

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

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**School Food Authority: Trinity Lutheran School (Wausau)**

**Agency Code: 37-7957**

**Review Date(s): April 17, 2018**

**School(s) Reviewed: Trinity Lutheran Grade School**

**Date of Exit Conference: April 17, 2018**

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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:**

- 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](http://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 Trinity Lutheran School 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 appreciates the eagerness of the staff at Trinity Lutheran School for their willingness to make changes to meet school nutrition program regulations. The staff is concerned for the nutritional well-being of their students as evidenced through food safety, menu variety, salad bar options, local wellness and continuing education. We were impressed during meal service that students entered their own ID numbers while a teacher verifies the student and checks the tray for a reimbursable meal. The food was cooked in batches offering the students hot, fresh choices.

The DPI review team is confident that Trinity Lutheran School will continue to improve their knowledge and operation of child nutrition programs.

## REVIEW AREAS

### 1. MEAL ACCESS AND REIMBURSEMENT

#### Certification and Benefit Issuance

##### **Commendations:**

Thirty-two eligibility determinations were reviewed with only one error identified, which was corrected onsite.

##### Free and Reduced Price Meal Applications

- Applications are 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.
- Children are eligible for free or reduced price meal benefits on the date their eligibility is determined by the Determining Official.
- All free/reduced applications and the direct certification runs were available for review. All students are receiving the benefits they have been determined eligible for.

##### Direct Certification

- The effective eligibility date for a DC eligible student is the date of the original output file.
- 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.

##### **Technical Assistance:**

- Please work with Word Ware to determine how updates to a students' meal eligibility status shows the change on the Benefit Issuance list. It appears the changes take effect in the Point of Service system.

##### Free and Reduced Price Meal Applications

- When an application only has one frequency of payment indicated for all of their reported incomes on the application, the income should not be converted to annual, but using the [Income Eligibility Guidelines](#) one would look at the amount of their income under the column indicating that stated 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. A business loss (negative dollar amount) would become \$0 for the income on the application.

##### Income Eligibility Guidelines

- The current [Income Eligibility Guidelines](#) (IEGs) are used to determine applications, whether manually or electronically. If done through software, please check that the income levels are updated each year after July 1.
- The complete IEG grid may not be sent to the households applying for meal benefits as they include the specific income amounts for free or reduced benefits. Therefore, the Public Release may not be sent to households, either. The information letter must include the reduced price guidelines and an explanation that households with incomes at or below the reduced price income limit may be eligible for free or reduced price meals. Typically, the information letter is the USDA template

entitled [Letter to Parents/Frequently Asked Questions](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/fr-application-parent-guardian-letter-faq.docx)  
(<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/fr-application-parent-guardian-letter-faq.docx>).

#### Household Size Box

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

#### Incomplete Applications

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

#### 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.

#### 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.

#### Public Release

- All SFAs are required to distribute a [Public Release](#) before the start of the school year. The purpose is to inform the public that free and reduced price meals are available. SFAs must annually distribute the Public Release to:
  - Local news media
  - Grassroots organizations (local organizations providing services to populations in need, like food pantry, homeless shelter, public library, etc.)
  - Major employers contemplating or experiencing large layoffs
  - Local Employment Office (as applicable)
- The Public Release is not to be sent to households as it includes include the specific income amounts for free or reduced benefits.
- SFAs are not required to pay to have the public release published but must maintain documentation of whom it was sent to along with the specific materials distributed.

#### **Compliance Reminders:**

##### Annual Income

- There has been a recent modification to the requirement pertaining to the reporting of annual income on an application. USDA released SP-19, 2017 on March 20, 2017 allowing households to report current income as an *annual figure*. Annual income is typically reported for households with

jobs that are seasonal, self-employed, or agricultural work since that is a more accurate representation of *current income*. These applications may now be processed at face value. However, most households that receive regular pay checks, will report income based on what is *currently earned* and the frequency of that pay, i.e. weekly, biweekly, bimonthly or monthly.

#### Transferring Students

- 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. Note: Wausau School District has some schools participating in CEP.

#### Findings and Corrective Action Needed - Certification and Benefit Issuance

- Finding # 1:** The Public Release distributed to the Wausau Daily Herald and local grass root organizations (local organizations providing services to populations in need) was not the current template for school year 2017-18, which would include the correct nondiscrimination statement. The Public Release must also be distributed to major employers contemplating or experiencing large layoffs and Local Employment Office.  
**Corrective Action Needed:** Please submit a statement of how this requirement will be accomplished and who will complete this.
- Finding # 2:** The Nondiscrimination statement is not the correct wording or format on the parent notification templates for the Approval/Denial of Meal Benefits and "We Must Check" letters, plus the short statement on the lunch menu.  
**Corrective Action Needed:** Please submit a copy of the May lunch menu and a sample of one of the letters with the corrected nondiscrimination statement.
- Finding # 3:** The Determining Official, Confirming Official and Verifying Official must complete and sign the back of the application with proper documentation.  
**Corrective Action Needed:** Please submit a statement of how this will be accomplished with next school year's applications.

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#### Verification

##### **Technical Assistance:**

- 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 a benefit eligibility status increases, the change must take place within 3 days. When a benefit eligibility decreases, the change cannot take place before 10 calendar days and a notice of adverse action is sent in writing with appeal rights procedures.

#### Findings and Corrective Action Needed - Verification

- Finding # 4:** The verification process was completed, even though it was done after the annual due date. The process involves tracking the chosen application through the steps of communicating

with the household and determining if meal benefits stay with the child. The application selected was verified with correct documentation.

**Corrective Action Needed:** Please submit a statement of the steps the officials will use to complete the verification process in next school year.

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### **Meal Counting and Claiming**

#### **Commendations:**

- Thank you for using the edit check to calculate your reimbursable meals for claim submission.
- Meals must be offered to all students each day school is in session a full day, so DPI has created [Field Trip meal resources](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning) to help schools offer student meals (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning).
- The meal counting and Word Ware claim for the Review Month was conducted correctly.

#### **Compliance Reminders:**

- 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.
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## **2. MEAL PATTERN AND NUTRITIONAL QUALITY**

#### **Commendations**

Thank you to the staff at Trinity Lutheran School for your cooperation throughout the Administrative Review. Reviewers appreciated all your questions and enthusiasm about complying with school meal regulations. We took note of your organized documentation and fun cafeteria decorations, which make the space open and inviting for enjoying meals. Keep up the great work!

#### **Comments/Technical Assistance/Compliance Reminders**

##### **Meal Pattern**

The meal pattern requires a minimum amount of each food component per age/grade group to be offered, regardless of what the student chooses to select. Each line (both the main line and alternative meal option) needs to meet the daily meal pattern requirements as well as the weekly meal pattern requirements for each component. Review the [Meal Pattern Tables](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning) for guidance on how much of each component to offer to the students every day and over the course of the week (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning).

##### **Menu Planning Worksheets**

Menus must be planned to meet meal pattern requirements. To assist with this process, the [K-8 School Lunch](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning) menu planning worksheet, which contains all the basic information needed to plan compliant menus for the selected age/grade group, can help to ensure that meal pattern is met. These menu planning worksheets are found on the [Menu Planning](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning) webpage, under the Menu Planning Worksheets heading (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning).

### Grain Component

The meal pattern requires that K-8 students be offered 1-ounce equivalent (oz eq) of grain (at a minimum) every day.

On the main line: K-3 students were only served 4 chicken nuggets instead of 5, and therefore they only received 0.75 oz eq grains on Monday during the week of review. This created a daily grain shortage. In addition, even with correction of the chicken nuggets, there will still be a weekly grain shortage. The required weekly minimum is 8 oz eq grains; the week of review was short 1 oz eq grain.

Alternate meal option: The alternate meal option offered only one piece of bread, which weighed 26g per slice. According to Exhibit A for a piece of bread to equal 1 oz eq it must weigh at least 28g. Therefore, the slice of bread used during the week of review only credited 0.75 oz eq grain. Since this bread was the only grain offered with the alternate meal, this created daily and weekly grain shortages for the week of review. For onsite meal service observation, the slice of bread was replaced with a compliant piece of whole grain bread; therefore, there were no grain shortages for the day of observation.

### Grains must be Whole Grain-Rich

Foods that meet the whole grain-rich (WGR) criteria for the school meal programs contain at least 50 percent whole grain. This means that the first ingredient in the ingredient list will be a whole grain (eg, whole wheat, whole corn, etc.). The term “made with whole grains” can be deceiving and doesn't necessarily mean that a product is whole grain-rich. Always look at the ingredient list and if the first ingredient is enriched flour, or wheat flour (it must say whole wheat to be considered a whole grain) then it is not a whole grain-rich product.

Grains that are not whole grain-rich cannot be credited toward the grain component. The following grain product being used is not WGR: croutons.

USDA has a very thorough [Whole Grain Resource](http://www.fns.usda.gov/sites/default/files/WholeGrainResource.pdf) that provides tools and tips for identifying whole grain-rich products (<http://www.fns.usda.gov/sites/default/files/WholeGrainResource.pdf>).

If the SFA can demonstrate a hardship in procuring, preparing or serving a compliant WGR product that is accepted by students, an exemption can be requested for that specific product. Review the August 23, 2017 memo, “[School Meal Flexibilities for School Year \(SY\) 2017-18](#)” for more information on the exemption process and complete the [Whole Grain-Rich Exemption Request](#) form. Note that until an exemption approval has been received, WGR products *must* continue to be served (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/snt-mail-082317.pdf>).

### Vegetable Component

The meal pattern has weekly requirements for the five required vegetable subgroups (dark green, red/orange, beans and peas [legumes], starchy, and other). Each reimbursable meal line (main line and alternate meal option) must meet the weekly requirements for the vegetable subgroups. Remember, students must be offered at least  $\frac{3}{4}$  cup vegetable daily and the minimum creditable amount of vegetable is  $\frac{1}{8}$  cup.

Main line: There was a red/orange vegetable subgroup shortage during the week of review. Only  $\frac{1}{4}$  cup was offered, and the minimum required amount is  $\frac{3}{4}$  cup. Additional vegetables from the red/orange subgroup should be offered. Refer to the [Vegetable Subgroups Handout](#) for ideas (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/meal-pattern>).

Alternate meal option: Due to students not being able to take vegetables offered on the main line (students are only offered the vegetables on the salad bar), there was a daily vegetable shortage. The serving size for the vegetable offered on the main line were small. Only ½ cup of creditable lettuce was offered, in addition to 1 tbsp planned for each of the following: tomatoes, black olives and sliced cucumber. All this vegetable combined only equals ⅝ cup which is short of the required ¾ cup minimum vegetable. In addition, the salad bar did not offer the red/orange, beans and peas (legumes) and starchy subgroups. The menu planner must start offering all the vegetable subgroups on the salad bar or allow students to take vegetables offered on the main line.

#### Meat/Meat Alternate Component

The meat/meat alternate options that are offered on the salad bar (cottage cheese, shredded cheese, meats) contribute extra calories, saturated fat and sodium and should be closely monitored. A way to control the serving sizes of the meat/meat alternates on the salad bar is to add standardized serving utensils (scoops or spoodles, not tongs or spoons) to each food item offered. The addition of signage will help monitor how much of each item a student can take. This ensures that students take the correct amounts and it also makes it easy for the point of sale staff to recognize serving sizes and be confident that the student took the minimum amount to meet meal pattern requirements for a reimbursable meal.

#### Production Records

Production records must list all foods served to students as part of a reimbursable meal. This documentation is important because these records show that the meal pattern components were served in the appropriate serving sizes and that the meal pattern requirements were met. The alternate meal option was not documented on the production records. Begin recording this information on production records.

Also, fruits and vegetables are only creditable toward the meal pattern if they are offered in at least an ⅛ cup serving size. Salad bar production records list a planned serving size of only 1 tbsp for all vegetables, except the lettuce. For this reason, there were vegetable shortages during the week of review. Update the salad bar production record to have creditable serving sizes.

#### Crediting Documentation

Acceptable crediting documentation was not available for the products listed below. Processed foods that are not listed in the *USDA Food Buying Guide* for School Meal Programs must be accompanied by product formulation statements (PFS) or Child Nutrition (CN) labels to sufficiently document meal component crediting. Crediting information must be provided by securing a PFS directly from the manufacturer or saving a CN label directly off the packaging the next time you receive the product(s). If proper documentation cannot be obtained, you should discontinue using these products for school meals.

- Potato Hashbrown Starz
- Tator Tots

More information about crediting documentation can be found on the [Menu Planning](http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#cnpfs) webpage (dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#cnpfs).

#### CACFP Training

The updated Child and Adult Care Food Program (CACFP) meal pattern was implemented on October 1, 2017, replacing the previous meal pattern options for SFAs serving infants and children aged 1-5 and

not yet in kindergarten. The meal pattern requirements were updated to better align with the Dietary Guidelines for Americans, as required by the Healthy, Hunger-Free Kids Act of 2010. The changes were also based on scientific recommendations from the National Academy of Medicine and stakeholder input. Meals served under the updated CACFP meal pattern include a greater variety of vegetables and fruits, more whole grains, and less added sugar.

During onsite review of meal service to the infants, daycare staff indicated that they cover the cost of the whole milk. Because milk is a required component of the CACFP meal pattern, food service must cover the cost of the whole milk for the infants who take a reimbursable meal. Food service will need to work with daycare staff to calculate how much milk is consumed for the children who receive a reimbursable meal.

In addition, it was noted that daycare staff take a 1% carton of milk when picking up meals for the infants. This milk is then mixed in with the child's whole milk. This is not allowable, as children ages 1-2 must be served only whole milk.

More information regarding the updated CACFP meal pattern is available on the [Infants and Preschool in NSLP and SBP](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/infants-and-preschool) webpage (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/infants-and-preschool>).

### Training

DPI conducts School Nutrition Skills Development Courses (SNSDC) each summer in various locations around the state. This year we will be in Milwaukee, Madison, Green Bay, Rice Lake and Wausau. Travel and meal expenses are allowable food service expenses and may be reimbursed through the school's nonprofit food service fund. The following classes are recommended for lead workers and menu planners:

- CACFP meal pattern
- Free and Reduced Price Meal Application and Verification Process

Information, including dates and locations, will be posted on the DPI [training](http://dpi.wi.gov/school-nutrition/training) webpage as they are scheduled (<http://dpi.wi.gov/school-nutrition/training>).

### **Findings and Corrective Action Needed: Meal Pattern and Nutritional Quality**

**☐ Finding # MP 1:** Daily and weekly grain shortage for the week of review in both the main line and the alternate meal option.

**Corrective Action Needed for Finding # MP 1:** Submit a statement saying that you will start serving the K-3 students 5 chicken nuggets so that they will receive their required minimum 1 oz eq grain. In addition, complete a menu planning worksheet for both the main line and the alternate meal option for the week of review. Ensure that there are sufficient grains offered to meet the minimum daily amount of 1 oz eq grains, as well as, 8 oz eq grains over the course of the week.

**☐ Finding # MP 2:** Daily and weekly vegetable shortages and missing vegetable subgroups (red/orange, beans and peas [legumes] and starchy) for the alternate meal option. A vegetable subgroup shortage (red/orange) on the main line.

*Fiscal action is required for select repeat violations found during an Administrative Review (AR). Because missing vegetable subgroups were found during the last AR as well as the current AR, fiscal action will be applied. The following finding was documented from the School Year (SY) 2013-14 Administrative Review: "The following vegetable shortages were found during the week of review; only 2/3 cup vegetable credible on Monday and Thursday, only 1/3 vegetable credible on Friday, no credible dark green vegetable and no credible bean/pea legume."*

**Corrective Action Needed for Finding # MP 2:** Complete a menu planning worksheet for the alternate meal option and the main line for the week of review. In addition, submit a statement indicating that you will either allow students taking an alternate meal to have access to the vegetables on the main line, or that you will offer all vegetable subgroups, over the course of a week, on the salad bar.

**□ Finding # MP 3:** Missing crediting documentation for the potato hashbrown starz and the tator tots.

**Corrective Action Needed for Finding # MP 3:** Submit a PFS or CN label for the abovementioned products.

**□ Finding # MP 4:** The alternate meal option was not documented on production records.

**Corrective Action Needed for Finding # MP 4:** Send completed production records for the week of review that list the alternate meal option.

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### 3. RESOURCE MANAGEMENT

#### Nonprofit School Food Service Account

##### **Commendations:**

- The financial manager is fairly new but understands the school nutrition fund.
- The consultant addressed financial topics with the financial manager including how to locate the agency's Child Nutrition Program report, which provides a compilation of meals claimed, reported revenues and expenditures, amount of federal reimbursement received and per meal costs for lunch.
- The Aids Register shows the amount deducted from reimbursement to pay for shipping, handling and processing costs of USDA Foods and to track all program deposits made to the agency's account. Both resources are accessible from our [Online Services](http://dpi.wi.gov/nutrition/online-services) webpage ([dpi.wi.gov/nutrition/online-services](http://dpi.wi.gov/nutrition/online-services)).

##### **Technical Assistance:**

##### Annual Financial Report (AFR)

- All revenues including reimbursements and student payments, and expenses including food, labor, equipment, purchased services, and other need to be allocated to 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 the DPI website (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/annual-financial-report-instructions.pdf>). The purchase record template on the DPI website may aid in this expense and revenue separation.

- Food, labor, other and purchased services must be broken out for NonProgram Foods of adult meals and milk purchases.
- When a student deposits funds in their lunch account which will be used for meal purchases, the amount received is not treated as revenue until the meal has actually been served to the student. The amount of funds on hand in student accounts is treated as a deposit or liability account in either the foodservice fund (Fund 50) or the general fund (Fund 10) until the meal is served, at which point the deposit account is converted to revenue. This amount should not be recorded as revenue or part of the fund balance on your Annual Financial Report.
- The ending balance on June 30 from the previous year needs to be the beginning balance on July 1 for the current year.
- The ending balance, on June 30, can never be a negative balance. A transfer must be made from the non-federal funds to bring the ending balance to \$0.00.
- These categories of the AFR that should be addressed when tracking revenues and expenditures include:
  - Expenses for paper supplies, chemicals, thermometers, etc., should be reported under “Other”. Only expenses for edible food items and beverages should be reported under “Food”.
  - “Equipment” should reflect major purchases of equipment. Utensils, pans, smaller equipment such as a cart, etc., should be reported under “Other”.
  - Under “Purchases Services” report any time you pay someone for services provides such as equipment repair and health inspections.
  - Under “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 would also be included here.
  - When revenues are recorded from the federal reimbursement payments, make sure that you are recording the full reimbursement based on the printed claim form and not what is actually deposited into your account. As you will note on the claim, there may be money deducted from shipping, handling and processing fees for USDA Foods. The amount deducted from your revenue should be reported as a food expenditure.

#### Allowable Costs

- The nonprofit school food service account is to be used for the operation of the school meal program including food, supplies, equipment and personnel.
- 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 snapshot 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
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### **Paid Lunch Equity (PLE)**

#### **Commendations:**

- Thank you for completing the Paid Lunch Equity tool each year and adhering to the pricing requirements.

#### **Resources:**

- Refer to the [PLE 'In a Nutshell'](#) for more information on the PLE tool.
  - Refer to the most recent [memo](#) from DPI.
  - Refer to the most recent [guidance memo](#) from USDA.
  - Step by step instructions to completing the PLE tool can be found on our [financial website](#) under Paid Lunch Equity.
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### **Revenue from Non-program Foods**

#### **Compliance Reminders:**

- SFAs that sell only nonprogram milk and adult meals as nonprogram foods are [exempt](#) from completing the USDA Nonprogram Food Revenue tool (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/exceptions-nonprogram-revenue.pdf>).

#### **Adult Meals**

- 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 the SFA in pricing adult meals (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/wisconsin-adult-meal-pricing-guide.doc>).
- Districts need to assess adult meal prices annually prior to contract submission to ensure student reimbursements are not being used to subsidize adult meals. The current reimbursement rates (2017-18 SY) should be used to determine adult prices.

#### **Resources:**

- [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>)
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## **4. GENERAL PROGRAM COMPLIANCE**

### **Civil Rights**

#### **Commendations:**

- The annual [Civil Rights Self-Evaluation Compliance](#) form was completed by October 31.
- The required "And Justice for All" posters need to be posted in public view where the program is offered.

#### **Technical Assistance:**

### 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 is conducted on a yearly basis; please conduct for all school nutrition staff, including substitutes, teachers who work as cashiers, the determining official and confirming official in the school nutrition program.

### **Compliance Reminders:**

#### Special Dietary Needs

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

#### 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](https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf)).

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### **Local Wellness Policy**

#### **Commendations:**

- The school developed a suggested list of food and beverages guidelines for snacks, classroom activities and celebrations.

#### **Technical Assistance:**

- 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.
- When updating the Local Wellness Policy (LWP), best practice may be that a school leader works with the committee to develop language and policies. The [LWP Policy Builder](https://docs.google.com/forms/d/e/1FAIpQLSdNbAMtuMKDdn3O2fPHfdGbeNUdSdG70oLyNOCRD8SteFNmyA/viewform?c=0&w=1) may be useful (<https://docs.google.com/forms/d/e/1FAIpQLSdNbAMtuMKDdn3O2fPHfdGbeNUdSdG70oLyNOCRD8SteFNmyA/viewform?c=0&w=1>). There are operations that can be address to meet local preferences, like classroom party menus, if soda is allowed in meals brought in to the school, etc.

#### **Compliance Reminders:**

- This SFA has not updated their Local Wellness Policy (LWP) since it was developed in June 2006; however, they reviewed some goals and activities in April 2014, which were shared with parents.
- SFAs must designate one or more school officials to ensure the SFA complies with the policy.
- At a minimum the wellness policy must include:
  - SFAs are required to review and consider evidence-based strategies (Smarter Lunchroom) in determining the nutrition promotion goals to promote student wellness.
  - 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 per the Healthy Hunger-Free Kids Act of 2010, and the Smart Snacks in School nutrition standards.
  - SFAs may only market products that adhere to Smart Snacks guidelines.
  - Plan for measuring policy implementation.
  - An assessment of the policy every three years to determine compliance with the wellness policy, how the wellness policy compares to model policies, and progress 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.

#### **Findings and Corrective Action Needed – Local Wellness Policy**

- **Finding # 5:** The final *Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010* rule requires the SFA:
  - to inform and update the public about the assessment of the implementation of LWP. The notification should include the extent to which SFAs are in compliance with their LWP, the progress made toward attaining the goals of the LWP, and the extent to which the SFA's LWP compares to a model policy.

- to retain a copy of the assessment and documentation regarding the public notification. SFAs may use a variety of methods to notify the public about the assessment. This may include mailing flyers, newsletters, emails, website postings, and newspaper articles.
- to identify the official responsible for LWP oversight.
- to establish guidelines for food or beverage marketing.

**Corrective Action Needed:** Please provide a timeline for updating the Local Wellness Policy to include the above components to become compliant with the final LWP rule.

**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).
- The [Local Wellness Policy implementation under the Healthy Hunger-Free Kids Act of 2010](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/LWP%20Summary%20-%20Final%20Rule.pdf) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/LWP%20Summary%20-%20Final%20Rule.pdf).

### Smart Snacks

**Comments/Technical Assistance/Compliance Reminders**

The Smart Snacks Final Rule, published in the Federal Register on July 29, 2016, finalized science-based nutrition guidelines for competitive foods sold on the school campus during the school day. Foods and beverages sold in schools must meet both the general standards and nutrient standards unless the sales qualify for an exemption. Trinity Lutheran does have fundraising sales, however, because they are frozen, packaged products and not intended to be eaten during the school day there were no Smart Snacks issues found during the review.

For future reference, here is a brief review of two situations by which an organization may sell foods and beverages to students during the school day.

1. If foods and beverages sold *are* Smart Snack compliant then,
  - a. These foods or beverages may be sold at any time and in any location.
  - b. The organization must keep documentation on file that proves the compliance of the items. This includes nutrition facts labels for purchased foods or beverages, or recipes for anything that is made from scratch. It is also helpful to keep printouts of the results page from the Smart Snacks calculator.
2. If foods and beverages sold *are not* Smart Snack compliant then,
  - a. These are considered exempt fundraisers. Each student organization may hold two exempt fundraisers per school per school year. Each exempt fundraiser may be no longer than two consecutive weeks in length.
  - b. Exempt fundraisers **cannot** occur in the meal service area during meal times.
  - c. Someone in the school must keep track of the exempt fundraisers. Tracking exempt fundraisers is crucial to ensuring that each student organization holding fundraisers that comply with the rule. The process of tracking fundraisers simply means keeping a

list of each student organization that has had a fundraiser, noting the length of time and location of the fundraiser, and ensuring that no organization has more than two fundraisers and that each fundraiser is not more than two consecutive weeks.

You can find more information on our [Smart Snacks](#) webpage, including templates, such as the Exempt Fundraiser Tracking Tool, are available on the [Smart Snacks](#) webpage, under the resources heading (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>).

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## **Professional Standards**

### **Commendations:**

#### **Professional Standards: Training Requirements**

- Annual training must be job-specific and intended to help employees perform their duties well. The required annual training hours vary according to the employee's role in the management and operation of the school nutrition program.
- Trainings can be provided in a variety of formats (online, in person, webinars) and through various providers (DPI, USDA, in-house, etc.).
- SFAs should clearly document all required training information and maintain that file including the name of staff person, date hired, title/position, brief list of core duties/responsibilities, status (full, part-time, substitute, volunteer, etc.), professional standards position (director, manager or staff). Learning codes are not required, but encouraged. A template tracking tool is posted to our [Professional Standards](#) webpage (<http://dpi.wi.gov/school-nutrition/training/professional-standards>).
- The director tracks school nutrition staff training hours; the financial manager and office manager will track their own training for roles as determining, confirming and verifying official duties.
- **Annual Training Requirements for All Staff**  
Directors: 12 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.

### **Compliance Reminders:**

- The Professional Standards regulations in 7 CFR 210.30 established hiring standards for new school nutrition program directors, hired on or after July 1, 2015, that manage and operate the National School Lunch and School Breakfast Programs. In addition, the regulations established annual training standards for all school nutrition program directors, managers, and staff which must be tracked.
  - Each SFA must designate at least one staff member as a program "director". A program "director" is the person designated to perform or oversee the majority of the program duties such as sanitation, food safety, nutrition and menu planning, food production, procurement, financial management, record keeping, customer service, nutrition education, and general day-to-day program management.
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## **Water**

### **Commendations:**

- Water is provided during meal service in a pitcher with plastic glasses.
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## **Food Safety, Storage and Buy American**

### **Commendations:**

- All food service employees have a signed [Food Employee Reporting Agreement](https://datcp.wi.gov/Documents/foodemployeereportingagreementsupplement.pdf) on file (https://datcp.wi.gov/Documents/foodemployeereportingagreementsupplement.pdf).
- All cooling equipment must have internal temperatures taken and recorded daily on temperature logs. They are posted on the equipment and kept for the entire school year.
- The Food Safety Plan was available for review. All temperature logs, calibration logs, and sanitizing solution logs were up-to-date.
- The site-specific food safety plan should include SOPs for all programs and procedures utilized at the site.
- The procedures detailed in the SOPs included in the site-specific food safety plan should be followed by all food service staff, substitutes, and any other people involved in the implementation of Child Nutrition Programs.

### **Technical Assistance:**

- [A Flash of Food Safety](#) is a video series designed to help school nutrition professionals understand and apply safe food practices (www.fns.usda.gov/ofs/food-safety-flashes). The [Office of Food Safety](#) website (www.fns.usda.gov/ofs/food-safety) includes food safety resources.
- Food safety inspection reports must be posted in public view.

### **Storage**

- SFAs are required to ensure that facilities for the handling, storage, and distribution of purchased and donated foods are properly safeguarded against theft, spoilage, and other loss (7 CFR 210.13(d)).
- The on-site storage areas were reviewed, including freezers, refrigerators, dry good storage rooms and other areas. It is apparent that other groups use the kitchen facilities. It is necessary to keep food and items purchased with federal funds for the school nutrition program safe and secure. Other groups must pay particular attention to the rules and procedures required for child nutrition programs.

### **Compliance Reminders:**

#### **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 applicable standard operating procedures (SOP), all equipment, and a listing of food service staff at that site. The food safety plan must be reviewed annually. A prototype food safety plan template as well as template SOPs may be found on the [SNT Food Safety](#) webpage (https://dpi.wi.gov/school-nutrition/food-safety).

#### **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, small local farmers, and provides healthy choices for children in the School Meal Programs. The Buy American provision is required whether food products are purchased by SFAs or entities that are purchasing on their behalf. When products cannot be purchased domestically, the SFA must retain documentation as to the reason for non-compliance with this requirements. Thank you to the food service director for keeping a list of non-compliant products! This is greatly appreciated.

The Buy American provision should be included in solicitations, contracts, and product specifications. A reply offer to comply with Buy American terms in a solicitation ensures contractors are aware of Buy

American requirements. Furthermore, bidder assurance of the Buy American provision ensures that the bidder is responsive and responsible to the solicitation.

More information on this new requirement, including a tool to assist with tracking noncompliant 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>).

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### **Reporting and Recordkeeping**

#### **Commendations:**

- 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.
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### **Summer Food Service Program (SFSP) Outreach**

#### **Technical Assistance:**

- A goal of USDA Child Nutrition Programs is to ensure all students have access to healthy and nutritious meals year-round. Even though a summer feeding program is not operated at Trinity Lutheran School, USDA requires all SFAs to inform families of where their 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](https://dpi.wi.gov/community-nutrition/sfsp/find-summer-meals-site) on the DPI Summer Meals webpage (<https://dpi.wi.gov/community-nutrition/sfsp/find-summer-meals-site>)
  - Promotion of calling 211 to locate meals in the area
  - Promotion of the ability to text "Summer Meals" to 877-877 to find Summer sites
  - Promotion of the USDA [Summer Food](http://www.fns.usda.gov/summerfoodrocks) website (<http://www.fns.usda.gov/summerfoodrocks>)

#### **Resources:**

- To access an inclusive map of all potential participating sites in your area, see the [interactive map](http://www.fns.usda.gov/capacitybuilder) 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](mailto:amy.kolano@dpi.wi.gov)
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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 webpage ([dpi.wi.gov/statesupt/agenda-2017](http://dpi.wi.gov/statesupt/agenda-2017)).



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