

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

School Food Authority: Elkhorn School District

Agency Code: #64-1638

School(s) Reviewed: Elkhorn High School

Review Date(s): Jan 29-30, 2018

Date of Exit Conference: Jan 31, 2018

State agencies (SA) are required to conduct administrative reviews to assess School Food Authority (SFA)'s administration of the National School Lunch Program (NSLP), School Breakfast Program (SBP), and other school nutrition programs. The objectives of the Administrative Reviews are to:

- Determine whether the SFA meets program regulations,
- Provide technical assistance,
- Secure needed corrective action,
- Assess fiscal action, and when applicable, recover improperly paid funds.

General Program Reminders/Updates:

- The Department of Public Instruction (DPI) School Nutrition Team (SNT) conducts School Nutrition Skills Development Courses (SNSDC) each summer in various locations around the state. Courses cover many areas of the school nutrition programs including administrative responsibilities, program basics, meal pattern requirements and menu planning, financial management, meal benefit determination process, professional standards, procurement, and many other topics. More information along with other upcoming trainings and webinars can be found on the Wisconsin DPI [School Nutrition Training](http://dpi.wi.gov/school-nutrition/training) webpage (dpi.wi.gov/school-nutrition/training).
- SFA staff are encouraged to pursue GOALS Certification. GOALS stands for Goal Oriented Achievement Learning Skills. This is a certificate endorsed by the DPI and is obtained by completing training in nutrition, program administration and operations, or communications and marketing. For more information go to the Wisconsin DPI [School Nutrition Training](http://dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills) webpage (dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills).
- The US Department of Agriculture (USDA) has a toolkit of resources to assist schools in meeting the nutrition standards on their [Healthier School Day: The School Day Just Got Healthier](http://www.fns.USDA.gov/healthierschoolday) webpage. The topics covered include Smart Snacks, offering fruits and vegetables, reducing sodium, and serving whole grain-rich products (http://www.fns.USDA.gov/healthierschoolday).
- [The Smarter Lunchrooms Movement](http://smarterlunchrooms.org) encourages schools to implement low-cost and no-cost lunchroom solutions to help students select healthier meal options (http://smarterlunchrooms.org). Smarter Lunchroom techniques are easy to begin implementing and help encourage student consumption of fruits, vegetables, legumes, non-flavored milk, and other healthful choices. These strategies are effective and research-based. Consider trying the Smarter Lunchroom techniques for increasing consumption of white milk.

Appreciation/Commendations/Noteworthy Initiatives:

Thank you to the school nutrition staff at the Elkhorn 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.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Certification and Benefit Issuance

Comments/Technical Assistance (TA)/Compliance Reminders

Free and Reduced Price Meal Applications - Reminders

- 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.

Findings and Corrective Action Needed: Certification and Benefit Issuance

Finding #1: One student was approved for meal benefits without documentation to support the benefit.

Corrective Action Needed: The student was receiving free benefits based on a paper application that included her brother as the only student in the household. The student was listed as an adult household member but not as a student. The district should have contacted the household to have the application corrected before providing benefits. The error was corrected onsite. No further corrective action is required. Fiscal action will not be assessed because the SFA fell below the three percent threshold for assessing fiscal action.

Verification

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

The SFA did an excellent job of conducting the verification process. The verifying official should be commended for her conscientious attention to ensuring the verification process was completed accurately and in a timely manner.

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

Thank you to the food service director at Elkhorn Area School District for providing documentation prior to the review, which was thorough and well organized. All of my questions were answered very quickly, which helped expedite the process of reviewing meal pattern compliance.

The food service staff at Elkhorn High School is doing a wonderful job. They were very friendly during observations, willing to answer questions, and open to comments and suggestions. They were well trained in Offer versus Serve (OVS) and made sure that students did not select duplicates of the juice offered at breakfast. Many positive interactions with students were witnessed. The kitchen and service areas were very clean and well organized. Thank you to the food service director for planning and offering the students of Elkhorn Area School District many tasty and healthy meal choices.

Comments/Technical Assistance/Compliance Reminders

Signage

It is required to post signage visible to the students that indicates the offered components in each meal and tells students what they must select in order for their meal to count as reimbursable. The lunch signage should list the five components and inform students that under Offer versus Serve (OVS), they must select at least three full components, one of which must be at least ½ cup fruit, vegetable, or a combination of fruit and vegetable.

Currently, the service lines have large monitors which list the meal offerings in a slide show format. Although posted signage meets the requirements, and states the required, “must select ½ cup fruit or vegetable or combination,” it is difficult to read from the service line. Consider adding this statement to the monitors for a better visual of how to select a reimbursable meal.

Standardized Recipes

Recipes should be updated to reflect current practices and products. Standardized recipes exist, but may not be accurately reflecting what is happening in the kitchen. Guidance on what a standardized recipe should include can be found on our [Recipe Resources and Tools webpage](http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/recipes) (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/recipes>).

The Yogurt Parfait recipe is correctly listing all ingredients, but the manner in which it is constructed is not what is reflected on the recipe. Students may enjoy a specific way the parfait is constructed and expect consistency. Therefore, if different kitchen workers assemble the parfaits, the recipes should be updated with current practices so they are assembled consistently.

Findings and Corrective Action Needed: Meal Pattern and Nutritional Quality

Finding:

The product formulation statement (PFS) provided with the Peanut Butter & HFCS Free Grape Jelly on Whole Grain Wafer was not acceptable as the grain crediting was invalid. The manufacturer used Whole Grain Wafer, which is not a valid entry in the Food Buying Guide (FBG) and therefore cannot be used to credit the grain in this product.

Corrective Action Needed:

Provide an updated PFS from the manufacturer reflecting an accurate entry from the FBG to credit the grain in this product. Alternatively, submit a plan of action if crediting the grain portion of the Peanut Butter & HFCS Free Grape Jelly on Whole Grain Wafer and how the minimum is to be met for the day. **The Food Service Director stated she will not credit the grain in this product and will only credit the meat/meat alternate (1 oz. eq. M/MA). She will allow students to choose from a 1 oz. eq. grain with this menu option. No further action required.**

SMART SNACKS

Commendations

Thank you to the food service director and DECA advisor for the google slide presentation, which showed compliant ala carte products; it was very thorough! Thank you to both of these individuals for ensuring that the students of Elkhorn High School are receiving healthy, approved snacks during the school day.

Comments/Technical Assistance/Compliance Reminders

Fundraisers

- The Wisconsin Department of Public Instruction (DPI) allows two fundraiser exemptions per student organization, per school, per school year, not to exceed two consecutive weeks each. These exempt fundraisers may not sell food in the meal service area during meal service times.
- The Smart Snacks Standards represent the minimum standards and the exemption policy represents the maximum exemptions allowed; school food authorities (SFAs) have the discretion to establish additional restrictions on competitive foods and further limit fundraiser exemptions through their Local School Wellness Policy if they are consistent with federal requirements.
- Please note, although it is allowable to run a school store in which the profits go to other student organizations, you must keep documentation showing the fundraiser abides by the fundraiser exemption (i.e. no more than two consecutive weeks at a time, no more than twice per school year and profits accruing to the specific group holding the fundraiser).
- More information on healthy fundraiser options can be found on our [Smart Snacks webpage](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks) (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks). [The Center for Science in the Public Interest's School Fundraiser Fact Sheet](#) shows the benefits of non-food fundraisers; many schools around the country have found that they can still bring in as much, if not more, money using non-food or healthy food fundraisers. (https://cspinet.org/sites/default/files/attachment/Fundraising_Ideas_Fact_Sheet.pdf). Perhaps this is something for the district to gradually work towards.

Smart Snacks Tracking Tool

One requirement for school fundraisers is documentation. Keeping records of school fundraisers, both compliant and non-compliant, using DPI-provided tracking tools, is a great way to make sure schools are meeting Smart Snacks regulations. Tracking Tools for fundraisers can be found on [DPI's Smart Snacks Webpage](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks). (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks).

Corrective Action

Finding: Currently, Culinary Arts is selling products to students on a twice weekly basis in an area adjacent to the school nutrition program service area. It is unclear if these meet Smart Snack

Standards. The products, including cupcakes, cookies, rice crispy treats, brownies, candy canes, hot chocolate, and chips and salsa did not appear to be Smart Snacks compliant. The group could not supply documentation for these items proving they met both the general and nutrient standards required by USDA regulations. This type of ongoing, unhealthy food fundraiser does not align with the intentions of Smart Snacks, The Healthy Hunger Free Kids Act, or the regulations outlined in the [Permanent Agreement](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/nslp-permanent-agreement.doc) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/nslp-permanent-agreement.doc). Because schools agree to comply with the regulations set forth by USDA when they choose to participate in the child nutrition programs, willful noncompliance of regulations can result in the loss of federal funding.

In addition, this fundraiser does not align with the Elkhorn School District's [School Wellness Policy](http://elkhorn.ss5.sharpschool.com/common/pages/DisplayFile.aspx?itemId=42478114), which states: <http://elkhorn.ss5.sharpschool.com/common/pages/DisplayFile.aspx?itemId=42478114>:

- The District is committed to serving healthy meals to our students. The school meal programs aim to improve the diet and health of school children, model healthy eating patterns, and support healthy choices while accommodating cultural food preferences and special dietary needs. All schools in the District participate in USDA child nutrition programs, including the National School Lunch Program and/or School Breakfast Program.
- All food and beverages sold and served outside of the school meal programs ("competitive" foods and beverages) shall, at a minimum, meet the standards established in USDA's Nutrition Standards for All Foods Sold in Schools (Smart Snacks) rule. The standards are available at <http://www.fns.usda.gov/healthierschoolday/tools-schoolsfocusing-smart-snacks>.
- The District adheres to the Wisconsin Department of Public Instruction fundraiser exemption policy and allows two exempt fundraisers per student organization per school per year. All other fundraisers sold during the school day will meet the Smart Snacks nutrition standards. No restrictions are placed on the sale of food/beverage items sold outside of the school day.

Constant, unhealthy food fundraisers undermine the progress made by the school nutrition department and district to provide healthy, balanced meals to students. Whenever possible, the district is strongly encouraged to help student organizations find ways to hold fundraisers that promote a healthy lifestyle. More information on the Smart Snack standards can be found on [DPI's Smart Snacks webpage](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/smart-snacks-in-a-nutshell.pdf) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/smart-snacks-in-a-nutshell.pdf).

Corrective Action Needed: Please submit a detailed written statement explaining how Elkhorn High School will bring all food and beverage fundraisers into compliance with USDA regulations. Include specifics on who at the school will be responsible for tracking exempt fundraisers and how documentation will be maintained. In addition include a statement explaining how the district will ensure that directives outlined in the school wellness policy will be implemented.

Finding: Non-compliant products are being sold as part of a school fundraiser in the meal service area during meal service times in direct competition with the National School Lunch Program and School Breakfast Program. The Wisconsin Department of Public Instruction (DPI) allows two fundraiser exemptions per student organization, per school, per school year, not to exceed two consecutive weeks each. An appropriate and approved exempt fundraiser (as described above), may sell foods and beverages that are not allowable under the Smart Snacks rule but they may not be sold in the meal service area during meal service times.

Corrective Action Needed: Submit a detailed statement indicating the steps Elkhorn School District will take to ensure they no longer allow exempt student fundraisers to be sold in direct competition with the school nutrition program.

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.

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.

- The following products may be exceptions to Buy American provisions: pineapples, mandarin oranges, olives, tuna, bananas and coffee.
- If no country of origin identified on label, than 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 accepted within an email.
- What is acceptable to determine compliance on a label? 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 School.
- 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 for all over-claims that result from failure to meet the school's required meal pattern.
- 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 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](https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/buy-america) (https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/buy-america).

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, 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>).

Finding: The following products were identified in the SFA's storage area as non-domestic and not listed on the SFA's Buy American – Noncompliant List or SFA equivalent form or did not have proper labeling to identify the country of origin:

- Trio Gravy - Canada (Changed brand of chicken gravy mix during AR)
- Dannon Yogurt – no country of origin (determined compliant (Ohio USDA) by FSD during AR)
- Bush's Black Beans – (determined compliant (Tennessee USDA) by FSD during AR)

Corrective Action Needed: No further CA required. This will be treated as TA for the 2017-18 school year. During the onsite visit the product was updated to include a different brand of chicken gravy that is manufactured in the United States. Please work with your distributors and/or vendors to move toward compliance in future years.

In USDA Memo SP 38 -2017, any product that does not identify the country of origin now requires certification from the manufacturer or distributor. See the TA notes above for sample certification language. Many products in the dry storage and refrigerator were not labeled with a country of origin, substituting this information for “manufactured by” or “distributed by”. This made identifying compliance and noncompliance with the Buy American Provision challenging. As part of Fond du Lac School District's Procurement Review, SNT will check that the procurement manual includes language pertaining to Buy American. An additional attestation from food service's distributors and/or vendors may be required. Further information is available on the USDA Foods [Buy American Provision](https://dpi.wi.gov/school-nutrition/procurement/buy-american) webpage (<https://dpi.wi.gov/school-nutrition/procurement/buy-american>).

3. RESOURCE MANAGEMENT

Nonprofit School Food Service Account

Comments/Technical Assistance (TA)/Compliance Reminders

- 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/sites/default/files/imce/school-nutrition/pdf/sp-23-2017.pdf) may be found our [Financial Management webpage](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-23-2017.pdf>, <https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>). This is required regardless of the fund 50 balance and must be completed at the time the write-off occurs.
- [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
- Funds in student meal accounts are considered a liability until a meal is purchased. When the funds are left “unclaimed”, they cannot be used to offset another student’s negative account, unless *paid* households have *chosen to donate* those funds to the school food service account. All funds left in any student meal account must be turned over to the Wisconsin Department of Revenue (DOR) as unclaimed property unless the school is able to contact the household and return the funds. The [DOR has rules concerning unclaimed property](https://www.revenue.wi.gov/DOR%20Publications/pb82.pdf) that must be followed (<https://www.revenue.wi.gov/DOR%20Publications/pb82.pdf>).

Finding: The ending fund balance reported on June 30, 2016 on the Annual Child Nutrition Program Report did not match the beginning fund balance on July 1, 2016. The error was due to numbers being transposed when the report was submitted to DPI and was corrected onsite. No further corrective action is required. Thank you for your rapid response to this corrective action.

Corrective Action Needed: Completed onsite. No further corrective action is required.

Non Program Foods

- Nonprogram foods include: Adult Meals, A la Carte, Extra Entrees, Extra Milk (for cold lunch or milk break), Vended Meals (meals sold to other agencies), Catered Meals, and Food Service operated Vending Machines.
- All costs associated with nonprogram foods, including food, labor, equipment, and purchased services must be covered by revenues received from the sale of those foods. Nonprogram foods may not be supported by reimbursable meals or have a nonprogram foods loss absorbed by the food service account. Thus nonprogram foods may never run in the negative unless non-federal funds are transferred into the food service fund to cover the deficit.
- Just a reminder to assess all foods, including reimbursable meals foods against the non program food cost to ensure the integrity of the nonprogram foods tool.

4. GENERAL PROGRAM COMPLIANCE

Local Wellness Policy

Technical Assistance (TA)/Compliance Reminders

The local wellness policy requirement was established by the Child Nutrition and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Reauthorization Act of 2004 and further strengthened by the Healthy, Hunger-Free Kids Act (HHFKA) of 2010. The final rule requires School Food Authorities (SFAs) to begin developing a revised local school wellness policy during School Year 2016-17 with full compliance of the final rule by June 30, 2017. It is a reminder that once the school wellness policy is adopted by the school district that the directives set forth in the policy be upheld and practiced throughout the school environment.

At a minimum, SFAs must permit participation by the public and the school community including parents, students, and representatives of the school food authority, teachers of physical education,

school health professionals, the school board, and school administrators in the wellness policy process. In addition, SFAs must designate one or more school officials to ensure the SFA complies with the policy.

Content of the Wellness Policy

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.
- Plan for measuring policy implementation.
- Designation of one or more officials as being 'in charge' of the policy.
- 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.

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>).

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 (<http://dpi.wi.gov/statesupt/agenda-2017>).



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