

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

SFA Name: Milwaukee Scholars- 408129

Administrative Review Conducted on: 2/8/2017

Sites Selected for Review: Milwaukee Scholars

Commendations & Suggestions

Outstanding job meeting all of the requirements for breakfast and lunch. All daily and weekly meal component and food quantity requirements were met for the week of menu review.

The table set up for the lunch service looks great. It's easy for the students to see what needs to be selected for a reimbursable meal.

All staff work well together and have a great rapport with the students. Staff provide a friendly environment for the students.

Other areas of Technical Assistance (NOT requiring Corrective Action)

The SFA should keep all back up documentation such as the meal tally sheets and the rosters for each classroom used for the point of service for breakfast. It was recommended that a small summary sheet is created and maintained on file to show the total number of meals served at breakfast per day.

All paperwork should be organized in a way so it is easily accessible. Recommend developing a filing system to help keep all program paperwork together.

Date Corrective Action Plan was provided to SFA: 3/3/2017

Due Date for Corrective Action Plan: 3/31/2017

The following pages address the findings that were identified during your Administrative Review.

For each finding you will be presented with the following:

The finding, and details specific to the SFA regarding the finding

A summary of the regulation / requirement

The Code of Federal Regulations citation number or alternate resource citation

Suggested guidance for the SFA in order to achieve compliance

SFA area for reply to state how, when and by whom corrections will be made

Please provide a detailed response to each finding in the spaces provided.

Finding #1

800. The SFA is using the incorrect civil rights statement. They are using an outdated version of the statement.

Technical Assistance Provided

During the review the requirement for the civil rights statement to appear on all Program material was discussed with the SFA. The SFA must use the statement on all Program material. This includes the back to school packet that has information that the school is participating in CEP. Please visit this site for the correct statement: <https://www.fns.usda.gov/fns-nondiscrimination-statement>

Regulation / Citation and Summary

FNS Instruction 113-1 IX A 3 Nondiscrimination Statement. All information materials and sources, including Web sites, used by FNS, State agencies, local agencies, or other subrecipients to inform the public about FNS programs must contain a nondiscrimination statement. It is not required that the nondiscrimination statement be included on every page of the program information Web site. At the minimum, the nondiscrimination statement, or a link to it, must be included on the homepage of the program information.

SFA Suggested Guidance for Compliance

To come into compliance with civil rights requirements, the SFA must submit an assurance to the State Agency that the current non-discrimination statement has been added to all program materials. In addition, the SFA must submit a sample of program materials, such as a menu or letter to households with the statement added to the State Agency.

SFA Response

Finding #2

705. The SFA charged unallowable costs to the food service account.

Technical Assistance Provided

During the resource management comprehensive review, it was determined that the SFA charged unallowable costs to the food service account. The SFA is responsible for ensuring no unallowable expenses are made using food service funds, and should have internal controls in place to prevent such unallowable costs from occurring. Examples of internal controls include staff training on allowable costs, developing written policies & procedures so only trained, authorized personnel can approve food service expenses, and segregation of duties. An extensive list of allowable and unallowable costs can be found in 2 CFR Part 200, Subpart E. Additional technical assistance was provided in an email to the food service specialist.

(1) The SFA charged \$3,300 in SY 15-16 for trash costs incurred by food service. This amount was determined by taking a 50% allocation of the school's trash bill. The SFA did not have documentation to substantiate the 50% usage. The SFA must have a recent usage study on file to properly allocate the food service program's portion of the trash costs.

(2) The SFA charged \$17,029 to allocate a portion of the administrative salaries to food service. The allocation was for the principal and secretary's time spent working for the food service program. This expense is allowable, but the SFA must be able to substantiate the allocation with timesheets or an annual time study. The SFA was unable to provide documentation to support the allocation.

Regulation / Citation and Summary

210.14 Resource management. (a) Nonprofit school food service. School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, except that, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. Expenditures of nonprofit school food service revenues shall be in accordance with the financial management system established by the State agency under § 210.19(a) of this part. School food authorities may use facilities, equipment, and personnel supported with nonprofit school food revenues to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.).

SFA Suggested Guidance for Compliance

As the corrective action response, the SFA should provide documentation showing that the food service account was reimbursed for the unallowable expenditures charged in SY 15-16. This could include providing documentation (such as a time study or usage study) that retroactively substantiates the allowable allocation for administrative salaries and/or trash usage, to show that the amounts charged to food service were allowable. If it is determined that the food service program was overcharged for either of these expenses, the food service account should be reimbursed for the overcharge. Additionally, please explain how internal controls have been improved to ensure only allowable costs are charged to food service in the current school year and in future years.

SFA Response

Finding #3
324. The meal tally sheets and rosters used for the point of service are not being maintained on file. The same number of meals were claimed on multiple days for the review month and the month between the month of review and the month of the on-site review.
Technical Assistance Provided
Records must be retained for three (3) years after the final Claim for Reimbursement for the fiscal year or until the resolution of any audits. It was determined that the SFA was not retaining records for 3 years after the final Claim for Reimbursement. The requirement for the SFA to retain records for the required time period was discussed with the SFA. During the review, counting and claiming were discussed with the SFA. The SFA has claimed meals in error based on inaccurate counting and/or claiming procedures. To be in compliance, the SFA must ensure that meal counts are being recorded accurately and that claims are being filed correctly. Proper counting and claiming procedures were reviewed with the SFA. The SFA acknowledged the finding and will implement needed changes immediately.
Regulation / Citation and Summary
210.23 (c) Retention of records. State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit.
SFA Suggested Guidance for Compliance
To come into compliance with reporting and recordkeeping requirements, the SFA must provide written assurance that the appropriate staff understand these requirements, and the SFA must put a plan in place to ensure future compliance. Please submit the assurance and plan. The plan must include: an indication that records will now be maintained for required time period, the process that has been put into place to ensure that all required records will be maintained for 3 years after the final claim for reimbursement or until the resolution of an audit, and state the person(s) name(s)/title(s) who will oversee that all records are properly retained. Please submit 30 operating days of breakfast and lunch meal counts with all supporting documentation.
SFA Response