

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

School Food Authority: West Bend School District

Agency Code: 666307

School(s) Reviewed: Review Date(s): Feb 25-28, 2019

Date of Exit Conference: Feb 28, 2019

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, meal benefit determination process, 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, and 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 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 do 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 West Bend School District for the courtesies extended to us during the on-site review. Thank you for being available when answering questions and providing additional information. All were very receptive to recommendations and guidance. In addition, thank you for taking the time to respond to the off-site questions and requests, as well as pulling records for the on-site portion of the review. The food service director was very organized and very receptive to comments and suggestions. She and the food service team are to be commended for their efforts to provide nutritional meals each day to students.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

2. COMMENDATIONS/COMMENTS/TECHNICAL ASSISTANCE/COMPLIANCE REMINDERS

Certification and Benefit Issuance

Free and Reduced Price Meal Applications

- Applications must be reviewed in a timely manner. An eligibility determination must be made, the family notified of its status, and the status implemented within 10 operating days of the receipt of the application.
- Children are eligible for free or reduced price meal benefits on the date their eligibility is determined by the Determining Official.
- When an application only has one frequency of payment indicated for all of their reported incomes on the application, the income should not be converted to annual, but using the [Income Eligibility Guidelines](#) one would look at the amount of their income under the column indicating that frequency (i.e., weekly, twice monthly, every two weeks, monthly, annually).
Technical assistance was provided.
- 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.

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 the application to be considered complete.

Incomplete Applications

- Any application that is missing required information, contains inconsistent information, or is unclear is considered an incomplete application and may not be determined until clarified. 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.

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.
- 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.

Direct Certification

- 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.

Commendations/Comments/Technical Assistance/Compliance Reminders

Findings and Corrective Action Needed: Certification and Benefit Issuance

❑ **Finding:** The finding was that three students that were currently free were found to be reduced. In addition, one student that was currently free should have been at a paid status. Technical assistance was provided. SFA must send out letter to notify family of changes. Errors were recorded on the SFA 1 form.

Corrective Action Needed: Please send out letters notifying the household of the meal benefit change. The household will have 10 calendar days after notification letter is sent before meal benefit will change. **Corrected on-site.**

❑ **Finding:** The finding was that the non-discrimination statement was not included in the letters for direct certification, approval and denial letters, and the verification letters.

Corrective Action Needed: Please correct these letters to include the correct statement in the appropriate format and font size. **Corrected on-site, no further action needed.**

❑ **Finding:** The finding was the non-discrimination statement was not included on the fee waiver.

Corrective Action Needed: Please correct the fee waiver letter by updating the letter with current non-discrimination statement in the correct format and font size. **Corrected on-site no further action needed.**

Verification

Commendations/Comments/Technical Assistance/Compliance Reminders

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

Findings and Corrective Action Needed: Verification

❑ **Finding:** The finding was that the verifying official did not sign off on the applications selected for verification.

Corrective Action Needed: Please review the verification webcast on the DPI website and submit a statement of understanding regarding the importance of the verifying official's signature. **Corrected on-site no further action needed.**

❑ **Finding:** The finding was that an application that was in the verification pool should not have been in the pool of applications as of October 1. The student in the sampling size listed on the application that was selected for verification was a student that qualified due to an extension of meal benefits via direct certification.

Corrective Action Needed: Please review the verification webcast on the DPI website and submit a statement of understanding regarding the situation described above. **Corrected on-site, no further action needed.**

Meal Counting and Claiming

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

- Meals may only be charged to a student upon receipt of a reimbursable meal to assure proper benefits issuance.
- 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).

- 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.
- When entering the claim it is necessary to use the edit check to calculate your reimbursable meals by site for claim submission.

Findings and Corrective Action Needed: Meal Counting and Claiming

- **Finding:** The correct individual site edit checks (Accuclaim) were not used to determine the number of reimbursable meals to claim by eligibility for claim submission.

Corrective Action Needed: Please submit lunch and breakfast edit checks (Accuclaim) for all months since the beginning of the school. Fiscal action will be calculated from the beginning of the school year, but there is a \$600.00 disregard before fiscal reclaim is necessary.

3. MEAL PATTERN AND NUTRITIONAL QUALITY

Sincere thanks to the Food Service Director and school nutrition professionals of West Bend School District. We appreciate your time and efforts spent preparing for and participating in the onsite review. The Food Service Director utilized the Nutrition Program Consultant (NPC) and Public Health Nutritionist (PHN) as resources through the administrative review. She asked questions to clarify School Meals Programs requirements and to learn best practices. She demonstrated willingness to make changes and improvements and resilience. The meal service line at Green Tree Elementary was kept very clean through three hectic meal services, where students self-served toppings for nachos. There was colorful signage posted in multiple locations through the cafeterias. The school nutrition professionals at McLane Elementary demonstrated exceptional understanding and implementation of Offer versus Serve (OVS). Well done, everyone!

Technical Assistance and Program Requirement Reminders

Whole Grain-Rich (WGR)

Foods that meet the whole grain-rich (WGR) criteria for the school meal programs contain at least 50 percent whole grain. The remaining 50 percent or less of grains, if any, must be enriched. Grains that are not whole grain-rich cannot be credited toward the grain component. The following grain products are not WGR: J&J Snack Foods Corp. 1.0 oz Bavarian Pretzel Slider Roll (Manufacturer's Product Code 7107). USDA has a very thorough [Whole Grain Resource](http://www.fns.usda.gov/sites/default/files/WholeGrainResource.pdf) that provides tools and tips for identifying whole grain-rich products (<http://www.fns.usda.gov/sites/default/files/WholeGrainResource.pdf>). The terms "wheat" or "made with whole grains" on a product label do not necessarily mean that a product is WGR. Always check the ingredient list to confirm the first ingredient is a whole grain (and any other grain ingredients in the list are enriched, if not whole. Alternatively, crediting documentation in the form of a PFS may show that the combined weight of multiple whole grain ingredients exceeds the weight of the enriched grain ingredients.

Production Records

Be specific about the identity, brand, and description of the items served. Descriptions of "chicken," "taco," or "hamburger" may be listed on menus for flexibility and to save space, but they are not detailed enough for production records to accurately reflect portion sizes and crediting.

Use volume measures (such as cups) to record portion sizes of fruits and vegetables, including salsa, and use weight measures (such as ounces) to record portion sizes of meat/meat alternates and grains. Together, portion charts and production records meet most of the production record requirements ("[Must Haves](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/production-record-requirements.pdf)" and "[Nice to Haves](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/production-record-requirements.pdf)" list) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/production-record-requirements.pdf>).

The following information must be corrected on the lunch portion chart and daily record to central kitchen to meet production record requirements:

- Grade grouping(s)
- Menu item **with recipe name/reference number or product name/description**
- Planned/actual quantity prepared in purchase units
- Number of reimbursable and non-reimbursable (adult) meals planned

The following information must be corrected on the breakfast portion chart and production records to meet production record requirements:

- Grade grouping(s)
- Planned/actual quantity prepared in purchase units
- Milk types available and actual usage by type
- Number of reimbursable and non-reimbursable (adult) meals planned

Weight versus Volume

There is a difference between weight (ounces [oz]) and volume (fluid ounces [fl oz]). While spoodles are referred to and labeled with "oz," they actually measure "fl oz." Therefore, a "4 oz spoodle" measures 4 fluid ounces or 1/2 cup (volume), not 4 ounces (weight). Most foods measured with a 4 fluid ounce spoodle will not weigh 4 ounces on a scale. This is an important distinction.

Meal Pattern Contributions

Crediting information recorded on the production records was not consistently in agreement with crediting information on the supporting documentation, such as Child Nutrition (CN) labels, product formulation statements (PFS), standardized recipes, or the Food Buying Guide (FBG). Including meal pattern contributions for specified grade groups on production records is not required, though it must be documented and available for staff.

The following discrepancies were identified in crediting recipes from the review period:

- Reduced Fat JTM Pork Taco Filling (#12 scoop) – 1.75 ounce equivalents (oz eq) of meat/meat alternate (m/ma)
- Tyson FC Whole Grain Golden Crispy Popcorn Chicken Chicken Pattie Fritters (11 each) – 1.75 oz eq of m/ma, 0.75 oz eq of grain
- Alpha Baking Co., Inc. 2.5" White Wheat Cluster Pan Roll Unsliced (1 each) – 1.25 oz eq of grain
- Whole 125-138 Count Extra-Fancy Golden Delicious Apples (1 each) – 1 cup

There is no requirement to offer m/ma at breakfast. Therefore, there are no daily or weekly minimums or maximums. Menu planners have the discretion to credit m/ma items as "grain" or "extra" foods. School food authorities must still serve the 1 ounce equivalent (oz eq) daily minimum requirement of a true grain. M/ma as a "grain" counts towards weekly grain requirements, counts as an item under Offer versus Serve (OVS), and is included in dietary specifications (e.g. calories, sodium, saturated fat, trans fat). Jennie-O All Natural Canadian Turkey Ham (0.76 oz each; 0.5 oz eq of m/ma) and Sunny Fresh Skillet Omelet® with Colby Cheese (2.10 oz each; 2 oz eq of m/ma) are offered as "Protein" and as extra, non-reimbursable food items.

Crediting Documentation

Processed foods that are not listed in the USDA Food Buying Guide for School Meals Programs must be accompanied by a product formulation statement (PFS) or a Child Nutrition (CN) label to sufficiently

document meal component crediting. Secure a PFS directly from the manufacturer or save a CN label directly off the packaging.

A complete PFS must include the product name and number; weights of raw and cooked ingredients; portion size; statement of contribution to meal pattern requirements; and an original signature from the manufacturer certifying that the information is correct. Documentation should be printed on company letterhead and signed by an appropriate person (e.g. a quality assurance agent or registered dietitian, rather than a salesperson).

Product specification sheets or marketing brochures, commonly found on distributor websites, cannot be used for crediting meal components.

Watermarked Child Nutrition (CN) Labels

A CN label with a watermark is used when the CN logo and contribution statement are used on product information other than the actual product carton and is presented as a separate document.

Manufacturers may provide schools with a CN label with a watermark during the bidding process or on their websites. Original CN labels on product cartons will not have a watermark. Product information on the CN label with a watermark can be changed. CN labels must be verified and collected from boxes as products are delivered. Once labels have been collected, check when new shipments arrive to determine if crediting towards the meal pattern has changed.

In-house Yield

In-house yield data may be used for crediting food items contributing to meal pattern requirements. Original documentation showing methods and procedures used to determine yield must be completed and maintained at the food service operation and will be reviewed during the School Food Authority's (SFAs) next regularly scheduled Administrative Review (AR). An in-house yield study may be warranted if your food service operation consistently gets higher or lower yields from a product than what is specified in the Food Buying Guide (FBG). Additionally, an in-house yield study may be used for food items or sizes that are not currently listed in the FBG (e.g. 90-110 case count fresh pears). [In-house Yield Study Procedures](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy) are available on the [Menu Planning](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy) website (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy>).

School Breakfast Program (SBP)

Item Recipes

If it becomes too time- or labor-intensive to record breakfast item (e.g. cereal, juice, etc.) usage by type on production records, consider using recipes. Individual recipes document average breakfast item usage by meal and grade group. When a breakfast item recipe is on file, total usage must still be recorded on production records. Recipes must be updated twice per year or when students' preferences change.

Corrective Action

Meal Pattern Finding: J&J Snack Foods Corp. 1.0 oz Bavarian Pretzel Slider Roll (Manufacturer's Product Code 7107) is not a whole grain-rich product.

Required Corrective Action: Discontinue serving this item. Submit crediting documentation (e.g. complete nutrition facts label with ingredient statement, PFS) for a replacement product.

Meal Pattern Finding : Current breakfast and lunch portion charts and production records do not include all required information.

Required Corrective Action: Update production records to include the following missing and/or incomplete information: grade grouping(s); menu item **with recipe name/reference number or product name/description** (lunch only); planned/actual quantity prepared in purchase units; milk types available and actual usage by type (breakfast only); and number of reimbursable and non-reimbursable

(adult) meals planned. **Please submit three full days of completed production records, updated to reflect these requirements.** Select production records you are confident are filled in accurately and completely.

4. RESOURCE MANAGEMENT

Nonprofit School Food Service Account

Commendations/Comments/Technical Assistance/Compliance Reminders

- All revenues (reimbursements and student payments) and expenses (including food, labor, equipment, purchased services, and the other category) need to be separated into each program; this will aid the school in calculating its “yearly” reference period for non-program food compliance which is highly recommended.
- 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”.
- -These categories of the AFR that should be addressed when tracking revenues and expenditures include:
 - Expenses for paper supplies, chemicals, thermometers, etc., should be reported under “Other”. Only expenses for edible food items and beverages should be reported under “Food”.
 - “Equipment” should reflect major purchases of equipment. Utensils, pans, smaller equipment such as a cart, etc., should be reported under “Other”.
 - Under “Purchases Services” report any time you pay someone for services provides such as equipment repair and health inspections.
 - Under “non-program foods”, report the expenses for any food items served to students that are not claimed as part of the reimbursable meal. Revenues and expenses from adult meals, a la carte, and caterings would also be included here.
 - When revenues are recorded from the federal reimbursement payments, make sure that you are recording the full reimbursement based on the printed claim form and not what is actually deposited into your account. As you will note on the claim, there may be money deducted from shipping, handling and processing fees for USDA Foods. The amount deducted from your revenue should be reported as an NSLP food expenditure for private schools and a purchased service for public schools.

Allowable Costs

- The nonprofit school food service account is to be used for the operation of the school meal program including food, supplies, equipment and personnel.
- The nonprofit school food service account may not be used to purchase land and/or buildings unless approved by FNS.
- Allowable costs are defined in 2 CFR 200 Subpart E and should be necessary, reasonable and allocable. More information on allowable costs can be found within the [Indirect Costs guidance](http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>).
- Bad debt is an unallowable expense to the food service program. A transfer must be made from non-federal funds to cover student account write-offs. [SP23-2017 Unpaid Meal Charges guidance Q & A](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) may be found our Financial Management webpage ([https://dpi.wi.gov/school-](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial)

nutrition/national-school-lunch-program/financial).

Unpaid Meal Charge Policy

- USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs to have a written and clearly communicated policy that addresses unpaid meal charges. For a snapshot on what the policy must include, see the [Unpaid Meal Charges In a “Nutshell”](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf) (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>). For a more comprehensive overview, see SP 23-2017: [Unpaid Meal Charges Guidance](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-23-2017.pdf) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-23-2017.pdf>)
 - Best Practices
 - Local meal charge policy checklist
 - Sample outstanding balance letter
 - Sample robo-call script
- 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 which cannot be contacted must be turned over to the Wisconsin Department of Revenue (DOR) as unclaimed property. 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>).

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 both public and private schools in Wisconsin, any costs assessed to foodservice must be based on documented and justifiable costs for each school building as they pertain to your school situation rather than an indirect cost rate. This may include utilities, rent, printing and mailing services, administrative oversight, etc.
- Allowable Expenditures assessed to the food service fund must be supported with documentation for items such as gas, electricity, waste removal, fuel, water, etc. for the school district. Examples of supporting documentation for costs assessed to food service fund could include:
 - Rent – consultation with knowledgeable resource person on appropriate charges per facility (i.e., local realty broker who has knowledge of current rates for rent of similar facilities).
 - Utility charges - separately metered or current usage study by the local utility company.
 - Labor expenditures - based on actual amount of time worked specifically for the purpose of school food service times the employee's wages and benefits.
 - Printing/publishing – documentation of actual costs or documentation to support how these costs were prorated from the district’s total costs, based on volume.
 - Waste disposal services, extermination services, and laundry services - documentation of actual costs or documentation to support how these costs were prorated from the district’s total.

Findings and Corrective Action Needed: Indirect Costs

- ❑ **Finding:** The finding is that utility charges are being charged to the food service account. A spreadsheet was provided for electricity usage. In addition, financial documents were provided for

three months to show charges. In trying to determine actual electricity usage and the current monthly charges, there is not a clear sense of what the electrical usage is and what the actual charges should be. It was noted that there was a repayment of funds required regarding electricity charges to the food service program in the last review. This is due to a percentage being charged for electricity without supporting documentation.

Corrective Action Needed: Please provide clarifying documentation to support actual usage for the months of January, February and March 2018. In addition, please clarify the charges, as they are not matching up to the spreadsheet that was provided. If there is not a clear way to determine what the actual usage was for electricity and clarification in the billing, a repayment back to food service may be required for all electric charges for the past school year and current school year may be required.

Revenue from Non-program Foods

Commendations/Comments/Technical Assistance/Compliance Reminders

- Non-program 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 non-program foods, including food, labor, equipment, and purchased services must be covered by revenues received from the sale of those foods. Non-program foods may not be supported by reimbursable meals or have a non-program foods loss absorbed by the food service account. Thus, non-program foods may never run in the negative unless non-federal funds are transferred into the food service fund to cover the deficit.
- Non-program Food costs and revenues must be separated from Program food costs and revenues.
- Since non-program foods include Adult Meals and extra milk, these expenses and revenues must be separated from Program foods.
- SFAs that sell only non-program milk and adult meals as non-program foods are exempt from completing the USDA Non-program Food Revenue tool (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/exceptions-nonprogram-revenue.pdf>).

Adult Meals

- Adult meals are considered non-program foods. Food service programs must price adult meals above the overall cost of the meals. Since adult meal costs can be difficult to calculate, SFAs must, at a minimum, follow the **minimum** pricing guidelines in Food Nutrition Services Instruction 782-5.
- A [Wisconsin Adult Meal Pricing Worksheet](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/wisconsin-adult-meal-pricing-guide.doc) has been developed to assist the SFA in pricing adult meals (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/wisconsin-adult-meal-pricing-guide.doc>).
- Districts need to assess adult meal prices annually prior to contract submission to ensure student reimbursements are not being used to subsidize adult meals. The current reimbursement rates (2017-18 SY) should be used to determine adult prices.

Resources

- [Nonprogram Foods Revenue Rule SP-20-2016](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-20-2016.pdf) (<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) (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/nonprogram-foods-in-a-nutshell.pdf>)

Findings and Corrective Action Needed: Revenue from Non-program Foods

❑ **Finding:** The finding was that the annual financial report did not match with the PI1505 report regarding beginning and ending balances.

Corrective Action Needed: Please correct the annual financial report to match with the PI1505 report. Please contact Jacque Jordee to open up the 17/18 SY annual financial report to make the corrections needed.

5. GENERAL PROGRAM COMPLIANCE

Civil Rights

Commendations/Comments/Technical Assistance/Compliance Reminders

Nondiscrimination Statement

- When including the [non-discrimination statement](#) on letters, menus, website, and other documents used to convey program information, it is necessary to use the current statement which was updated in 2015 (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/civil-rights>). However, when space is very limited, such as on the printed menus or low balance notices, the abbreviated statement may be used, “**This institution is an equal opportunity provider.**” Either of these statements must be in the same size font as the other text in the document.

And Justice for All Poster

- “And Justice for All” posters need to be posted in public view where the program is offered.

Civil Rights Training

- Civil rights training must be conducted on a yearly basis for all staff and volunteers who administer any portion of a school nutrition program.

Civil Rights Self-Compliance Form

- The [Civil Rights Self-Evaluation Compliance](#) form is required to be completed by October 31 annually.

Special Dietary Needs

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

- Juice may not be substituted for fluid milk unless juice is specified as a substitution on a medical statement signed by a licensed medical practitioner. Water is available to all students, but an SFA may choose to offer lactose free milk or provide a fluid milk substitute that meets the nutritional requirements set forth by USDA. Nutrition information for a fluid milk substitute the SFA wishes to provide for students, must be approved by the SNT office. For more information on [fluid milk substitutes](#), please see our Special Dietary Needs webpage (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>).

Overt Identification

- The meal counting system must prevent overt identification of students receiving free and reduced price benefits.

Processes for complaints

- All SFAs should have procedures (written procedures preferred) in place for handling civil rights complaints in regards to discrimination in the National School Lunch Program and School Breakfast Program. A SFA may always attempt to resolve a situation that is occurring in real time. However, if an individual states that they wish to file a civil rights complaint, the SFA must provide them with the information necessary to do so and not impede an individual's right to file. Please refer to the [USDA Program Discrimination Complaint Form](#) for assistance in filing these complaints (https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf).

Findings and Corrective Action Needed: Civil Rights

❑ Finding: The finding was that civil rights self-compliance evaluation had not been completed by October 31.

Corrective Action Needed: Please complete a self-compliance evaluation and submit to reviewer.
Corrected on-site no further action needed.

Local Wellness Policy

Commendations/Comments/Technical Assistance/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.

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 the SFA complies with the policy.

Content of the Wellness Policy

The final *Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010* rule requires the SFA to retain basic records demonstrating compliance with the local school wellness (LWP) requirements. If no LWP has been developed, the SFA must establish a written policy. For assistance in the creation of a LWP, SFAs are encouraged to utilize the [Wisconsin Wellness: Putting Policy into Practice - School Wellness Policy Toolkit](#) (<http://dpi.wi.gov/school-nutrition/wellness-policy/toolkit>). At a minimum the wellness policy must include:

- Nutrition education (Recommended goals related to nutrition education include integrating into other core subjects or offering as a stand-alone course for all grade levels.)
- Nutrition promotion (At a minimum SFAs must review smarter lunchroom tools and strategies. Additional promotional activities include contests, surveys, food demonstrations, taste testing, and farm to school programming.)
- Physical activity (Recommended that SFAs offer time for students to meet the 60 minute goal, this could include recess, classroom physical activity breaks, and opportunities for physical activity before and after school.)
- Guidelines for all foods and beverages sold on the school campus during the school day (The LWP must contain guidelines for Federal school meal requirements and competitive food standards [Smart Snacks]).
- Guidelines for all foods and beverages provided on the school campus during the school day (SFAs must develop standards for foods provided to students, this includes classroom parties, schools celebrations, food offered as rewards/incentives.)
- Guidelines for food and beverage marketing (At a minimum, SFAs must restrict marketing to food and beverages that meet competitive food standards on the school campus during the school day.)
- Public involvement and committee leadership (SFAs must invite and allow for a diverse group of stakeholders to participate in the development, implantation, review, and updating of the LWP. SFAs must also identify the official responsible for oversight of the LWP to ensure school compliance.)
- Implementation, assessment and update of policy (At a minimum, SFAs must notify the public about the content, implementation of, and updates to the LWP. SFAs must complete a triennial assessment to evaluate compliance with the LWP, how the LWP compares to model wellness policies, and progress made in attaining the goals of the LWP).

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).

Findings and Corrective Action Needed: Local Wellness Policy

Finding: SFA LWP meets some but not all requirements as stipulated above. The SFA also did not have a wellness committee and was not notifying the public about the ability to participate on the committee.

Corrective Action Required: Please provide a statement on how you will address forming a committee and notifying the public of the opportunity to participate on the committee. Please provide a timeline for updating your policy to become compliant with the final rule. In addition, provide a statement of understanding that the SFA is aware of the triennial assessment to evaluate compliance and notify the public. **Corrected on-site, no further action needed.**

Smart Snacks

The Smart Snacks Final Rule, published in the Federal Register on July 29, 2016, finalized science-based nutrition guidelines for competitive foods sold on the school campus during the school day.

Foods and beverages sold in schools must meet both the general standards and nutrient standards unless the sales qualify for an exemption. More information is available on the [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>).

Entrées, snacks, and sides must meet one of the following criteria: be a whole grain-rich product; have a fruit, vegetable, dairy product, or protein food (meat, beans, poultry, etc.) as the first ingredient; or be a combination food with at least ¼ cup fruit and/or vegetable. Nutrient standards should be assessed for the serving size available for purchase and include all accompaniments.

Consider the [Smart Food Planner](#) to menu plan, find new recipes, browse compliant products, create personalized product lists, and more. According to the Alliance for a Healthier Generation, “Products listed as ‘Smart Snacks Compliant’ were determined to meet nutrition standards based on the product’s ingredient statement and Nutrition Facts Panel at a specific point in time. Compliance is monitored as an ongoing process.”

Smart Snacks Finding: The SFA does not account for accompaniments when determining whether food items meet the Smart Snacks standards.

Required Corrective Action: Submit one to three sentences describing how the SFA will account for accompaniments when determining whether food items meet Smart Snacks standards.

Professional Standards

Commendations/Comments/Technical Assistance/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](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/professional-standards-hiring-chart-by-district-size.pdf) are based on the size of the 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>).
- Per SP 38-2016, any School Food Service Director hired after July 1, 2015 that does not meet the minimum education requirements cannot use the nonprofit school food service account to pay their salary; this would be an unallowable cost and the SFA’s general fund may be used to pay the salary of a new director who is actively pursuing the minimum education requirements.

Professional Standards: Training Requirements

- Annual training must be job-specific and intended to help employees perform their duties well. The required annual training hours vary according to the employee’s role in the management and operation of the school nutrition program.
- Trainings can be provided in a variety of formats (online, in person, webinars) and through various providers (DPI, USDA, in-house, etc.).

- SFAs should clearly document all required training information and maintain that file including the name of staff person, date hired, title/position, brief list of core duties/responsibilities, status (full, part-time, substitute, volunteer, etc.), professional standards position (director, manager or staff). Learning codes are not required, but encouraged. A template tracking tool is posted to our [Professional Standards](http://dpi.wi.gov/school-nutrition/training/professional-standards) webpage (<http://dpi.wi.gov/school-nutrition/training/professional-standards>).

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.

Water

Commendations/Comments/Technical Assistance/Compliance Reminders

Water is required to be available at no charge to students during the lunch and breakfast meal services. Schools can provide free water in a variety of ways, such as water pitchers and cups on lunch tables, a water fountain, or a faucet that allows students to fill their own bottles or cups.

For more information and resources on the water requirement, see our [Water Availability webpage](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/water-availability) (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/water-availability>).

Food Safety and Buy American

Commendations/Comments/Technical Assistance/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). The [Office of Food Safety](http://www.fns.usda.gov/ofs/food-safety) website (www.fns.usda.gov/ofs/food-safety) includes food safety resources.

Food Safety Inspections

- Every school operating USDA School Child Nutrition Programs must have two food safety inspections during each school year: including food safety inspection and a review of the site's Food Safety Plan.
- Food safety inspection reports must be posted in public view. Posting the food safety inspection report in the same location as the "And Justice For All" poster can be a convenient way to have both items publicly visible.

Temperatures

- All cooling equipment must have internal temperatures taken and recorded daily on temperature logs. Posting them directly on the equipment makes recording convenient and a regular part of daily routines.

Food Safety Plans

- All schools must have a comprehensive, site-specific food safety plan on-site which includes all process 1, 2, and 3 items, all applicable standard operating procedures (SOP), all equipment, and a

listing of food service staff at that site. The food safety plan must be reviewed annually. A prototype food safety plan template as well as template SOPs may be found on the [SNT Food Safety](https://dpi.wi.gov/school-nutrition/food-safety) webpage. (<https://dpi.wi.gov/school-nutrition/food-safety>)

Food Employee Reporting Agreements

- All food service employees must have a signed [Food Employee Reporting Agreement](https://datcp.wi.gov/Documents/foodemployee-reporting-agreements-supplement.pdf) on file (<https://datcp.wi.gov/Documents/foodemployee-reporting-agreements-supplement.pdf>).
- Employees must sign a new Food Employee Reporting Agreement form if changes are made to the document. While there are no requirements as to how frequently food service employees must sign a Food Employee Reporting Agreement form, it is the best practice for each food service employee to annually review and sign an agreement to reinforce the information contained in the document.

Buy American

If no country of origin is identified on label, and country of origin cannot be located on the distributor's online catalog or website, 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. Alternatively, consider the [Buy American Provision Attestation for Agricultural Product\(s\) Purchased Between School and Contractor](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-attestation.docx) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-attestation.docx>). By signing this Attestation, the Contractor is attesting that the agricultural product(s) listed are compliant with the Buy American Provision as defined in 7 CFR Part 210.21(d). The label should indicate if the product is grown, processed, and packed in the continental U.S. and any U.S. Territories. If the 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. For more information, visit the [Buy American Provision webpage](https://dpi.wi.gov/school-nutrition/procurement/buy-american) (<https://dpi.wi.gov/school-nutrition/procurement/buy-american>).

Finding: The following products were identified in vending SFA's storage area as non-domestic and not listed on the SFA's Buy American Non-Compliant Product List:

- Canned apricots from China
- Frozen California blend vegetables from Mexico
- Frozen broccoli cuts from Mexico

Required Corrective Action: Update the SFA's Non-Compliant Product List to include any noncompliant products listed above. Provide copies of the updated forms.

Summer Food Service Program (SFSP) Outreach

Commendations/Comments/Technical Assistance/Compliance Reminders

A goal of USDA Child Nutrition Programs is to ensure all students have access to healthy and nutritious meals year-round. USDA requires all SFAs to inform families of where their students can receive a free meal in the summer months. SFAs can inform families of summer meals via the following methods:

- Promotion of the [summer meals locator](https://dpi.wi.gov/community-nutrition/sfsp/find-summer-meals-site) on the DPI Summer Meals webpage (<https://dpi.wi.gov/community-nutrition/sfsp/find-summer-meals-site>)
- Promotion of calling 211 to locate meals in the area
- Promotion of the ability to text 'food' to 877-877 to locate meals in the area
- Promotion of the USDA [Summer Food](http://www.fns.usda.gov/summerfoodrocks) website (<http://www.fns.usda.gov/summerfoodrocks>)

Resources:

- To access an inclusive map of all potential participating sites in your area, see the [interactive map](#) on the SFSP website (<http://www.fns.usda.gov/capacitybuilder>).
- For more information on Summer Feeding option contact:
Amy J. Kolano, RD, CD, Summer Food Service Program Coordinator
Phone: 608.266.7124; e-mail: amy.kolano@dpi.wi.gov

Technical assistance was provided to the SFA to provide information at the end of the school year regarding summer meals outreach.

6. OTHER FEDERAL PROGRAMS REVIEWS

Carolyn Stanford Taylor, State Superintendent of the Department of Public Instruction shares a vision that every student will graduate prepared for college and career. Her 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](https://dpi.wi.gov/statesupt/every-child-graduate) webpage (<https://dpi.wi.gov/statesupt/every-child-graduate>).”

