

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

- When applications are chosen for verification, the person designated as the Confirming Official must review the application(s) to ensure the initial determination is correct prior to contacting the family. There is a place for the Confirming Official to sign and date on the back of the application.
- The LEA has a regulatory obligation to verify “for cause” all approved applications that may be questionable. For more information, refer to the current Eligibility Manual.
- When an application for a foster child is pulled for verification the household must include documentation from the state of Wisconsin indicating the child is the legal responsibility of the state. Kinship care, guardianship and subsidized adoption benefits should be treated as income and included as part of the household proof of income.

Findings and Corrective Action Needed: Verification

Finding: The confirming official didn’t complete a confirmation review prior to notifying the households of their selection for verification.

Corrective Action Needed: Submit a detailed statement indicating how the district will move forward to ensure they meet the regulation requiring a confirmation review of applications selected for verification.

Finding: The district didn’t utilize the correct sample for their verification pull. USDA requires that when calculating the sample for verification that the fraction must always be rounded up. The 3% sample used by the school calculated out to 4.05 or 5 applications. Only 4 applications were pulled for verification. The error occurred partially due to issues with the schools software database and how students are coded in the software system. For example, some students were coded in the software as both free based on an application and again as directly certified. Since students that are directly certified at the time of verification are not subject to verification the software system calculated an incorrect verification pull.

Corrective Action Needed: Please update and correct the data base errors in the software system and or use a manual system for conducting future verification activities. Submit a statement and/or evidence that the software data base has been updated accordingly. Extensive technical assistance was provided on correcting this error. Because of the time of the year an additional verification selection will not be required.

Finding: One verified application was accepted as no change based on documentation from the household showing payments for Kinship care, adoption assistance and subsidized guardianship rather than documentation proving the children where the legal responsibility of the state of Wisconsin. The provided documents showed the household should have been changed to paid benefits based on income.

Corrective Action Needed: Please attend [summer training](#) on the verification process and/or view the [verification webcast](#) to ensure understanding of verification rules (<https://dpi.wi.gov/school-nutrition/training#up>; <https://dpi.wi.gov/school-nutrition/training/webcasts#VW>). Submit a statement of understanding and proof of training.

Extensive technical assistance was provided during the review on managing the verification process when an application for foster children is selected. Because of the lateness of the school year the reviewer will

not require a correction since the school year will be ended prior before the 10 days requirement for updating the benefits.

Meal Counting and Claiming

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

- When entering the claim it is necessary to use the edit check to calculate your reimbursable meals by site for claim submission.

Findings and Corrective Action Needed: Meal Counting and Claiming

Finding: The monthly sales summary was used to submit monthly claims rather than the individual site edit checks. The edit check at Marengo Elementary agreed with the sales summary and the claim was validated. The edit check for LSLCS included discrepancies. The error appeared to be the result of an issue with the database in the schools software system. It should be noted that the SFA was cited for a similar edit check issue during the 2015 AR.

Corrective Action Needed: Please submit documentation showing the data base has been updated to include accurate codes and student counts. Submit documentation verifying the April meal counts are accurate based on the edit check document. The edit check audit report built into the software edit check system showed several discrepancies in cafeteria status, graduation years and meal counts. The errors appear to be the result of inaccurate data entry of students in the data base. Fiscal action will be assessed and/or a possible recalculation will be conducted, if the April claim cannot be verified after the data base issues have been resolved.

Counting and Claiming Wisconsin School Day Milk Program (WSDMP)

Finding: The WSDMP claim for school year 2016-2017 was submitted with errors. The verified claim at review indicated 65,880 milks were served to free and reduced students during a non-mealtime milk break. The claim was submitted for 89,245 milks, a difference of 23,365 ½ pints of milk.

Corrective Action Needed: The over claim must be repaid. . Instructions on managing the repayment and the specific amount due will be provided after all corrective action is received and the prorated amount is calculated. In addition please submit a statement as to the steps that will be followed to ensure that future claims are based on accurate milk data.

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

Thank you to all staff at Ashland School District for the warm welcomes to Ashland Elementary Charter School and Marengo Valley Elementary School as well as the cooperation during this Administrative Review (AR). Thank you to the Food Service Director for sending documentation prior to the onsite visit as this greatly expedited the AR process and being available for questions onsite. All kitchen staff were friendly, easy to work with, and willing to answer questions related to the review. Kitchens were clean and well-organized and all food was fresh, colorful and well-presented. On the first day of onsite visit, a whole grain-rich, from-scratch, delicious lasagna was served! Having a warm, fresh, home-cooked type meal for students to enjoy is commendable and helps maintain high participation and keep customers satisfied. The Food Service Director is a trained chef and teaches culinary classes on the side. Having this type of

expertise in school nutrition is vital to serving appealing, yet healthy, meals to students. Thank you for serving breakfast and lunch to the students of Ashland School District!

Technical Assistance

Production Records

Everything offered as part of a reimbursable meal must be documented on production records. Currently, Scooby Snacks, offered at breakfast with the cereal option, and breadsticks, offered with the lasagna option, are not recorded on production records. These are your records proving that reimbursable meals were served and that the meal pattern for the appropriate age/grade group is followed with all minimums met. Make sure these items are added to production records and documented going forward.

Crediting Documentation, Updated

Crediting documentation should be updated at least twice per year as new products are purchased or substituted. Some labels provided for the week of review, such as the USDA pancakes, were outdated and did not accurately represent the foods and meals served. Updated information on USDA foods can be found on the [USDA Fact Sheets webpage](https://www.fns.usda.gov/fdd/nsfp-usda-foods-fact-sheets) (<https://www.fns.usda.gov/fdd/nsfp-usda-foods-fact-sheets>).

Breakfast Offer versus Serve (OVS)

Under OVS for the breakfast meal pattern, four food items must be offered from the three components (grain [and optional meat/meat alternate (M/MA)], fruit/vegetable, and milk). An item is defined as 8 fluid ounces (fl. oz.) of milk; ½ cup of fruit and/or vegetable; and 1.0 ounce equivalent (oz. eq.) of grain (and optional M/MA). A student must select at least three food items, one of which is ½ cup fruit and/or vegetable. During the day of onsite, a couple of students were sent back to select more food items than they needed. For example, one student had a reimbursable meal of cereal (1.0 oz. eq. grain), 1 cup milk, and ½ cup, but were sent back to select Scooby Snacks (1.0 oz. eq. grain). Although these were offered with the cereal, a student does not need to select them if they already have a reimbursable meal of three items, one of which is ½ cup fruit and/or vegetable. Another student was sent back to select a milk. Milk is not a required component to be selected under OVS and although kitchen staff may encourage milk selection, they may not require it.

Signage

Technical assistance was provided onsite regarding the breakfast signage and what constitutes as an item. Originally, the cream cheese was written under the grains heading with “1 item.” Cream cheese does not credit towards the meal pattern, nor is it considered an item under the breakfast meal pattern and should not be advertised as such. A suggestion was to include this as an extra in the notes section of the signage, which was changed immediately.

There was signage displayed at Marengo Valley Elementary School that stated, “choose at least 2 (two) ½ cup servings of fruit and/or vegetable.” Technically this signage is incorrect as a student only needs to select one ½ cup serving of fruit and/or vegetable for a reimbursable meal. Although this signage is commendable for encouraging more fruit and vegetable selections, a student should not be required to select more than they need to under OVS.

Standardized Recipes and Production Records, Discrepancies

There are a number of discrepancies with products used in standardized recipes, the crediting on production records, and what is done in practice. It is important that these remain consistent and accurate for menu planning to ensure minimums requirements are met for the appropriate age/grade groups, and

for food cost and forecasting. Ensure products and crediting are updated on standardized recipes as well as production records going forward. The following contained discrepancies:

- Breakfast Bowl, Pork
 - The recipe states potatoes, onions, and peppers provide: ½ cup other vegetable. Potatoes are a starchy vegetable and cannot credit toward the other vegetable subgroup. Each vegetable within the product may credit toward their respective subgroup with known amounts from the manufacturer.
- Vegetable Blend, Italian Frozen
 - The production records credit this product toward the other vegetable subgroup. This product must be credited toward additional vegetables for the week as it contains a starchy vegetable (lima beans) in addition to the different vegetable subgroups (other, red/orange, etc.).
- Tomato Soup
 - The recipe states Soup, Tomato Healthy Request, however the label sent was for regular tomato soup. Although similar products, Tomato Soup, Healthy Request is lower in sodium and sugar, and higher in potassium than the regular version. The regular tomato soup will contribute to the dietary specifications for the week.
 - The production records state a 6 fl. oz. serving (¾ cup) contributes ¾ cup red/orange vegetable. However, the [Product Formulation Statement \(PFS\) for Campbell's Tomato Soup](https://www.campbellsfoodservice.com/campbells-food-service/wp-content/uploads/sites/18/2016/06/00016-TomatoSoupCondensed50oz.pdf) shows 1 cup (reconstituted) contributes ¾ cup red/orange vegetable (https://www.campbellsfoodservice.com/campbells-food-service/wp-content/uploads/sites/18/2016/06/00016-TomatoSoupCondensed50oz.pdf). Therefore, a 6 fl. oz serving (¾ cup) contributes ½ cup red/orange vegetable. If using an entry from the Food Buying Guide (FBG), 1 cup tomato soup (reconstituted) contributes ¼ cup, which is less than the ¾ cup from the PFS. Keep the manufacturer's PFS on file to use this crediting as the contribution toward the meal pattern is greater.
- Meatballs, Marinara
 - Recipe states Meatball, Beef Soy Protein CN. Meatball label sent did not match this as the product actually used is WI-processed meatballs that specifically state "no soy added."
- Hoagie, Ham & Cheese; Hoagie, Turkey & Cheese
 - Recipe states steak bun, whole grain (2.25 oz. eq. grain). Hoagie label sent did not match this and credits 2.0 oz. eq. Grain.
- Hot Dog, Beef on Bun
 - Recipe states Bun, Hot Dog (1.25 oz. eq. grain). Hot dog bun label sent credits 1.5 oz. eq. grain.
- Entree Salad, Chicken Caesar w/ Roll and Croutons
 - Recipe states Roll, Dinner (1.25 oz. eq. grain). Production records sometimes state Biscuit, whole grain (WG) Split (2 oz. eq. grain) or Entree Salad, Chicken Caesar w/ Roll and Croutons (1.75 oz. eq. grain). Label sent did not match either and product actually used is a WG biscuit (1.0 oz. eq. grain). This substitution led to a grain shortage for the week of review with this entree option. Had the correct products been used with how the menu was planned, the shortage would not have occurred. The recipe should be updated with what product is actually used to ensure the minimums are met for the week.
 - Recipe states Lettuce, Romaine Chopped however Romaine was not used the day of onsite review.
- Lasagna, with Ground Beef
 - Recipe states Beef, Ground 81/19. Label sent and product used is commodity ground beef, 85/15.

- Recipe states each pan makes 18 servings (2.75 oz. eq. M/MA, 1.0 oz. eq. grain, and ½ cup red/orange per serving). In reality, kitchen staff cut each pan into 25 servings, which alters the crediting (2.0 oz. eq. M/MA, 0.75 oz. eq. grain, and ⅜ cup red/orange vegetable per serving). This also changes the yield of the recipe from 36 servings (per two pans) to 50 servings. It is important for kitchen staff to follow standardized recipes thoroughly as cost, yield, and crediting of each serving have already been determined by the menu planner. With the old crediting, if a student selected the lasagna alone, they would have three full components, one of which is ½ cup vegetable, for a reimbursable meal. With the new serving size and updated crediting, this is no longer a reimbursable meal as it only contains one component (M/MA). It does not contain the minimum grain to be a component nor the ½ cup fruit or vegetable. A student must then select more items for a reimbursable meal. If the way of cutting the lasagna is to continue, it is important that the recipe gets re-standardized to reflect this.

Findings and Corrective Action Needed: Meal Pattern and Nutritional Quality

Non-reimbursable Meals

Breakfast, Ashland Elementary Charter

One student selected a non-reimbursable meal during breakfast meal observation on May 9, 2018. The student's meal contained a cereal (1.0 oz. eq. grain) and milk (1 cup), but did not contain ½ cup fruit and/or vegetable. Incomplete meals claimed for reimbursement on the day of onsite review will be subject to fiscal action.

Finding: There was a weekly grain shortage at lunch during the week of review for the Chicken Caesar Salad, which included ¼ cup WG croutons (0.5 oz. eq. grain) and one WG biscuit (1.0 oz. eq. grain). Daily, this option provides 1.5 oz. eq. grain, however over the course of the week this option provides 7.5 oz. eq. grain, which does not meet the minimum 8.0 oz. eq. grain requirement for the K-5 meal pattern.

Corrective Action Needed: Submit a statement explaining how this weekly grain shortage will be fixed during the week of review. Include any necessary serving sizes, nutrition facts labels, ingredients lists, and/or crediting documentation.

This is a repeat finding from the last AR and will be subject to fiscal action. Previous AR finding: The Lunch menu from the review week did not meet the weekly requirements for grains. It is required to serve at least 8 oz. grains each week. Because the chef salad with dinner roll is offered every day, and the roll only provides 1 oz. grain, this makes the minimum offered each week only 5 oz. It is recommended to either serve 2 rolls with each chef salad, or serve a different roll that provides at least 1.75 oz. eq. grains.

Finding: Every reimbursable meal service line must meet both daily and weekly meal pattern requirements. There was a starchy vegetable subgroup shortage for the week of review. On Tuesday, April 3, 2018 the corn (¼ cup) and mashed potatoes (¼ cup) are offered with the chicken and breadstick entree choice. The kitchen staff do allow students who do not choose the chicken entree (but instead the ham & cheese sub or chicken Caesar salad) to select the corn, but not the mashed potatoes. It is, however, unclear if this is advertised to students and that they understand they may select the corn. The K-5 meal pattern requires an offering of a minimum of ½ cup starchy vegetable per week.

Corrective Action Needed: Submit a statement explaining how the ½ cup starchy vegetable subgroup will be offered to all students regardless of the entree they select, during the week of review. Include the vegetable to be served, serving sizes, and on which day(s) this will be served.

Repeat violations of a vegetable subgroup shortage at lunch during subsequent Administrative Reviews may result in fiscal action.

Finding: Acceptable crediting documentation was not available for the Egg Patty, served Thursday, April 5, 2018 with the Muffinwich at breakfast. Processed foods that are not listed in the FBG must be accompanied by a PFS or Child Nutrition (CN) label to sufficiently document meal component crediting.

Corrective Action Needed: Submit acceptable crediting documentation for the Egg Patty.

Once the Public Health Nutritionist has all crediting documentation 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 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 require additional corrective action and may also be subject to fiscal action.

BUY AMERICAN

The USDA requires that a School Food Authority (SFA) purchase, to the maximum extent practicable, domestic commodities or products. Using food products from local sources supports the local economy, farmers, and provides healthy choices for children in the USDA School Meal Programs. The Buy American provision is required whether food products are purchased by SFAs or entities that are purchasing on their behalf.

Labels should indicate if the product is grown, processed, and packaged in the continental U.S. or any U.S. Territory. If the label indicates that the product is distributed or packed in the U.S, but the country of origin is not listed, this product requires more information from the manufacturer.

More information on this new requirement, including a tool to assist with tracking non-compliant products, can be found on the SNT [Procurement](http://dpi.wi.gov/school-nutrition/procurement/buy-american) webpage (<http://dpi.wi.gov/school-nutrition/procurement/buy-american>).

Finding: The following products were identified in the school's storage area as non-domestic and not listed on the SFA's Buy American – Non-compliant List:

- Mandarin Oranges (China) - *at both Ashland Elementary Charter School and Marengo Valley Elementary School*

Corrective Action Needed: Submit a complete [Non-Compliant Product Forms](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-noncompliant-list.docx) for the Mandarin Oranges (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-noncompliant-list.docx>).

SMART SNACKS

Ashland School District is compliant with the Smart Snack standards.

3. RESOURCE MANAGEMENT

Nonprofit School Food Service Account

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

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 new [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>).
- 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.
- Under “nonprogram foods”, 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, a la carte, and caterings would also be included here.

FSMC

- Because of the Nonprogram Revenue Rule, expenses must be broken out by actual Labor, Food, Purchased Services, Equipment, or Other, and not all placed into Purchased Services as was previously done for SFAs with FSMC contracts.
- SFAs must annually be provided information on food costs and revenues from Food Service Management Companies (FSMC). The information must include food cost for reimbursable meals, food cost for non-program food, revenue from nonprogram food, and total revenue to determine SFA compliance with nonprogram food revenue requirements.

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. 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](#) that must be followed (<https://www.revenue.wi.gov/DOR%20Publications/pb82.pdf>).

Findings and Corrective Action Needed: Nonprofit School Food Service Account

Finding: On the Annual Financial Report, there were several errors including:

1. A difference between the June 30 ending fund balance and the July 1 beginning fund balance
2. The revenues and expenses were not broken appropriately by program and expense category
3. Funds transfers were not assessed by category
4. Funds transfers for milk break milks provided by the district for paid students were not made on an ongoing basis but rather absorbed at the end of the year funds transfer.

Corrective Action Needed: Please resubmit your 16-17 Annual Financial Report with 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.

Extensive technical assistance was provided during the onsite review. In addition it is strongly encouraged that the financial assistant responsible for submitting the annual financial report either attend [summer training](#) and/or watch the [financial training webcasts](#) to assist with understanding the financial reporting requirements as they relate to the USDA child nutrition programs (<https://dpi.wi.gov/school-nutrition/training#up>; <https://dpi.wi.gov/school-nutrition/training/webcasts#A>).

Revenue from Nonprogram Foods

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

- 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).

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

Resources

- [Nonprogram Foods Revenue Rule SP-20-2016](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-20-2016.pdf) (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) (http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/nonprogram-foods-in-a-nutshell.pdf)

Findings and Corrective Action Needed: Revenue from Nonprogram Foods

Finding: The Nonprogram Foods Revenue Tool has not been completed for the current school year. The error was also cited during the 2015 administrative review.

Corrective Action Needed: Watch the [Nonprogram Foods Revenue Tool webinar](#) and provide a copy of the completed quiz questions and a completed tool for Ashland School District using a 5-day reference period (https://media.dpi.wi.gov/school-nutrition/nonprogram-food-revenues/story_html5.html).

4. GENERAL PROGRAM COMPLIANCE

Civil Rights

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

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 including administrative staff.

Civil Rights Self-Compliance Form

- The [Civil Rights Self-Evaluation Compliance](#) form is required to be completed by October 31 annually (<https://dpi.wi.gov/sites/default/files/imce/forms/doc/f1441.doc>).

Processes for complaints

- Schools must have a process for receiving and processing complaints alleging discrimination within the school meals program.

- All verbal or written civil rights complaints regarding the school nutrition programs that are filed with the district must be forwarded to the Civil Rights Division of USDA Food and Nutrition Service within 3 days. You will want to make sure that this is included in the district procedures to ensure compliance.
- All SFAs should have procedures (written procedures preferred) in place for handling civil rights complaints in regards to discrimination in the National School Lunch Program and School Breakfast Program. A SFA may always attempt to resolve a situation that is occurring in real time. However, if an individual states that they wish to file a civil rights complaint, the SFA must provide them with the information necessary to do so and not impede an individual's right to file. Please refer to the [USDA Program Discrimination Complaint Form](https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf) for assistance in filing these complaints (https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf).

Findings and Corrective Action Needed: Civil Rights

Finding: Administrative staff did not have documentation showing they attended annual civil rights training.

Corrective Action Required: Submit a roster and detailed statement showing the date/s Civil Rights training was completed by the administrative assistant, financial assistant and authorized representative. The [training template](#) and [roster template](#) are available on the DPI website (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/civil-rights; https://dpi.wi.gov/school-nutrition/national-school-lunch-program/civil-rights).

On-site Monitoring

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

- Every school year, each SFA with more than one school must perform no less than one on-site review of the meal counting and claiming system and the readily observable general areas of review identified under 7 CFR 210.18(h) in each school operating the NSLP and 50% of schools operating the SBP administered by the SFA; this is due by February 1.

Food Service Management Company (FSMC)

The following duties may not be delegated to the FSMC:

- Onsite monitoring – the annual requirement for the district to evaluate each “site” of the School Food Authority (SFA) for meal compliance, proper Point of Service (POS) and meal claiming, plus other categories. This must be completed for Lunch and Breakfast (at half of the sites) each year. It is due February 1 annually and the documents are kept onsite.
- Signature Authority –a representative of the SFA must sign off on the contracts for the SFA
- Edit Checks- an SFA person must sign off on the monthly edit checks of meals served before the information is submitted for a claim, even if the edit check is done by the POS software.

Findings and Corrective Action Needed: Onsite Monitoring

Finding: Breakfast sites were not monitored. Under USDA regulations at least 50% of breakfast programs in the district must have a monitoring review.

Corrective Action Required: Submit a detailed statement including a timeline showing when the onsite monitoring visits will be conducted in school year 2018-2019.

Local Wellness Policy

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

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.

At a minimum, SFAs must permit participation by the general public and the school community including parents, students, and representatives of the school food authority, teachers of physical education, school health professionals, the school board, and school administrators in the wellness policy process. In addition, SFAs must designate one or more school officials to ensure the SFA complies with the policy.

Content of the Wellness Policy

The final *Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010* rule requires the SFA to retain basic records demonstrating compliance with the local school wellness (LWP) requirements. If no LWP has been developed, the SFA must establish a written policy. For assistance in the creation of a LWP, SFAs are encouraged to utilize the [Wisconsin Wellness: Putting Policy into Practice - School Wellness Policy Toolkit](http://dpi.wi.gov/school-nutrition/wellness-policy/toolkit) (<http://dpi.wi.gov/school-nutrition/wellness-policy/toolkit>). At a minimum the wellness policy must include:

- Nutrition education (Recommended goals related to nutrition education include integrating into other core subjects or offering as a stand-alone course for all grade levels.)
- Nutrition promotion (At a minimum SFAs must review smarter lunchroom tools and strategies. Additional promotional activities include contests, surveys, food demonstrations, taste testing, and farm to school programming.)
- Physical activity (Recommended that SFAs offer time for students to meet the 60 minute goal, this could include recess, classroom physical activity breaks, and opportunities for physical activity before and after school.)
- Guidelines for all foods and beverages sold on the school campus during the school day (The LWP must contain guidelines for Federal school meal requirements and competitive food standards [Smart Snacks]).
- Guidelines for all foods and beverages provided on the school campus during the school day (SFAs must develop standards for foods provided to students, this includes classroom parties, schools celebrations, food offered as rewards/incentives.)
- Guidelines for food and beverage marketing (At a minimum, SFAs must restrict marketing to food and beverages that meet competitive food standards on the school campus during the school day.)
- Public involvement and committee leadership (SFAs must invite and allow for a diverse group of stakeholders to participate in the development, implantation, review, and updating of the LWP. SFAs must also identify the official responsible for oversight of the LWP to ensure school compliance.)
- Implementation, assessment and update of policy (At a minimum, SFAs must notify the public about the content, implementation of, and updates to the LWP. SFAs must complete a triennial assessment to evaluate compliance with the LWP, how the LWP compares to model wellness policies, and progress made in attaining the goals of the LWP).

Resources:

- Please refer to the USDA [summary of the requirements](http://www.fns.usda.gov/sites/default/files/tn/LWPsummary_finalrule.pdf) for local school wellness policies (http://www.fns.usda.gov/sites/default/files/tn/LWPsummary_finalrule.pdf).
- USDA Food and Nutrition Service has information on the [local school wellness policy](https://healthymeals.nal.usda.gov/school-wellness-resources) process and wellness policy elements (<https://healthymeals.nal.usda.gov/school-wellness-resources>).
- Wisconsin Team Nutrition has several [wellness policy resources](http://dpi.wi.gov/school-nutrition/wellness-policy) available, including a toolkit, a wellness policy builder, and wellness policy report card (<http://dpi.wi.gov/school-nutrition/wellness-policy>).

Findings and Corrective Action Needed: Local Wellness Policy

Finding: SFA LWP meets some but not all requirements as stipulated above (1000). The policy appears to be a generic policy rather than school specific, is buried in the board policies and difficult to find on the website, doesn't appear to include all of the required stakeholders and while approved by the board doesn't appear to have buy in from the public. It also needs to be noted that while the policy indicates "*all foods available to students in district programs, other than foodservice programs, shall be served with health and wellbeing in mind*, that observation of a student snack break in the primary school included students eating cheese balls with their milk break.

Corrective Action Required: Please provide a timeline for updating your policy to become compliant with the final rule using the [wellness policy checklist](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/local-wellness-policy-checklist.pdf) as a tool (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/local-wellness-policy-checklist.pdf>).

Professional Standards

Commendations/Comments/Technical Assistance (TA)/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](http://dpi.wi.gov/school-nutrition/training/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.

Findings and Corrective Action: Professional Standards

Finding: Training is not being monitored on a tracking tool. It is not clear if administrative staff responsible for activities in the school nutrition programs have met training requirements.

Corrective Action Needed: Include all current training hours for each food service employee, including administrative staff into the DPI tracking tool and submit as part of corrective action.

Water

Commendations/Comments/Technical Assistance (TA)/Compliance Reminders

Water is required to be available at no charge to students during the lunch and breakfast meal services. Schools can provide free water in a variety of ways, such as water pitchers and cups on lunch tables, a water fountain, or a faucet that allows students to fill their own bottles or cups.

For more information on the water requirement, see [SP 28-2011](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/gm_sp_28_2011_r.doc) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/gm_sp_28_2011_r.doc)

Findings and Corrective Action: Water

Finding: Water is not available to students during breakfast meal service.

Corrective Action Needed: Corrected onsite. Thank you for your prompt attention to this corrective action. No further corrective action is required.

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 student success.

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



With School Nutrition Programs!