

USDA Child Nutrition Programs Administrative Review Summary Report

School Food Authority: Valders Area School District

Agency Code: 36-5866

School(s) Reviewed: Valders High School

Review Date(s): Monday, December 19 – Wednesday, December 21, 2016

Date of Exit Conference: December 21, 2016

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 at no charge. Courses cover many areas of the school nutrition programs including administrative responsibilities, program basics, meal pattern requirements and menu planning, financial management, professional standards, procurement, and many other topics. More information along with other upcoming trainings and webinars can be found on the Wisconsin DPI School Nutrition Training webpage dpi.wi.gov/school-nutrition/training.
- SFA staff are encouraged to pursue GOALS Certification. GOALS stands for Goal Oriented Achievement Learning Skills. This is a certificate endorsed by the DPI and is obtained by completing training in nutrition, program administration and operations, and communications and marketing. For more information go to the Wisconsin DPI School Nutrition Training webpage dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills.
- SFAs are required to have a local meal charge policy in place no later than July 1, 2017. More information, resources, and best practices may be found on the Wisconsin DPI School Nutrition Financial Management webpage dpi.wi.gov/school-nutrition/national-school-lunch-program/financial, scroll down to the unpaid meal charges section.

Appreciation/Commendations/Noteworthy Initiatives:

Thank you to the staff at Valders Area 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

Commendations

- Thank you for running the Direct Certification matches in the required time frames, when you receive a new student and other times to pick up any newly eligible students.
- The two applications selected for verification were verified correctly.

Comments/Technical Assistance/Compliance Reminders

Certification and Benefit Issuance

- One hundred forty-one eligibility determinations were reviewed, fifteen errors were identified. These will be included in a fiscal action calculator.

Applications

- Your district processed paper applications and electronic applications 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.
- Children are eligible for free or reduced price meal benefits on the date their eligibility is determined by the Determining Official.
- Paper applications must include the Determining Official's signature or initials, date of processing and category status determined based on household size and income or qualifying factors from the application. Electronic application may have the Determining Official's signature on a sheet of several applications after data is entered.
- Free/reduced applications and the direct certification runs were available for review. Some applications were only found by searching for the payor, rather than the individual student.
- When an application only has one frequency of payment indicated for all of their reported incomes on the application, you should not convert it to annual, but using the Income Eligibility Guidelines (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/income-eligibility-guidelines-1617.doc>), you would look at the amount of their income under the column indicating that frequency (i.e., weekly, twice monthly, every two weeks, monthly, annually).
- 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.

Zero Income

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

Household Size Box

- As a reminder, for the household income size box:
 - If the Total Household Members box has been completed, but the number of children and adults listed on the application add up to a different number, the SFA is required to follow up with the household to clarify the correct number of people in the household and ensure

all household member have been included on the application before an eligibility determination is made.

- If the Total Household Members box has not been completed, the SFA is required to follow up with the household to confirm the total number of household members. It cannot be assumed that the number of people listed on the application is the total number of household members. This box has been added as an edit check to ensure all members of the household are included and can make a difference in the eligibility determination. Per clarification from the USDA Regional office, any application that does not have this box completed is considered an incomplete application.

Incomplete Applications

- Any application that is missing required information, contains inconsistent information, or is unclear is considered an incomplete application and may not be determined until clarified. The SFA may return the application to the household or contact the child's parent or guardian either by phone, or in writing, including email. The determining official should document the details of the conversation, date, and initial. Applications missing signatures must be returned to the parent to obtain. Reasonable effort should be made to obtain the missing information prior to denying the application.

Limited English Proficiency (LEP)

- Application materials and other communications with households concerning eligibility determinations must be provided in a language that parents or guardians can understand in order to diminish any language barriers to participation for individuals with limited English proficiency.
- LEAs must make reasonable efforts to provide household letters and application forms to families in the appropriate languages.
- To assist SFAs in reaching households with limited English proficiency, the SNT provides the Wisconsinized version of the USDA Free and Reduced Price Meal application materials in English, Spanish, Hmong and Albanian.
- The FNS website offers the application materials in 49 languages
<http://www.fns.usda.gov/school-meals/applying-free-and-reduced-price-school-meals>.
- The nonprofit food service account may be used to pay for translation services for food service purposes if there is a need to translate materials in a language that is not currently available.

Annual Income

- If the household provided only annual income, the LEA must follow up with the household to ensure that the amount is an accurate reflection of the household's current income.

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.

Application Forms

- If an SFA wishes to change the look or format of the application for Free or Reduced price school meals or other forms in the application packet, that document needs to be approved by the School Nutrition team at DPI.
- Please check your Skyward template letters against the components in the DPI prototype letters, to be certain they include all of the sections including the current non-discrimination statement.

Transferring Students

- When a child transfers to a new school within the same LEA, the new school must accept the eligibility determination from the child's former school, if the child has an individual eligibility determination.
- 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 when a student transfers between LEAs during the school year, over the summer, or at the start of the next school year. The transfer of eligibility between LEAs for students attending CEP schools will be required by July 1, 2019.

Effective Date of Eligibility

- LEAs may establish the date of submission of an application as the effective date of eligibility, rather than the date the application is received. 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.

Direct Certification

- As a reminder, you are required to run direct certification minimum of three times a year: at or near the beginning of the school year, three months after the initial run (November) and six months after the initial run (February). Valders Area School District had nine valid DC runs before our onsite visit at appropriate time frames, including just before the verification process.
- The effective eligibility date for a DC eligible student is the date of the original output file.

Independent Review of Applications

- LEAs that have a 5% or higher error rate during the certification review of the Administrative Review are required to conduct a second review of applications in the following school year.
- Valders Area School District had a 10.6% certification error rate and will be required to conduct a second review of applications in the following school year. More information on this requirement is found in the Eligibility Manual. You will also receive a SNT memo in June with more information.

Disclosure

- The information provided by families on the free and reduced price application is to be used only for determining eligibility for meal or milk benefits.
- The LEA must seek written consent from the parent or guardian to use the information provided on the application or through direct certification for non-program purposes, such as athletic or testing fee waivers. Consent must be obtained each school year. A template sharing information

form is located on the SNT webpage <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sharing-info-other-programs-1617.doc>.

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

Verification

- When applications are chosen for verification, the person designated as the Confirming Official should be reviewing these applications prior to contacting the family to ensure the initial determination is correct. 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 benefit’s eligibility status increases, the change must take place within 3 days. When benefit’s eligibility decreases, the change cannot take place before 10 calendar days and a notice of adverse action must be sent in writing with appeal rights procedures.

Meal Counting and Claiming

- Meals may only be charged to a student at the time of receipt of a reimbursable meal to assure proper benefits issuance.
- When entering the claim it is necessary to use the edit check (AccuClaim for Skyward) to calculate your reimbursable meals by site for consolidation. Individual school sites and consolidated reports should be kept on file (paper or electronic) for each claim month.
- Meals must be offered to all students each day school is in session a full day, so DPI has posted a Field Trip resource page on our website to help schools offer a meal to students found under NSLP, then meal planning. <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/field-trip-meals-templates.doc>
- Please note that SFAs may claim visiting students in the paid category or the individual’s category with documentation, unless they are from a CEP school.
- REMINDER: Meal benefits apply only to the reimbursable meal. The reimbursable meal includes milk as one of the required components, and must be priced as a unit. If the student decides to take only milk, this is not a reimbursable meal and will be charged for the milk as an a la carte item.

Findings and Corrective Action Needed

Certification and Benefit Issuance

- ❑ **Finding #1:** Eighteen students were listed on the benefit issuance list and receiving meal benefits, but were not eligible. They were based on an old effective date that did not end at the appropriate time frame.

Corrective Action Needed: Please send a response indicating your procedure to correct this error in the future. Adverse Action letters were sent to the affected households on December 21, giving them 10 calendar days before the student’s benefit status changes on January 3, 2017. Please send a screen shot showing the change.

- ❑ **Finding #2:** A family of 4 students were approved for reduced price meal benefits, but actually should have been denied access to meal benefits due to some income listed that was not calculated.

Corrective Action Needed: An Adverse Action letter was sent on December 21, 2016, giving the household 10 calendar days before changing the student's status to Paid. On January 3, 2017, please change those students to Paid status and send a screen shot showing the change.

- ❑ **Finding #3:** A household with 2 students was determined as reduced price meal benefits, but should have been receiving free meal benefits since August 16, 2016 when they were found on a direct certification run.

Corrective Action Needed: Please change their status in Skyward to Free meal benefits immediately and send a screen shot to show that change. Please send a letter to the household indicating they are eligible for increased meal benefits.

Meal Counting and Claiming

- ❑ **Finding #4:** The monthly claim is consolidated between the 3 school sites, but it is not evident there is an edit check completed. The edit check certifies that the correct number of meals claimed for any one meal on a day are within the parameters for number of eligible students in the claim categories and taking the attendance factor into account.

Corrective Action Needed: Please send a statement of how this edit check process will be completed correctly in the future.

2. MEAL PATTERN AND NUTRITIONAL QUALITY

2. Meal Pattern and Nutritional Quality

Commendations:

Thank you to all staff at Valders Area School District for a great administrative review. Thank you for sending documentation ahead of time as this expedited the administrative review process. Staff are doing a great job providing nutritious meals to students. The signage at Valders High School was superb! There were many visuals explaining how to make a reimbursable meal as well as what is on the menu for the day, including pictures. Everything was well-organized, clear, and easy-to-read. A truly commendable job at going above and beyond with the extra signage; labels were above each menu item with the serving size. There was also a lot of variety for both breakfast and lunch for students, including lots of fruits and veggies, as well as many a la carte items that met Smart Snacks Standards. Great job to the Food Service Director and staff for managing this so well!

Technical Assistance:

Documentation: Food manufacturers are continually reformulating products used in schools. It is important to stay current with these changes and be confident that the documentation on file, including Product Formulation Statements (PFS), that match the products in stock. These records should be reviewed and updated at least annually as new products are purchased or substituted. Also, please be sure to discard any outdated crediting information for products that have changed or that are no longer purchased. All General Mills products can be found here: [General Mills PFS](#). All Kellogg's

products can be found here: [Kellogg's PFS](#). All Super Bakery products can be found here: [Super Bakery PFS](#). And all USDA Fact Sheets can be found here: [USDA Fact Sheets](#).

Crediting: Some of the entrée items offered as part of a reimbursable meal during the day of review did not have enough meat/meat alternate and/or grain for the high school students. For example, the Grab n' Go lunches: Turkey Bacon Wrap with oranges, the Ham Sandwich with oranges and goldfish, the Roast Beef Wrap with oranges, and the Chef Salad did not contain all required components in their appropriate quantities. Every entrée choice that is part of a reimbursable meal needs to meet meal pattern requirements. For the 9-12 lunch meal pattern, 2 ounce equivalent meat/meat alternate and 2 ounce equivalent grain need to be offered to students. This was corrected onsite, but please keep this in mind going forward.

Production Records: Production records are your documentation that reimbursable meals were served. Therefore, all items offered as part of the reimbursable meal must be recorded on the production record. This includes all entrée choices served for the day; i.e. all Grab n' Go lunches. Make sure these are documented going forward.

Starchy Vegetables at Breakfast: If you would like to substitute a starchy vegetable, at least 2 cups of non-starchy vegetables from dark-green, red/orange, beans/peas or the other vegetable subgroup must be planned during the week in addition to the starchy vegetable before the starchy vegetable can be counted towards the meal pattern. The other option for planning a starchy vegetable is to count it as an extra. If planning a starchy vegetable as an extra, it would not count as a food item and you would still need to plan a full cup of fruit or vegetable. It would not count as part of the ½ cup required fruit/vegetable for Offer versus Serve (OVS), and the student would need to select 3 other food items in order to have a reimbursable meal. However, it would still count toward the weekly dietary specifications. As an example: If there is ½ cup of starchy vegetable (being served as an extra) on a tray, be sure to look for three other items including at least ½ cup of fruit or other vegetable on the tray as well. Ensure that POS staff is aware of this. You may also want to make a note on the signage to communicate with the students.

Findings and Corrective Action Needed:

Finding #1: Processed products require a current Child Nutrition (CN) label or a detailed Product Formulation Statement (PFS) to be credited toward the meal pattern. A complete PFS must be directly from the manufacturer and must include the product name and number, weights of raw and cooked ingredients, portion size, statement of contribution to meal pattern requirements, and an original signature from the manufacturer certifying that the information is correct. It is highly preferred that this documentation is printed on company letterhead, and signed by an appropriate person (e.g., a quality assurance agent or registered dietitian, rather than a salesperson.). If a processed item does not have a valid CN label or PFS, it may not be credited when served as part of USDA's Child Nutrition Programs. The PFS provided for the Breaded, Fully Cooked F/C Chicken Breast Filet did not include weights of raw and cooked ingredients and was therefore not a correct PFS. A template needs to be filled out using a specific entry from the Food Buying Guide (FBG) for both the meat/meat alternate and the grain in order for this product to be credited towards the NSLP. A PFS template for Meat/Meat Alternate can be found: [M/MA PFS Template](#). A PFS template for Grains can be found: [Grain PFS Template](#).

Corrective Action Needed: Please provide a correct PFS for the Breaded, Fully Cooked F/C Chicken Breast Filet.

Finding #2: When using the unseasoned, USDA Chicken Strips with the recipe provided for the White Chicken Chili, there was a daily shortage of meat/meat alternate for the 9-12 meal pattern during the week of review. The Unseasoned, USDA Chicken Strips show 1.25 ounces credit as 1 ounce equivalent meat/meat alternate. If using the recipe, which calls for 10lbs of chicken, this credited as 1.75 ounce equivalent meat/meat alternate per serving, which is below the daily 2 ounce equivalent meat/meat alternate required to be offered to high schoolers.

Corrective Action Needed: Please state what you will do to increase the meat/meat alternate for this day so that each serving, when offered to high schoolers, credits as 2 ounce equivalent meat/meat alternate. Please also update, or send a new recipe, showing the actual chicken product and amounts used in the recipe.

Finding #3: Food products and ingredients used to prepare school lunches must contain zero grams of trans fat per serving (less than 0.5 grams per serving) according to each product's nutrition label or manufacturer's specifications. If it is likely that trans fat appearing on a label is naturally occurring, the school food authority (SFA) must request documentation from the manufacturer that reports the source of the trans fat prior to continuing use of the product. All products containing synthetic trans fats must be discontinued immediately. The European Margarine/Butter Blend contains 3.5 grams of trans fat. All foods served in the National School Lunch Program must contain 0 grams of trans fat.

Corrective Action Needed: Please submit a nutrition facts label for a new margarine/butter blend that contains 0 grams trans fat.

Finding #4: Recipes were unavailable during the onsite review for the following Grab n' Go Lunches: Turkey Bacon Wrap, Ham Sandwich, Roast Beef Wrap, and the Chef Salad. Anything prepared that has more than one ingredient requires the use of a standardized recipe. Information and more resources on standardized recipes can be found here: [DPI Recipe Resources and Tools](#).

Corrective Action Needed: Please submit standardized recipes for the following Grab n' Go Lunches: Turkey Bacon Wrap, Ham Sandwich, Roast Beef Wrap, and the Chef Salad.

3. RESOURCE MANAGEMENT

Commendations

- The District's business manager is very knowledgeable about the accounting system and separating food service (Fund 50) items for revenues and expenses. Thank you for spending time to share your processes and copies of documents to explain how your district handles financial transactions for food service.
- Many copies of invoices, ledgers, expense reports and revenue deposits were shared with the consultant before and during the onsite review.
- The Fund 50 has an excess cash balance which is being monitored by the school nutrition director and business manager for compliance with a three month operating expense limit. There is still an excess, but there are plans to spend that down on equipment for the school nutrition programs.

- They are in a buying cooperative, CESA 2, for prime vendor and have attended trainings on procurement practices.

Comments/Technical Assistance/Compliance Reminders

Nonprofit School Food Service Account

- SFAs must limit the net cash resources in order to not exceed three months average expenditures. Valders is working with DPI personnel in developing a plan to spend the excess amount as required. Some of the balance is being amassed for kitchen equipment that may be replaced.

Annual Financial Report:

- All revenues including reimbursements and student payments, and expenses including food, labor, equipment, purchased services, and other need to be entered into the program to which they belong, and 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 are located on our website at: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/annual-financial-report-instructions-new-1617.doc>
- Items that should be reviewed for accurate coding in the new Annual Financial Report to track 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 carts and microwaves, etc., should be reported under “Other”.
 - Under “Purchases Services” you should be reporting any time you pay someone for services provided such as equipment repair and health inspections.
 - Under “A la Carte”, you should be reporting the expenses for any food items served to students that are not claimed as part of the reimbursable meal. Revenues and expenses from adult meals would also be included here.
 - When revenues are recorded from the federal reimbursement payments, you want to 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>.
- 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. SP57-2016 Unpaid Meal Charges guidance Q & A may be found at <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-57-2016.pdf>.

- USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs, by July 1, 2017, to have a written and clearly communicated policy that addresses unpaid meal charges. For a snap-shot on what the policy must include, see the Unpaid Meal Charges “In a Nutshell”: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>. For a more comprehensive overview, see SP 58-2016: Unpaid Meal Charges Guidance: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-58-2016.pdf>
 - Best Practices
 - Local meal charge policy checklist
 - Sample outstanding balance letter
 - Sample robo-call script

Paid Lunch Equity

- The Paid Lunch Equity tool must be completed yearly and prices raised accordingly with a maximum yearly increase of \$0.10 as required by regulation.
- Valders Area School District requested and received an exemption in place of increasing the lunch prices to meet the Paid Lunch Equity (PLE) tool for the 2016-17 school year because they have excess cash resources.

Revenue from Nonprogram Foods

- **Nonprogram Foods Revenue Rule SP-20-2016**
<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-20-2016.pdf>
 - Nonprogram Foods “In a Nutshell” <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/nonprogram-foods-in-a-nutshell.pdf>
 - Nonprogram foods include: Adult Meals, A la Carte, Extra Entrees, Extra Milk (for cold lunch or milk break), Catered Meals, and Food Service operated Vending Machines.
 - All nonprogram food costs including food, labor, equipment, purchased services, and other must be covered by revenues received from the sale of those foods. Nonprogram foods may not be supported by reimbursable meals or have a nonprogram foods loss absorbed by the food service account. Thus nonprogram foods may never run in the negative unless non-federal funds are transferred into the food service fund to cover the deficit.
 - Nonprogram Food costs and revenues must be separated from Program Food costs and revenues.
 - The USDA Nonprogram Revenue Tool must be completed yearly, at a minimum. The DPI Nonprogram Food Revenue Tool/Calculator located on our website feeds into the USDA tool and aids in calculating prices of nonprogram foods and meeting the USDA nonprogram food regulation <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/non-program-food-price-calculator.xlsx>. The USDA tool is located on our website at http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/npr_tool.xls.
 - Adult meals are considered non-program foods. Food service programs must price adult meals above the overall cost of the meals. Since adult meal costs can be difficult to calculate, SFAs must, at a minimum, follow the **minimum** pricing guidelines in Food Nutrition Services Instruction 782-5. A *Wisconsin Adult Meal Pricing Worksheet* has been developed to assist you in pricing adult meals <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/wisconsin-adult-meal-pricing-guide.doc>. Districts need to reassess adult meal prices annually prior to contract submission to ensure student reimbursement are not being used to subsidize adult meals. The current reimbursement rates (2016-17 SY) should be used to determine 2017-18 SY

prices since rates aren't released until July 1 of each year.

To document non-program food compliance with the Federal regulation, the USDA Non-program Foods Revenue Tool needs to be completed. To do this, the SFA must select a reference period of at least 5 consecutive operating days (4 consecutive days for schools which only operate 4 days) of a regular school week, and compare the reference period revenue ratio to the food cost ratio to determine if the revenue ratio is equal to or greater than the food cost ratio. Rather than separating all costs for the entire year (although recommended), SFAs must separate their non-program food costs from their program food costs for the selected period to complete the Non-program Foods Revenue Tool. If the revenue ratio is equal to or greater than the food cost ratio, the SFA is in compliance.

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

SFAs must collect the following SFA-wide information for the reference period

Non-program food revenue, is the dollar amount of non-program food sales, including a la carte sales, adult meals, vending machines, and any other non-program food purchased with nonprofit school food service account funds. For total revenue, include the dollar amount of program and non-program food sales.

For non-program food cost data, include:

- An itemization of all non-program foods to be offered during the reference period;
- The per item/serving cost of each non-program food, including food sold only as non-program food, food sold as program and non-program food (crossover food);
- The number of servings/items sold.

For total food cost data, include all non-program food cost data and program food cost data. Program food cost data should be readily available using production records, invoices, etc.

Indirect Costs

- DPI does not allow the annual assigned indirect cost rate to be applied to Fund 50 (Foodservice account within WUFAR). For both public and private schools in Wisconsin, any costs assessed to foodservice must be based on documented and justifiable costs for each school building as they pertain to your school situation rather than on the indirect cost rate. This could include items such as utilities, rent, printing and mailing services, administrative oversight, etc.

Findings and Corrective Action Needed:

Comprehensive Review- Revenue from Nonprogram Foods

- Finding #5:** Revenue from Nonprogram Foods area flagged because your district sells nonprogram foods, such as a la carte items, milks, extra entrees, and some catering events.

Corrective Action Needed: Please complete the Nonprogram Food calculator and USDA Nonprogram Foods Revenue tool to show compliance with the regulation, and submit the calculator and tool to the nutrition program consultant.

4. GENERAL PROGRAM COMPLIANCE

Commendations

- Food preparation facilities are clean and well-maintained. Storage areas were organized and clean.
- The food safety inspection and the new “And Justice for All” poster were posted in the cafeteria so the public can read the information.
- Food signage was professional and colorful making the cafeteria inviting and attractive. The layout of food and flow of traffic made for efficient serving lines.
- School nutrition professionals are taking advantage of trainings in your area and School Nutrition Association (SNA) conferences in Wisconsin to provide professional standards continuing education hours.
- The process for receiving and processing complaints alleging discrimination within the school meals program is very thorough.
- The food service staff exhibited food safe practices and good food handling practices. All temperature logs, calibration logs and sanitizing solution logs were up to date. The food safety plan showed some food cooling studies completed for the Process 3 items. Nice work!
- Water is required to be available at no charge to students during the lunch and breakfast meal services. Thank you for having a water jug and cups available for students.

Comments/Technical Assistance/Compliance Reminders:

Civil Rights

Nondiscrimination Statement

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

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

Civil Rights Training

- Civil rights training must be conducted on a yearly basis for all staff and Elementary school cafeteria aides who administer any portion of a school nutrition program. This is the link to the current civil rights training and attendance log: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/ppt/civil-rights-training.pptx> and http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/cr_trn_log.doc. Please share with the Elementary School principal.

Civil Rights Self-Compliance Form

- The Civil Rights Self-Evaluation Compliance form is required to be completed by October 31 annually.

Special Dietary Needs

- Special dietary accommodations were discussed. If providing a fluid milk substitute for students who are lactose intolerant, it cannot be juice, unless based on a documented disability by a medical practitioner. If choosing to provide a fluid milk substitute, you must notify our office in writing and provide us the nutritional panel from the product you will be using. For more information on fluid milk substitutes, <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>. Fluid milk substitution rules apply to all federal school nutrition programs, including the National School Lunch Program, and School Breakfast, but do not apply to the Wisconsin School Day Milk Program. WSDMP, which allows juice as a milk substitution. Lactose-free milk is currently allowed as part of the reimbursable school meal. SFAs may offer it to children who have lactose intolerance without requiring documentation. If schools offer lactose-free milk, there is no need to offer a fortified milk substitute, or seek pre-approval for use. See SP 07-2010 <http://www.fns.usda.gov/qas-milk-substitution-children-medical-or-special-dietary-needs-non-disability> for more information.
- All food substitutions for children with disabilities must be documented by a licensed medical practitioner. We have a prototype Medical Form posted on our website that is also available in Spanish and Hmong that you can use http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/special_dietary_requests_form.pdf. When the form is completed indicating that the special dietary request is based on a disability, the school is required to provide a meal that meets the child's needs as documented. The meal would not have to meet the meal pattern requirements, as the diet requests serves as the meal pattern for that particular child. 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>.
- School food service staff may accommodate food substitutions, at their discretion, for individual children who do not have a disability. The school must still have a completed Dietary Request Form on file from a medical authority (could be a school nurse) certifying the student as having a special medical or dietary need. Such determinations are only made on a case-by-case basis and all accommodations must be made according to the USDA's meal pattern requirements in order to claim.

On-site Monitoring

- 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 School Breakfast Program (SBP) administered by the SFA by February 1.

The Administrative Review Final Rule updated 7 CFR Part 220.11(d)(1) establishes the requirement to conduct onsite monitoring of the School Breakfast Program beginning in school year 2016-17. The annual requirement is to annually review 50% of schools approved to participate in the SBP within the jurisdiction of the SFA, with each school in SBP being reviewed once every two years. For more information see USDA memo SP 56-2016 <http://www.fns.usda.gov/sites/default/files/cn/SP56-2016os.pdf>.

The onsite monitoring forms have been updated to include the general areas of review and a new SBP program onsite review form found on our website at: <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/administrative-review> under the SFA onsite monitoring section.

Local Wellness Policy Summary for Administrative Review

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

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 each school complies with the policy.

Content of the Wellness Policy

At a minimum the wellness policy must include:

- Specific goals for nutrition promotion and education, physical activity, and other school-based activities that promote student wellness. LEAs are required to review and consider evidence-based strategies in determining these goals.
- Standards and nutrition guidelines for all foods and beverages sold to students on the school campus during the school day that are consistent with Federal regulations for school meal nutrition standards, and the Smart Snacks in School nutrition standards.
- Standards for all foods and beverages provided, but not sold, to students during the school day.
- Policies for food and beverage marketing that allow marketing and advertising of only those foods and beverages that meet the Smart Snacks in School nutrition standards.
- Description of public involvement, public updates, policy leadership, and evaluation plan.

SFAs must complete an assessment of the policy every three years to determine compliance with the wellness policy, how the wellness policy compares to model policies, and process made in attaining the goals of the wellness policy. SFAs must make the Triennial Assessment available to the public. In addition, SFAs must make available to the public the wellness policy and any updates to the wellness policy on an annual basis.

A summary of the requirements can be found at:

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

Smart Snacks in Schools

- All foods (vending machines, a la carte, etc.) sold anywhere on school campus, between midnight and 30 minutes after the last bell, must be in compliance with the new “Smart Snacks” regulation

that is effective July 1, 2014. Information on this regulation, along with a product calculator to help determine compliance of various food items, can be found on our website at <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>.

- The Wisconsin Department of Public Instruction allows two fundraiser exemptions per student organization per school per school year. A fundraiser cannot exceed two weeks in time. An exempt fundraiser may sell foods and beverages that are not allowable under the Smart Snacks rule but may not compete directly with the sale of reimbursable meals. All food fundraisers must be tracked SFA-wide to assure compliance with the regulation. Copies of the tools are available on our website at <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>.
- The food service department is doing a wonderful job of checking all products they sell for Smart Snacks compliance.
- It was noted that if a student took a second meal, it was not claimed for reimbursement and the student was charged the adult meal price. Second meals are no longer permissible to be sold because a whole meal would not meet the Smart Snacks requirement. Meal items can be sold separately as non-program foods, if they comply with the Smart Snacks requirements.

Professional Standards

- The Professional Standards regulations in 7 CFR 210.30 established hiring standards for new school nutrition program directors, hired on or after July 1, 2015, that manage and operate the National School Lunch and School Breakfast Programs. In addition, the regulations established annual training standards for all school nutrition program directors, managers, and staff which must be tracked.
- 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, volunteer, etc.), professional standards position (director, manager or staff). Learning codes are not required, but encouraged. A template **tracking tool** is posted to our website at <http://dpi.wi.gov/school-nutrition/training/professional-standards>.
- **Annual Training Requirements for All Staff** - If hired January 1 or later, only ½ of the training hours are required during the first school year (SY) of employment.

Directors	Managers	Full-time Staff	Part Time Staff
		(20 hrs or more/week)	(less than 20 hrs/week)
2015-16 SY	2015-16 SY	2015-16 SY	2015-16 SY
8 hours	6 hours	4 hours	4 hours
2016-17 SY	2016-17 SY	2016-17 SY	2016-17 SY
12 hours	10 hours	6 hours	4 hours

Food Safety, Storage and Buy American

Food Safety Plans

- All schools must have a comprehensive site-specific food safety plan on site which includes all process 1, 2, and 3 items, all standard operating procedures (SOP) for each individual site, all equipment, and food service staff and be reviewed yearly. A food safety plan was found at the reviewed school, high school, but there was not a site specific one for the elementary building. Updated prototype food safety plan templates and SOPs may be found at our website under http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/fsp_may14_1.doc.
- All food service employees must have a signed Employee Reporting Agreement on file.

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 freezer, coolers and dry storage areas are in great working order and clean.

Time as Public Health Control

- When using “Time as a Public Health (Temperature) Control”:
 - The internal temperature must be at or below 41 degrees F. at the beginning of this holding period for cold potentially hazardous foods.
 - Up to 6 hours at an internal temperature of 41-70 degrees F. under monitored conditions for cold potentially hazardous foods. Provisions must be made to discard product if the 6 hour time limit is exceeded, the temperature of the cold potentially hazardous food rises above 70 degrees F., or the food is removed from service.
 - The maximum time is 4 hours for heated potentially hazardous foods. Provisions must be made to discard product if the 4 hour time limit is exceeded, the temperature of the heated potentially hazardous food falls to 70 degrees F., or the food is removed from service.
 - **There can be no leftovers and no reuse of the items covered under this plan.** Thus, if any Temperature Control for Safety (TCS) food is held outside of mechanical refrigeration during service, including TCS foods on garden bars, all left over TCS foods must be discarded.

Must be kept above 135 on hot line with mechanical heat	Must be kept under 41 degrees with mechanical refrigeration
Animal protein – eggs, meat, chicken, fish, shellfish, etc	Milk and cheese, including house made dressing made with milk
Tofu and soy products –texturized vegetable protein, hot edamame	Hard boiled eggs
Baked potatoes	Tofu, edamame, soy
Heat-treated plant food, such as cooked rice, beans, vegetables	Sliced melons, cut leafy greens, cut tomatoes
Anything with cheese	Untreated garlic-and-oil mixtures
	Sprouts

Buy American

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

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

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

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

Reporting and Recordkeeping

- Thank you for completing the required USDA and DPI reports and maintaining the paperwork in an organized manner.
- All free and reduced price applications, including applications from households denied benefits must be kept on file for a minimum of three years after the final claim is submitted for the fiscal year to which they pertain.

SBP and SFSP Outreach

- At the beginning of the school year, the SFA must notify families of the availability of breakfast and schools should send reminders regarding the availability of the SBP multiple times throughout the school year. Thank you for including breakfast promotion in your school newsletter and on monthly menus.
 - Valders Area School District may wish to track lunches served in the school year to determine if you qualify for Severe Need Breakfast in the future school years. This template may assist you in collecting information <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/snb-qualification-data-for-1819.doc> or in Excel <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/lunch-data-1617.xlsx>

Breakfast Promotion

More information about potential breakfast service models as well as financial models can be found in the Serving up a Successful School Breakfast Program guide: <http://dpi.wi.gov/school-nutrition/school-breakfast-program>.

Parents play an important role in School Breakfast Program participation. A video was developed to help show parents the benefits that the School Breakfast Program provides for them and their children. This video along with a brochure can be found on our website:

<https://www.youtube.com/watch?v=aHR7eECbKaE>

For more ideas on breakfast menus, visit our On, Wisconsin! Cycle Menu or look up menus for other schools in Wisconsin.

- Cycle Menu Resources: <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/cycle-menu>

- School Breakfast Menus on the Web: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/school-breakfast-menus-on-the-web.pdf>

National School Breakfast Week is in the spring each year. This is a great time to promote your breakfast program, try new recipes, incorporate activities, etc. to increase participation.

- School Breakfast is promoted in the Back-to-School newsletter, monthly menus and throughout the year in the newsletter.
- Continue to promote participation in the School Breakfast Program with fun menus or promotions.

Summer Meals

- A goal of USDA Child Nutrition Programs is to ensure all students have access to healthy and nutritious meals year round. Valders offers meals during the three-week summer school session. Please also advise families where students can receive a free meal in the summer months. SFAs can inform families of summer meals via the following methods:
 - Promotion of the summer meals locator on the DPI Summer Meals website
 - Promotion of calling 211 to locate meals in the area
 - Promotion of the ability to text ‘food’ to 877-877 to locate meals in the area
 - Promotion of the USDA Summer Food website <http://www.fns.usda.gov/summerfoodrocks>.
- To access an inclusive map of all potential participating sites in your area, see the interactive map on the SFSP website <http://www.fns.usda.gov/capacitybuilder>.

For more information on Summer Feeding option contact:

Amy J. Kolano, RD, CD
 Summer Food Service Program Coordinator
 Phone: 608.266.7124
 e-mail: amy.kolano@dpi.wi.gov

Findings and Corrective Action Needed:

- ❑ **Finding #6:** All letters sent to households which identify meal benefits available to students must include the nondiscrimination statement in the full, current and long format, and in the same size font as the body of the letter. Some of the templates in Skyward did not follow this format

Corrective Action Needed: Please modify the letters (approval/denial of benefits, notification of benefits through direct certification, notification of verification selection and verification determination, etc.) to include the nondiscrimination statement in the correct format and size. Please send a statement how this process will be completed to the nutrition program consultant.

- ❑ **Finding #7:** The Public Release document must be shared with at least one news media outlet and at least one local grassroots organization before the start of school. Thank you for completing this requirement during the offsite portion of the review.

Corrective Action Needed: Please send a statement how this process will be completed in the future to the nutrition program consultant.

❑ **Finding #8:** The Civil Rights training must be completed by all school staff who interact with the students receiving meals. This will include the kitchen staff and substitutes, determining/verifying official, confirming official and cashier aides at the Elementary School. Complete an attendance record and maintain the training hours for professional standards for all of these staff members.

Corrective Action Needed: Please have appropriate staff members review the training, as provided here <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/ppt/civil-rights-training.pptx> and complete the record template http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/cr_trn_log.doc to show they have been informed of the civil rights training. Send a statement of how this process will be completed now and in the future to the administrative review consultant for completion of this finding.

❑ **Finding #9:** The Employee Health Reporting Agreement <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/employee-reporting-agreement.pdf> must be completed by all food service personnel annually. Covering this may count for professional standards training.

Corrective Action Needed: Please send a statement of how this will be completed for this year and in the future.

❑ **Finding #10:** 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 in each school operating the NSLP and 50% of schools operating the School Breakfast Program (SBP) administered by the SFA by February 1. This Onsite Monitoring form is to be kept on file at the SFA. The process had not been completed for School Year 2016-17, yet, as it is not due until February 1, 2017. The process was not completed for School Year 2015-16 and kept on file.

Corrective Action Needed: Please complete the Onsite Monitoring process for NSLP <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/nslp-onsite-monitoring.doc> and SBP <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sbp-onsite-monitoring.doc> ; send a copy for NSLP and SBP to the nutrition program consultant.

❑ **Finding #11:** Several food products were found in storage which do not comply with the Buy American provision – produced outside of the USA. Please ask your food vendors for compliant products and remind them that you are required to Buy American products when feasible. If you are not able to find these compliant products, please track these on a template like this

<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-noncompliant-list.docx>.

Corrective Action Needed: Please contact the food distributor and send of statement of your results for compliance or noncompliant exceptions.

5. OTHER FEDERAL PROGRAMS REVIEWS

Comments/Technical Assistance/Compliance Reminders

Wisconsin School Day Milk Program

- Wisconsin School Day Milk Program allows the distribution of free milk to free and reduced priced students in K-5.
- Point of Service Counts (POS) for the Wisconsin School Day Program and the Special Milk Program must be recorded by who “did” take milk not by marking who “did not” take one.

- Per the Agreement in the points the SFA agrees to, number 3 states that schools will serve Wisconsin-produced milk. Please check with your distributor to see if they can verify that and you may want to include that stipulation in your milk bid.

Findings and Corrective Action Needed

□ **Finding #12:** The permanent agreement for the WSDMP states that milks are entered into the POS system, Skyward, at the time the student selects the milk. That is the process for the 5th graders at the Middle School level, but the younger students at the Elementary site need to change the process slightly.

Corrective Action Needed: Please communicate the requirement to mark off students as they receive the milk, rather than marking all students and backing out who did not select a milk that day. The incorrect way leads to more errors in documenting which students may be absent but yet marked as receiving a milk and claimed for that milk. Please send a statement of how this process will be changed; send to the nutrition program consultant.

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

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

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

