

USDA Child Nutrition Programs Administrative Review Summary Report

School Food Authority: Clinton School District

Agency Code: 53-1134

School(s) Reviewed: Clinton Middle School

Review Date(s): November 7 – November 9, 2017

Date of Exit Conference: November 9, 2017

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, meal benefit determination process, professional standards, procurement, and many other topics. More information along with other upcoming trainings and webinars can be found on the Wisconsin DPI [School Nutrition Training](http://dpi.wi.gov/school-nutrition/training) webpage (dpi.wi.gov/school-nutrition/training).
- SFA staff are encouraged to pursue GOALS Certification. GOALS stands for Goal Oriented Achievement Learning Skills. This is a certificate endorsed by the DPI and is obtained by completing training in nutrition, program administration and operations, or communications and marketing. For more information go to the Wisconsin DPI [School Nutrition Training](http://dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills) webpage (dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills).
- The US Department of Agriculture (USDA) has a toolkit of resources to assist schools in meeting the nutrition standards on their [Healthier School Day: The School Day Just Got Healthier](http://www.fns.USDA.gov/healthierschoolday) webpage. The topics covered include Smart Snacks, offering fruits and vegetables, reducing sodium, and serving whole grain-rich products (<http://www.fns.USDA.gov/healthierschoolday>).

- [The Smarter Lunchrooms Movement](http://smarterlunchrooms.org) encourages schools to implement low-cost and no-cost lunchroom solutions to help students select healthier meal options (<http://smarterlunchrooms.org>). Smarter Lunchroom techniques are easy to begin implementing and help encourage student consumption of fruits, vegetables, legumes, non-flavored milk, and other healthful choices. These strategies are effective and research-based. Consider trying the Smarter Lunchroom techniques for [increasing consumption of white milk](https://www.smarterlunchrooms.org/scorecard-tools/smarter-lunchrooms-strategies#Milk) (<https://www.smarterlunchrooms.org/scorecard-tools/smarter-lunchrooms-strategies#Milk>).

Appreciation/Commendations/Noteworthy Initiatives:

Thank you to the staff at Clinton Community School District for the courtesies extended to us during the on-site review and for being available to answer questions and provide additional information. All were very receptive to recommendations and guidance. In addition, thank you for taking the time to respond to the off-site questions and requests, as well as pulling records for the on-site portion of the review.

We appreciated the efforts of the school nutrition and office staff to begin a breakfast program in the 2017-18 school year plus offer the Summer Food Service Program during June and July, 2018. They worked on a thorough process of surveying parents, creating the meal plan and informing households of the Summer Food Service Program. There have been fairly recent changes in the District Administrator and Business Manager who are working in tandem with the school nutrition department.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Certification and Benefit Issuance

Comments/Technical Assistance

- One hundred eighty-nine eligibility determinations were reviewed with only one application in error (2 students), which will be corrected after communication with the household.

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

Free and Reduced Price Meal Applications

- A paper packet of application materials is mailed to each district household to be completed and returned to school. These materials are kept locked in an office. Eligibility information is protected during the process and a child’s status is not shared unless a parent approves.
- Applications are reviewed in a timely manner and are entered into Skyward software, then households are notified of the student’s status; the eligibility status is 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.
- 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.
- (TA) 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; Skyward incorrectly converts some to annual.
- (TA) BadgerCare, Medicaid and other programs do not qualify for Categorical eligibility. At this time, only Food Share, W-2 Cash Benefits and Food Distribution Program on Indian Reservations (FDPIR) give automatic free meal benefits to household members.

Effective Date of Eligibility

- SFAs may establish the date of submission of an application as the effective date of eligibility, rather than the date the application is reviewed and eligibility is determined. This flexibility applies only to complete applications containing all required information. See SP 11-2014 for more information. If the LEA is interested in this flexibility, please contact Karrie Isaacson at karrie.isaacson@dpi.wi.gov for more information and approval.

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.

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

- (TA) 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.
- Thank you for using the DPI prototype letters with the current non-discrimination statement.

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.
- Thank you for making reasonable efforts to provide household letters and application forms to families in the Spanish language.
- 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, and Hmong.
- The USDA Food and Nutrition Service (FNS) website offers many other [foreign language translations of the Application for Free and Reduced Price School Meals](https://www.fns.usda.gov/school-meals/translated-applications) (<https://www.fns.usda.gov/school-meals/translated-applications>).
- The nonprofit food service account may be used to pay for translation services if there is a need to translate materials in a language that is not currently available.

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.

Transferring Students

- When a child transfers to a new school within the same Local Educational Agency (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 (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.

Direct Certification (DC)

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

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, registration fee waiver, etc. Consent must be obtained each school year. Find the [Sharing Information with Other Programs](#) template on the Free and Reduced Meal Applications and Eligibility webpage (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sharing-info-other-programs.doc>).
- For anyone receiving eligibility information to approve students for non-food service program benefits after parental consent is received, the *Disclosure Agreement* form should be signed and on file at the district. A template [Disclosure of Free and Reduced Price Information](#) form is located on the SNT website (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/disclosure-agreement.docx>).

Findings and Corrective Action Needed: Certification and Benefit Issuance

- ❑ **Finding #1:** Two students were listed on one application with a missing adult signature.

Corrective Action Needed: Please contact the household for a signature. If that is not completed within your specific timeframe, the household will be notified of a change in benefits to a paid status and the point of service (Skyward) software will be revised.

- ❑ **Finding #2:** Two of three students listed on a household application eligible were not listed on the Benefit Issuance (BI) list of eligible students, although they were receiving the correct meal benefit.

Corrective Action Needed: Please research the process to explain why all students in a household did not show on the BI list. **Corrected onsite 11-8-17** that the process was done at different times of the day in the software system.

Verification

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

- (TA) 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 verifying official uses the tracker form and great organizational skills including specific notes on applications when working with households.
- 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.
- Other than “for cause” applications, the LEA must not verify more applications than determined in the sample pool size. If the sample size is a decimal, round up to a whole number. For example 62 applications times 3% (.03) = 1.86 would be 2 applications and no more.
- 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.
- The verification process was nearly completed for SY 2017-18 and ready for the Verification Collection Report (VCR) to be completed and submitted. The LEA has given a final attempt for two households to provide the documentation requested or the households will be changed to paid status and an Adverse Action letter would be sent, giving the household 10 days before changing in the Skyward software.

Findings and Corrective Action Needed: Verification

- ❑ **Finding #3:** The confirming official should not sign every application, even if they review the application after the determining official. As per page 103 of the current Eligibility Manual, “prior to any other verification activity, an official (other than the official who made the original determination) must review each approved application selected for verification to ensure the initial determination was accurate.

Corrective Action Needed: Provide a statement of the confirming official’s duties.

Meal Counting and Claiming

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

- Meals may only be charged to a student at the time of receipt of a reimbursable meal to assure proper benefits issuance.
- Thank you for using the edit check/Accuclaim to calculate your reimbursable meals by site before 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 claim for the Review Month was conducted perfectly.

- 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.

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

Thank you to the food service staff at Clinton Community School District for providing documentation prior to the review. Documentation was thorough and well organized. All of my questions were answered very quickly which helped to expedite the process of reviewing meal pattern compliance. Your dedication to serving students makes a difference!

Comments/Technical Assistance/Compliance Reminders

Documentation

In order to accurately document the items that were offered as part of the reimbursable meal, items should be recorded by type on the production record (for example, if a variety of muffins are offered, each type should be recorded on a separate line with planned number of servings, actual number prepared, leftover, etc.). This is especially important when different varieties credited differently (such as the poptarts) or have different dietary specifications. If the same varieties are offered consistently, a recipe may be developed and then the total usage may be recorded instead of by type.

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

Meal Pattern Crediting

Pepperoni is not creditable in the National School Lunch Program unless it has a child nutrition (CN) label or is included as part of a CN labeled pizza. The Wild Mike's Cheesy Bottom Pepperoni Pizza (20310) is counting the pepperoni towards the 2 oz eq meat/meat alternate (m/ma) according to the product formulation statement (PFS) provided. Since this is not a creditable ingredient, this pizza credit as 1.5 oz eq m/ma. This still meets the daily minimum m/ma

requirement for K-8 students, but weekly minimum requirements should be considered as well as daily minimum requirements for 9-12. The manufacturer for this product has been contacted and a corrected PFS was requested.

A PFS was provided for the 2 oz McCain hash brown triangles. Using the Food Buying Guide, this product would credit as 1/8 cup of vegetable per 2 oz hash brown. The PFS appears to show that the hash brown credits as 1/4 cup. However, this PFS is outdated and does not match the product number of the item used by the SFA. An updated PFS is available on the manufacturer's website, but is unclear and does not appear to credit the product differently than the Food Buying Guide. Clarification has been requested from the manufacturer and will be shared with the SFA when received.

A copy of Exhibit A was provided as part of the crediting documentation for the muffins served at breakfast. This was an outdated version of Exhibit A. Please ensure that the [current Exhibit A](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/exa_fbg.pdf) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/exa_fbg.pdf) is used for crediting grains served as part of the school meal programs.

Offer versus Serve

In order to ensure that reimbursable meals are selected, it is important that point of service (POS) staff is clear how items credit towards meal pattern requirements. At breakfast, one POS staff member was under the impression that the muffin counted as two food items. However, it only counted as one food item, so a student leaving the line with a muffin and juice was incorrectly counted as having a reimbursable meal.

Breakfast participation and alternative service models

Congratulations on starting a School Breakfast Program this year! As you become more comfortable with running the program, we encourage you to consider alternative service models such as Breakfast in the Classroom or a mid-morning nutrition break to aid in increasing student participation. Mid-morning models tend to work well in high school environments where they have a passing time that would allow them to grab a meal between classes. This could be set up in the cafeteria or with mobile carts in the hallways. Our [breakfast resources webpage](https://dpi.wi.gov/school-nutrition/school-breakfast-program/resources) (https://dpi.wi.gov/school-nutrition/school-breakfast-program/resources) has a lot of information about the different breakfast service and financial models for your reference. If you ever have questions on breakfast models or ideas to increase participation, please contact [Tracy Huffman](mailto:tracy.huffman@dpi.wi.gov) (tracy.huffman@dpi.wi.gov).

Findings and Corrective Action Needed

❑ **Finding #4:** Production record template does not meet all of the [production record requirements](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/production-record-requirements.pdf) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/production-record-requirements.pdf). The following information was missing from the template or incompletely filled in:

- Serving site
- Grade group

- Planned number of servings
- Number of portions prepared
- Amount prepared (in purchase units)
- Number of portions leftover

While there is no required [production record template](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/production-records) (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/production-records), we do have one available on our website that meets all of the requirements that you may choose to use.

Corrective Action Needed: Please submit one week of completed production records on a template that fulfills all of the production record requirements.

☐ **Finding #5:** The 4oz peach cup offered at breakfast on Thursday, 10/26/17 only credits as 3/8 cup fruit according to the Food Buying Guide. Therefore, the daily minimum fruit requirement was not met for this day.

Corrective Action Needed: Please submit either additional documentation showing that the fruit cup credits as ½ cup fruit (product formulation statement or [in-house yield study](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy) [https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy]) OR documentation for a new product that will be used in its place.

☐ **Finding #6:** The serving size for popcorn chicken was 12 pieces. However, during lunch meal service observation, a spoodle was used to portion out the chicken and students consistently received closer to 14-16 pieces. This can affect food costs as well as dietary specifications (calories, saturated fat, sodium).

Corrective Action Needed: Please submit a written statement describing your plan for ensuring an accurate serving size is provided for the popcorn chicken. This could include pre-portioning the chicken (into boats, cups, bags), counting out the chicken, separating into servings on the sheet pans, etc.

☐ **Finding #7:** At lunch, two students were observed leaving the line with five baby carrots as their only fruit or vegetable. Therefore, they did not fulfill the requirement of at least ½ cup fruit or vegetable on their tray and were not reimbursable meals. Food service staff were unsure how many baby carrots were needed for ½ cup.

Corrective Action Needed: Determine the number of baby carrots needed make ½ cup. This can be done using the Food Buying Guide to calculate the weight of ½ cup and then putting carrots on a scale to determine the number of carrots needed to equal that weight OR by dicing up baby carrots and determining how many are needed to fill a ½ cup spoodle. This should be done at least 6 times and averaged. Additionally, if the size of carrots purchased changes significantly, this should be re-done. *(It is also recommended that this is done for other items served on the garden bar, but does not need to be submitted.)*

3. RESOURCE MANAGEMENT

Nonprofit School Food Service Account

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

- Many resources are accessible from our [Online Services](http://dpi.wi.gov/nutrition/online-services) webpage, including the child nutrition program report, aids register with monies received and processing fees deducted (dpi.wi.gov/nutrition/online-services).
- (TA) SFAs must limit the net cash resources in order to not exceed three months average expenditures.
- The district accepts online payments from parents for ease of meal payments.

Annual Financial Report (AFR):

- 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.
- 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.
- The school food service fund may not have an ending fund balance in excess of 3 month operating expenses, as this is considered “Excess Cash Balance”. While we commend your staff for the fiscal viability of the child nutrition programs, federal regulations limit net cash resources to an amount not to exceed a three month average of operating expenses to remain in compliance with a non-profit status. Clinton Community School District is close to exceeding the allowable fund balance amount and are planning some expenses for the kitchens or program enhancements as needed.
- 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>).

Unpaid Meal Charge Policy

- 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) (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>).
- All households received the Negative Balance Policy at the start of the school year.
- 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
- 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>).

Paid Lunch Equity (PLE)

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

- Thank you for completing the Paid Lunch Equity tool each year and adhering to the pricing requirements. Remember to complete the “REPORT” tab each year to show how the SFA is meeting the requirement. The current weighted average for 2017-18 SY tool is \$2.42.
- Should the SFA be interested in more information, these are some resource documents, please refer to:
 - the [PLE ‘In a Nutshell’](#) for more information on the PLE tool
 - the most recent [memo](#) from DPI
 - the most recent [guidance memo](#) from USDA, and
 - the step by step instructions to completing the PLE tool can be found on our [financial website](#) under Paid Lunch Equity.

Revenue from Nonprogram Foods

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

- Nonprogram foods include: Adult Meals, A la Carte, Extra Entrees, Extra Milk (for cold lunch or milk break), Vended Meals (meals sold to other agencies), Catered Meals, items sold to school groups and Food Service operated Vending Machines.

- All costs associated with nonprogram foods, including food, labor, equipment, and purchased services must be covered by revenues received from the sale of those foods. Nonprogram foods may not be supported by reimbursable meals or have a nonprogram foods loss absorbed by the food service account. Thus nonprogram foods may never run in the negative unless non-federal funds are transferred into the food service fund to cover the deficit.
- (TA) Nonprogram Food costs and revenues must be separated from Program food costs and revenues.
- (TA) The USDA Nonprogram Revenue Tool must be completed yearly, at a minimum. The [DPI Nonprogram Food Revenue Tool/Calculator](#) located on our website feeds into the USDA tool and aids in calculating prices of nonprogram foods and meeting the USDA nonprogram food regulation (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/non-program-food-price-calculator.xlsx>).

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

Adult Meals

- Adult meals are considered nonprogram 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 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 have been used to determine 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>)

Findings and Corrective Action Needed: Revenue from Nonprogram Foods

- **Finding #8:** The Nonprogram Foods Revenue Tool has not been completed for the current school year. Note: we created a basic nonprogram foods revenue calculator with the SFA onsite using a 5-day reference period of October 23-27, 2017, but it needs to be reviewed for accuracy.

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

School District (CCSD) using a 5-day reference period and a statement of how the balance will be achieved.

- ❑ **Finding #9: The nonprogram food report line for revenues and expenses showed a negative balance on the child nutrition report for School Year (SY) 2016-17.** After discussion with the business manager and school nutrition director, there were ideas of a more detailed reporting of revenues and expenses to better reflect nonprogram foods at CCSD.

Corrective Action Needed: Submit a statement of the process to cover all expenses with revenues for nonprogram foods in Fund 50. Include in the statement the outcome of SY 2016-17's negative amount in nonprogram foods and how that can be amended or money transferred into Fund 50 to cover that deficit.

Indirect Costs

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

- DPI does not allow the annual assigned indirect cost rate to be applied to Fund 50 (Foodservice account within WUFAR). For 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.

4. GENERAL PROGRAM COMPLIANCE

Civil Rights

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

Nondiscrimination Statement

- The district includes the non-discrimination statement information in notices to the households.
- (TA) 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.”** Both statements must be in the same size font as the other text in the document.

And Justice for All Poster

- “And Justice for All” posters are posted in public view where the program is offered. They are displayed in a case at a readable level.

Civil Rights Training

- (TA) Civil rights training had been attended by many staff in the schools and documentation was available for review. **Please include all of the meal application officials, staff translators and cashiers in completing the training.**

Civil Rights Self-Compliance Form

- (TA) The [Civil Rights Self-Evaluation Compliance](#) form is required to be completed by October 31 annually; thank you for collecting the data and adhering to this deadline.

Public Release

- The Public Release template must be modified and posted annually before the start of school.
- **(TA) The public notice must be provided to the local news media, the unemployment office, and any major employers contemplating large layoffs in the attendance area of the school, and grass root organizations, such as the library, grocery store, food pantry or church sites.**

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. You may use the [prototype Medical Statement](#) for Special Dietary Needs posted on our website, which is also available in Spanish and Hmong (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>).
- SFAs must accommodate dietary requests that are supported by a signed medical statement from a licensed medical practitioner. Meals served to students with special dietary needs who have a signed medical statement from a licensed medical practitioner do not need to meet meal pattern requirements. Additional information on [special dietary needs](#) can be found on the DPI School Nutrition Team website (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>). This [flow chart](#) gives guidance on special dietary needs, as well (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sdn-flowchart.pdf>)
- School food service staff may make food substitutions, at their discretion, for 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. Accommodations made for students without a signed medical statement from a licensed medical practitioner 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. Wisconsin School Day Milk Program. WSDMP, is the only program which allows juice as a milk substitution. An SFA may choose to offer lactose free milk or provide a fluid milk substitute that meets the nutritional requirements set forth by USDA. If choosing to provide a fluid milk substitute, you must notify our SNT office in writing and provide the nutrition information from the product you will be using. 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>).

Overt Identification

- The meal counting system did not show meal prices on the computer screen. Thank you for hiding that feature in Skyward to prevent overt identification of students receiving free and reduced price benefits.

Processes for complaints

- Thank you for sharing your school district's policy for receiving and processing complaints alleging discrimination within the school meals program.
- An SFA may always attempt to resolve a situation as it is reported. 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](#) for assistance in filing these complaints (https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf).

On-site Monitoring

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

- Every school year, each SFA with more than one school must perform no less than one on-site review of the meal counting and claiming system and the readily observable general areas of review identified under 7 CFR 210.18(h) in each school operating the NSLP and 50% of schools operating the SBP administered by the SFA by February 1. **Thank you for completing those before the AR.**
- 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 [Administrative Review](#) webpage under the SFA onsite monitoring section (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/administrative-review>).

Local Wellness Policy

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

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

local school wellness policy during School Year 2016-17 and full compliance with the requirements of the final rule by June 30, 2017.

- **(TA) Policy 8510 for Clinton Community School District was created in 2006 and last revised in 2015. At next meeting for revision, consider removing outdated terms of minimal nutritional value and food pyramid.**
- **(TA) The policy is posted to the district website; please consider including this with other information provided to households at the beginning of the school year.**
- 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. SFAs are required 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. It is recommended SFAs include a plan to improve upon the results of the assessment.

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, such as Smarter Lunchroom tools and techniques, in determining these goals.
- Standards and nutrition guidelines for all foods and beverages sold to students on the school campus during the school day, including marketing, 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.
- Plan for measuring policy implementation.

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 process and wellness policy elements](https://healthymeals.nal.usda.gov/school-wellness-resources) (<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>).

Smart Snacks in Schools

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

- Good job using the Alliance for a Healthier Generation product calculator to ensure chips and rice krispies sold a la carte meet Smart Snack standards.

- The Smart Snacks Final Rule, published in the Federal Register on July 29, 2016, finalized science-based nutrition guidelines for competitive foods sold on the school campus during the school day. Foods and beverages sold in schools must meet both the general standards and nutrient standards if they do not qualify for an exemption.
- An entree is exempt from Smart Snacks standards on the day it is served and the following day. This exemption applies only to the planned entrée and does not extend to other side items. Additionally, items may not be bundled and sold for a unit price as this negates the exemption and the bundle would then be required to meet Smart Snacks standards.
- Items sold a la carte at the Clinton Middle School were placed behind the point of service rather than in line tempting students as they wait for the cashier; this is a Smarter Lunchroom technique.
- (TA) All foods (vending machines, school stores, 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 [Smart Snacks](http://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks) webpage at (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>).
- The Wisconsin Department of Public Instruction (DPI) 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 [Smart Snacks](http://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks) webpage (<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. This information is organized into a binder to document compliance.**

Professional Standards: New Food Service Director Hiring Requirements

Commendations/Comments/Technical Assistance (TA)/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.
- The [hiring standards for SFA directors](#) are based on the size of their SFA and includes education, school nutrition experience and food safety training requirements

(<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/professional-standards-hiring-chart-by-district-size.pdf>).

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, volunteer, etc.), professional standards position (director, manager or staff). Learning codes are not required, but encouraged. A template tracking tool is posted to our [Professional Standards](http://dpi.wi.gov/school-nutrition/training/professional-standards) webpage (<http://dpi.wi.gov/school-nutrition/training/professional-standards>).
- Trainings are tracked in a very creative format using index cards of different colors for each employee category.

Annual Training Requirements for All Staff

Directors: 12 hours

Managers: 10 hours

Other Staff (20 hours or more per week): 6 hours

Part Time Staff (under 20 hours per week): 4 hours

If hired January 1 or later, only half of the training hours are required during the first school year of employment.

Findings and Corrective Action Needed: Professional Standards

- Finding #10:** Non-school nutrition staff have not completed the required training hours for the current school year.

Corrective Action Needed: Provide a training plan for meeting the required training hours for the confirming official/business manager, determining official/verifying official and cashiers.

Water

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

Water was available to all students at no charge and freely accessible at the Clinton Middle School.

Food Safety, Storage and Buy American

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

[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). Visit the [Office of](#)

[Food Safety](http://www.fns.usda.gov/ofs/food-safety) website (www.fns.usda.gov/ofs/food-safety) and explore all of the great food safety resources available to USDA’s nutrition assistance program operators.

Food Safety Inspections

- Every school operating USDA School Child Nutrition Programs must have two food safety inspections during each school year. This was completed and documents on file.
- (TA) Thank you for posting the food safety inspection reports in public view. Be sure to visibly post each page of the report.

Food Safety Plans

- The school site-specific Food Safety Plan was available for review. It was obvious in observing the food service manager/director at work that they are very knowledgeable about food safety practices and safe food handling. All temperature logs, calibration logs, and sanitizing solution logs were up-to-date.
- Thank you for maintaining a food safety plan which includes all process 1, 2, and 3 items, all applicable standard operating procedures (SOP), all equipment, and food service staff.

Food Employee Reporting Agreements

- (TA) All food service employees must have a signed [Food Employee Reporting Agreement](https://datcp.wi.gov/Documents/foodemployeereportingagreementsupplement.pdf) on file (https://datcp.wi.gov/Documents/foodemployeereportingagreementsupplement.pdf).

Time as Public Health Control

- The Clinton Middle School was using “Time as a Public Health Control” correctly and included this practice as a standard operating procedure in the food safety plan. As a reminder, these are main points for using “Time as a Public Health Control”:
 - The internal temperature must be at or below 41 degrees Fahrenheit (°F) at the beginning of this holding period for cold time/temperature control for safety (TCS) food.
 - TCS food can be held up to 6 hours at an internal temperature between 41°F and 70°F under monitored conditions. Provisions must be made to discard product if the 6 hour time limit is exceeded, the temperature of the cold TCS food rises above 70°F, or the food is removed from service.
 - Hot TCS foods can be held up to 4 hours at an internal temperature greater than 70°F. Provisions must be made to discard product if the 4 hour time limit is exceeded, the temperature of the hot TCS food falls to 70°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 TCS food is held without mechanical refrigeration during service, including TCS foods on garden bars, all leftover TCS food must be discarded.

Time/Temperature Control for Safety (TCS) Food

Milk and dairy products
Shell eggs
Meat (beef, pork, and lamb)
Poultry
Fish
Shellfish and crustaceans

Baked potatoes
Heat-treated plant food, such as cooked rice, beans, and vegetables
Tofu or other soy protein
Sprouts and seed sprouts
Sliced melons

Cut tomatoes
Cut leafy greens
Untreated garlic-and-oil mixtures

Synthetic ingredients, such as textured soy protein in meat alternatives

Findings and Corrective Action: Food Safety

❑ Finding #11: Missing Food Employee Reporting Agreements.

Corrective Action Needed: Complete all missing agreements using this [template](https://datcp.wi.gov/Documents/foodemployeereportingagreementsupplement.pdf) (<https://datcp.wi.gov/Documents/foodemployeereportingagreementsupplement.pdf>) Submit copies of completed agreements as an attachment to assigned DPI Nutrition Program Consultant via email.

Buy American

- The USDA requires that a SFA purchase, to the maximum extent practicable, domestic commodities or products. Using food products from local sources supports the local economy, small local farmers and provides healthy choices for children in the school meal programs. The Buy American provision is required whether food products are purchased by SFAs or entities that are purchasing on their behalf.
- The Buy American provision should be included in solicitations, contracts, and product specifications. A reply offer to comply with Buy American terms in a solicitation ensures contractors are aware of Buy American requirements. Furthermore, bidder assurance of the Buy American provision ensures that the bidder is responsive and responsible to the solicitation.
- (TA) SFAs must monitor contractor performance as required in 2 CFR Part 200.318(b), formerly in 7 CFR Part 3016.36(b)(2), to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. These are commonly accepted practices:
 - The following products may be exceptions to Buy American provisions: pineapples, mandarin oranges, olives, tuna, bananas and coffee. A non-compliant list for these products must be kept onsite.
 - If no country of origin is identified on label, then the SFA must get certification from distributor or supplier stating: “We certify that (insert product name) was processed in the U.S. and contains over 51% of its agricultural food component, by weight or volume, from the U.S.” This can be accepted within an email.
 - A label should indicate if the product is grown, processed and packed in the continental U.S. and any U.S. Territories. If label indicates that product is distributed or packed in the U.S, but the country of origin is not listed, this product requires the distributor’s certification as mentioned above.
 - Any substitution of a non-domestic product for a domestic product (which was originally a part of the RFP), must be approved, in writing, by the food service director, prior to the delivery of the product to the SFA.
 - Any non-domestic product delivered to the school, without the prior, written approval of the Food Service Director, will be rejected. Should non-domestic substitutes that were not pre-approved in writing by the food service director be delivered to and rejected by the school, selected distributor(s) shall be held accountable.

- Agricultural products which are processed and produced outside of the U.S. may be accepted with proof from manufacturer that poor market conditions exist (weather and/or supply availability of the market). This requirement applies to private labels as well as other labels.
- The SFA should maintain written procedures to ensure product received and inventory is compliant with the Buy American procedure. Sample written [procurement contract management procedures](https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/contract-management) (https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/contract-management) and Buy American monitoring procedures.
- 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.
- (TA) Many food items did not identify the country of origin, such as ketchup, tortilla, applesauce cups, SideKick, Bosco sticks, canned corn, etc. In USDA Memo SP 38 -2017, any product that does not identify the country of origin now requires certification from the manufacturer or distributor. Work with your distributor/supplier to move toward compliance.
- More information on this new requirement, including a tool to assist with tracking noncompliance 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).

Findings and Corrective Action: Buy American

- **Finding #12:** The Orange juice 4 ounce cup product was identified in this SFA’s storage area as non-domestic and not listed on the SFA’s Buy American – Noncompliant List.

Corrective Action Needed: Begin using a [Noncompliant Product List](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-noncompliant-list.docx) for tracking nondomestic products. Provide a copy of the form that will be used and include any noncompliant products currently in the SFAs food storage areas (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-noncompliant-list.docx).

Reporting and Recordkeeping

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

- 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 with 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.

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

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

- 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 beginning a new breakfast program this school year and keeping ideas fresh.

Summer Meals

- To ensure all students have access to healthy and nutritious meals year-round, Clinton Community School District informs families of their summer school sessions through news releases. Summer 2017 was the first time summer meals were offered and that was very successful.

5. OTHER PROGRAMS

- Wisconsin School Day Milk Program is offered in grades Pre-Kindergarten through fourth grade. The documentation was reviewed and found to be compliant.

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

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

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



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