

USDA Child Nutrition Programs Administrative Review Summary Report

School Food Authority: Seeds of Health, Inc.

Agency Code: 408001

School(s) Reviewed: Veritas High School and Windlake Elementary

Review Date(s): 12/14-16/16

Date of Exit Conference: 12/15/16

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 all the staff at Seeds of Health, Inc. for the courtesies extended to us during the review. Staff were available to answer questions onsite and receptive to recommendations and guidance. In addition, staff provided prompt responses and documents as part of the off-site review.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Comments/Technical Assistance/Compliance Reminders

Certification and Benefit Issuance

247 eligibility determinations were reviewed, only 2 errors were identified. Great job!

Applications

All currently certified households for whom benefits are to be reduced must be given 10 calendar days' written notice of the change prior to the date the change will go into effect. The first day of the advance notice period is the day the notice is sent. The notice of adverse action may be sent via the postal service or to the e-mail address of the parent or guardian. The LEA cannot notify the household of adverse action by phone only.

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*. Column F. on the application can only be used in 'Special Situations' outlined in the eligibility manual (e.g., Seasonal Workers and the Self-employed): <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/eligibility-manual-2016.pdf>

Direct Certification

- As a reminder, you are required to run direct certification minimum of three times a year for the *non-CEP schools*: at or near the beginning of the school year, three months after the initial run (November) and six months after the initial run (February). For *CEP schools*, it is a requirement to run DC for the full enrollment by October 31 for Special Provision Match report, and on or slightly before April 1 for any data you may need related to changes in CEP participation or application for a new cycle: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/calendar-of-requirements-cep.pdf>. Consider timing your third direct certification run for non-CEP schools with your April 1 DC run for CEP schools.
- Seeds of Health will need to format their DC input file (last column) with individual school codes. These codes are used for CEP reporting/future application and site based claiming. School codes are listed on Schedule A of the online contract for each site within the agency. Tenor: 400; Veritas:401; Windlake Academy:100; Windlake Elementary:1189.

Independent Review of Applications

- LEAs that have a 5% or higher error rate during the certification review of the Administrative Review are be required to conduct a second review of applications in the following school year.
- Seeds of Health had a 0.008% certification error rate from SFA-1 and will not be required to conduct a second review of applications in the following school year.

Verification

Collateral Contacts

A collateral contact is to be used only in cases when the household has not been able to provide adequate written evidence. A collateral contact is a person outside of the household who is knowledgeable about the household's circumstances and can give confirmation of a household's income participation in Assistance Programs or Other Source Categorical Eligibility Program sources. The verifying official must give the household the opportunity to designate the collateral contact. However, the verifying official may select a collateral contact if the household fails to designate one or designates one who is unacceptable to the verifying official. In either case, no contact may be made without first notifying the household and obtaining its permission.

Meal Counting and Claiming

The SFA has high meal participation for both breakfast and lunch. Reviewer noted 81% for NSLP and 78% for SBP-SN. This is a reflection of a strong program from administration to service, as well as a covering a need for meal access in your area. Keep up the good work!

Community Eligibility Provision

Make sure that you maintain all certification documents supporting your participation in CEP. CEP participating schools will need to inform the SNT annually of the intent to continue participating in CEP, or of any changes to participation (i.e. withdrawal, change of participating schools, groups or requested increases to percentages).

Findings and Corrective Action Needed

Certification and Benefit Issuance

Finding #1: 2 applications were miscategorized as *Free* when they should have been determined *Reduced*. This was due to incorrect determinations of the total income source or amount.

Corrective Action Needed: Notify both households in writing (letter of adverse action) of the reduction in benefits. Provide 10 *calendar* days to appeal, with day 1 being the date the letter is sent. If the household does not appeal, the benefit status can be changed in the benefit issuance system on the 11th calendar day. If the household appeals, continue the same benefit status until resolution. Record the date(s) corrective action is completed on the SFA-1 form and send a copy to reviewer. In addition, send a copy of the adverse action letters sent and the updated benefit issuance list.

Verification

Finding #2: SFA did not complete the 2016-17 SY verification process by November 15. Records show the agency started the process and requested documents from households by 12/16/16. Previous school year's verification process was completed timely and correctly. As a reminder, the Verification Collection Report needs to be completed by February 1.

Corrective Action Needed: The Food Service Director and NPC discussed the verification process. Please submit in writing a verification timeline for the following school year to ensure that the process is completed by November 15. Information on the verification process can be found on our website at <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/verification>.

Meal Counting and Claiming

Finding #3: One non-reimbursable breakfast was noted by reviewer missing the ½-cup fruit.

Corrective Action Needed: No further action required. This meal will be disallowed through the review process.

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

Thank you to all staff at Seeds of Health, Inc. for the warm welcome, cooperation, and great communication during this administrative review. Thank you to A'viands for sending all documentation ahead of time in an organized manner. Your breakfast and lunch week of review were perfect! No shortages or missing components were found. Staff are doing a great job providing nutritious meals to students. The staff at Veritas High School are doing a wonderful job filling out production records with all necessary information. The signage is also superb. Everything is 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 and instructions on how much to take (i.e. 2 bananas, crediting as 1 cup of fruit, with instructions stating students can take 1 or 2 bananas). The service area and storage were very clean and organized. Breakfast in the classroom at Windlake Elementary went very well. The staff had a great understanding of Offer versus Serve (OVS), making sure all students had a reimbursable meal. Great job!

Comments/Technical Assistance/Compliance Reminders

Raisins: The production records from Friday, 11/11 stated raisins, 2 each = ½ cup, however 2 (1.5 ounce) boxes credit as 1 cup of fruit as dried fruit credits as double the volume. A 1.5 ounce box of raisins contains ¼ cup (by volume), and credits as ½ cup fruit. Please update production records to reflect this change going forward.

Product Formulation Statement (PFS): Make sure proper crediting documentation is kept on file for the following products: Fruity Cheerios Bar ([Link to PFS](#)) and Strawberry Pop tart ([link to PFS](#)), Giant Cinnamon Goldfish Grahams ([Link to PFS](#)), and Super Slice Banana Bread ([Link to PFS](#)). These are products that cannot be credited using the Food Buying Guide (FBG) or Exhibit A, or may have higher grain crediting information, different from what is found using Exhibit A. For example, the Super Slice Banana Bread is recorded on the production records crediting as 1 ounce equivalent grain, but using the product-specific PFS, it credits as 2 ounce equivalents grain. Make sure this is updated on the production records going forward.

Marina Sauce: Keep in mind marinara sauce, which is recorded on the production records, can be credited towards the red/orange vegetable subgroup. On Monday and Wednesday, 2 ounces of marinara sauce was offered to students. This can be credited as ¼ cup red/orange vegetable for each of these days. Make sure all foods offered that are creditable towards the meal pattern, are credited as this is to your benefit. This type of food is adding to the cost of the meal, but also provides the value of being a creditable component for a reimbursable meal.

Bananas: Although offering students 2 bananas (to credit as 1 cup of fruit) is allowable, it is not always realistic for a student to eat both. On days bananas are offered, consider limiting them to 1, and including another ½ cup fruit of a different kind. This offers students more of a variety and possibly a more enjoyable breakfast or lunch experience.

Substitutions: Any changes to the planned menu must be properly documented on the production record. Substitutions should be foods that credit comparably to the original planned item, have a similar nutrition profile, and belong to the same vegetable subgroup (when applicable) to the extent practicable. The production records for the day of review indicated that Romaine lettuce was planned, but instead Iceberg Lettuce was offered on the line.

Findings and Corrective Action Needed

Finding #4: Romaine Lettuce, which belongs in the dark green vegetable subgroup, was listed on the production records; however, only iceberg lettuce, which belongs in the “other” vegetable subgroup, was offered on the day of review. While both are types of lettuce, each has a different nutrient profile, which categorizes them into different vegetable subgroups. To ensure 9-12th grade students are receiving the proper amounts of dark green vegetables for the week, a full ½ cup needs to be planned. Please make sure only Romaine lettuce is available on the salad bar if Romaine Lettuce is planned and documented on the production record OR make sure Iceberg lettuce is available on the salad bar if Iceberg lettuce is planned and documented on the production record.

Corrective Action Needed: Please submit a label for Romaine Lettuce demonstrating dark green leafy vegetables are being offered when planned, or submit an updated production record documenting Iceberg Lettuce, an “other” vegetable, is being offered when planned.

Finding #5: The printed menu should list all components that are included with the reimbursable meal. Currently, milk is not listed on the menu. It may either be listed daily or may be listed in one place on the menu and include a statement that a variety of milk is offered daily as part of a reimbursable meal.

Corrective Action Needed: Please submit a copy of the menu with added terminology regarding a milk variety being offered daily as part of a reimbursable meal.

3. RESOURCE MANAGEMENT

Comments/Technical Assistance/Compliance Reminders

Nonprofit School Food Service Account

Annual Financial Report (AFR):

For the 2015-16 SY separate ‘program’ (reimbursable meal) expenses/revenues from ‘nonprogram’ expenses/revenues under “Ala Carte”. Moving forward, the food service AFR will contain a column titled ‘nonprogram foods’. You must report the revenues/expenses for any food items served to students that are not claimed as part of the reimbursable meal. The agency has adult meals and extra milk.

Paid Lunch Equity

Thank you for completing the Paid Lunch Equity tool at your non-cep sites and adhering to the pricing requirements.

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 costs and revenues must be separated from Program 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>.

*NOTE: SFAs that sell **only nonprogram milk and adult meals** as nonprogram foods are exempt from completing the USDA Nonprogram Food Revenue tool. As of now, this exemption would apply for Seeds of Health, Inc. <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/exceptions-nonprogram-revenue.pdf>.*

Findings and Corrective Action Needed:

Risk Assessment for Nonprogram Foods

Finding #6: Nonprogram cost/revenues are not reported separately from program cost/revenues on the AFR. They are tracked internally at the point of sale, on a monthly excel spreadsheet, and within an year-end journal entry. CEP extra milks are not included in the overall nonprogram food revenue/cost end-year journal entry.

Corrective Action Needed: Update the 2015-16 SY AFR online to reflect a separation of program and nonprogram revenue/expenses-including the CEP extra milks. If the report no longer allows an online submission (after December 31), send a paper copy update via email to Jacque Jordee the SNT accountant. Copy the consultant.

4. GENERAL PROGRAM COMPLIANCE

Commendations

- Food safety was top-notch at both review sites! Preparation and service spaces are clean and tidy. Equipment like milk coolers and reach-in coolers are well maintained. It is clear food service staff take pride in their jobs and follow the SOPs outlined in the food safety plans.
- Public Release outreach for the NSLP and SBPs is completed as intended through media, and two other grassroots organizations- one being the neighboring WIC clinic. Great job!
- The Wellness Policies are well done with measureable goals and objectives. This will help make the tri-annual evaluation/assessment more effective.
- Great Professional Standards tracking tool! Staff are trained in job specific areas. This was evidenced by a nice breakfast in the classroom point of service. Teachers understand what components a student must take to make a reimbursable breakfast and are encouraging additional items as needed in a friendly manor.

Comments/Technical Assistance/Compliance Reminders:

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 SBP administered by the SFA by February 1.

The Administrative Review Final Rule updated 7 CFR Part 220.11(d)(1) establishing 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.

A CEP specific on-site monitoring NSLP and SBP form is available to compare total daily lunch meal counts against the attendance-adjusted enrollment. The forms are located <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/community-eligibility> under the resources for currently participating sites section.

Local Wellness Policy (LWP)

Consider combining the Wellness Policies into one agency-wide policy. There are currently four separate policies. The responsibility for developing a local school wellness policy was placed at the LEA level so the unique needs of each school under the jurisdiction of the LEA can be addressed.

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

Per SFA staff, the SFA does not sell items/engaged in fundraisers that would apply to this regulation.

Food Safety

When monitoring Breakfast in the Classroom (BIC) milk, the internal temperature must be at or below 41 degrees Fahrenheit to return/reuse unopened milk to cooler for future service. If the internal temperature is above 41 degrees, all milk must be tossed. Using milk coolers and bags requires a Standard Operating Procedure be in place. See our food safety website for a SOP on proper use <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sop-milk-bag-temperature.docx> http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/temp_log_cc.doc

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 maintaining the paperwork in an organized manner. The annual financial report (AFR), FNS-10, and Paid Lunch Price report were completed as required.
- Reminder: there are additional record retention rules for CEP. “LEAs/schools must retain records used in the development of the ISP (e.g., records for the initial approval year and all records from the year any updates are made to the ISP) during the entire period CEP is in effect. In addition documentation must be retained for five years after the submission of the final claim for reimbursement for the last fiscal year of CEP.” Documents would also need to be maintained longer if there were an open audit issue needing to be resolved.

SB and SFSP Outreach

As part of the National School Lunch Program, it is required to do SFSP outreach. The agency was not aware of this requirement. As noted in the offsite tool communications, the agency will begin conducting outreach efforts. The purpose is to inform your students and families of the free feeding site(s) they may have access to in the summer while school is out of session. Near the end of this school year, it is as simple as a blurb in a newsletter sent home to students, or putting up free posters and/or mail these items free of charge. 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>. 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>.
- 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:

Civil Rights

Finding #7: The calendar menu contained the wrong shortened nondiscrimination statement. It must read, “*This institution is an equal opportunity provider.*”

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, so that it can be printed in the same size font as the other printing in the document.

Corrective Action Needed: Submit a copy of the updated calendar menu with the correct shortened nondiscrimination statement.

5. COMMUNITY ELIGIBILITY PROVISION (CEP) AND PROVISION 2

Seeds of Health, Inc. successfully operates CEP at two of their elementary schools providing free breakfast and lunch to all enrolled students. The SFA uses the CEP mixed district public release and the USDA free and reduced application (differentiating CEP applications by a blue paper color). These methods reduce the amount of paperwork household receive, creates a clear system to track and cost allocate 100% CEP applications back to the general fund, and keeps data separate for USDA reporting.

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.

