

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

School Food Authority: Three Lakes School District

Agency Code: 43-5733

School(s) Reviewed: Three Lakes Elementary School

Review Date(s): February 5-6, 2019

Date of Exit Conference: 2/6/19

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).

Appreciation/Commendations/Noteworthy Initiatives:

Thank you to the District Secretary, Determining Official, Food Service Director and staff for the courtesies extended to us during the on-site review and for being available to answer questions and provide additional information. Everyone was very friendly, helpful, 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 DPI review team appreciates the eagerness of the staff, involved in the School Nutrition Programs, to make sure they are following the regulations correctly. The Food Service Director is doing a great job overseeing the program and shows great passion to feeding students healthy meals.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Certification and Benefit Issuance

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

The total number of eligibility determinations reviewed was 163. Of those determinations, there were zero errors.

Effective Date of Eligibility

- The start date of eligibility is always the date the application is approved and signed by the Determining Official.
- SFAs may establish the date of submission of an application (stamp received) as the effective date of eligibility, rather than the date the application is reviewed and eligibility is determined. This flexibility applies only to complete applications containing all required information. See SP 11-2014 for more information. You must receive prior approval from Karrie Isaacson to use this flexibility. You can contact her at karrie.isaacson@dpi.wi.gov for more information and approval.

Transferring Students

- When a child transfers in to your school midyear, the Determining Official (DO) can request documentation to support the child's benefit status from the former school or the household can provide it.
- Appropriate documentation would be a copy of the approved application or a copy of the Direct Certification output match file which shows the DC code he/she matched to.
- If you receive a copy of the approved application determined at the prior school, the Determining Official must re-determine the application, sign, and date it. A notification of eligibility letter must go out to the household notifying the benefit and start date of eligibility.
- The start date of eligibility is the date the DO re-determined the application.

Public Release

- All SFAs are required to distribute a [Public Release](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/free-reduced-applications#apps) before the start of the school year (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/free-reduced-applications#apps>). The purpose is to inform the public that free and reduced price meals are available.
- SFAs must annually distribute the Public Release to three of the following places:
 - Local news media
 - Grassroots organizations (local organizations providing services to populations in need such as laundromats, social service agencies, libraries, grocery stores, WIC offices, food pantries, senior centers, physician offices/clinics, Community Action Program Agencies)
 - Major employers contemplating or experiencing large layoffs
 - Local Unemployment Office (as applicable)
- SFAs are not required to pay to have the public release published but must maintain documentation of whom it was sent to along with the specific materials distributed. You may request the public release to be published as a public service.

Sharing Information with Other Programs

- The LEA must seek written consent from the parent or guardian to use the information provided on the application or through direct certification for non-program purposes, such as athletic or testing fee waivers, registration fee waiver, school fees, etc. Consent must be obtained each school year. Find the [Sharing Information with Other Programs](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sharing-info-other-programs.doc) template on the Free and Reduced Meal Applications and Eligibility webpage (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sharing-info-other-programs.doc>).
- For anyone receiving eligibility information to approve students for non-food service program benefits after parental consent is received, the *Disclosure Agreement* form should be signed and on file at the district. A template [Disclosure of Free and Reduced Price Information](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/disclosure-agreement.docx) form is located on the SNT website (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/disclosure-agreement.docx>).
- The household can “self-disclose” by bringing in a copy of their free/reduced approval notice or direct certification approval letter to the designated official operating the outside program. This option removes food service from these types of requests and is preferred. DPI recommends limiting the number of staff members responsible for collecting this data (e.g., one school secretary who has been trained on confidentiality, rather than each athletic coach).

Verification

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

- The SFA had to verify one application. The household responded and there was no change in status.

Meal Counting and Claiming

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

- No errors were found on the monthly claims for reimbursement on the NSLP or SBP claims.

Findings and Corrective Action Needed: Meal Counting and Claiming

- ❑ **Finding #1:** The POS system is not an accurate reflection of the number of reimbursable breakfasts served. At breakfast, the cashier writes down the student names and then goes into the food service software to record each sale. However, while watching breakfast, not every student name that took a breakfast was written down on the paper and charged. The DPI review team witnessed multiple students walking past the point of sale (POS) with their food and were not charged in the computer or written down on the paper. If students took a la carte, it was not written down next to their name. The DPI review team is concerned reimbursement money is being lost by not counting all students for reimbursable meals, as well as losing revenue from a la carte food items.

Corrective Action Needed: Discontinue the practice of writing down student names as a way to take breakfast counts, immediately. Students must be charged in the computer as they take a reimbursable breakfast. Reach out to the software company and ask if they have pin pads to allow the students to type in a pin number at the point of sale. Otherwise, begin scanning each child’s barcode and make them wait to be checked out to ensure you are charging all customers correctly. **Submit a statement in writing to the consultant of how you will be handling the point of sale at breakfast in order to get an accurate count of all sales, effective immediately.**

- ❑ **Finding #2:** Students were observed walking past the POS and not stopped by the cashier to allow time to charge them within the food service software at lunch. The cashiers know each student by name and will often times type in the student name before the student gets to them, letting the student know they have been charged. Students have grown accustomed to the cashiers knowing them by name and as a result, the students do not stop at the cashier to make sure they have been charged for their meal or that they took a reimbursable meal. Lunch is chaotic already and the older students often take a la carte items which makes it difficult for the cashiers to charge them accordingly when the students do not stop at the POS. It is a concern that money is being lost under the program.

Corrective Action Needed: Discontinue this practice. Check off the students one by one when they get to the POS, not before. Do not let the students pass the point of sale until the cashier has charged them in the software system. **Submit a statement in writing to the consultant of how the cashiers will be handling the point of service at lunch for all grades, effective immediately.**

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

Thank you to the Food Service Director, school nutrition professionals, and staff at Three Lakes School District. We appreciate your time and efforts spent preparing for and participating in the onsite review. All documentation submitted for the week of review was thorough and organized, which greatly expedited the review process. Additionally, we appreciate your flexibility in scheduling the onsite review. The food service staff has many commendable practices in place, including placing additional signage in the breakfast serving line to remind students to take at least ½ cup fruit, posting a riddle in the serving line, and placing an Offer versus Serve (OVS) reminder at the point of service. All staff showed great rapport with students, with one staff member having exceptional interactions with many students. Thank you for all that you do for the students of Three Lakes School District!

Comments/Technical Assistance/Compliance Reminders

Menu Planning Worksheets and Production Records

- Completing a menu planning worksheet for each week of the cycle menu is a great practice! However, there was some confusion over the minimum and maximum meat/meat alternate (M/MA) and grain quantities. These numbers should reflect the amounts that students may access. For example, on the salad bar, if a student were allowed to select 1 oz eq ham and 1 oz eq cheese, the daily minimum would be 2 oz eq M/MA because the menu planner is allowing students to select both. The maximums should be set by the menu planner as the maximum amount a student would be able to select without being charged extra. These numbers reflect how the menu is planned, and not what a student may select under Offer versus Serve.
- The menu planning worksheets should be completed based on how the menu is planned. Production records document that food meeting the meal pattern was served in the appropriate serving sizes.
- The production records must include the planned serving size to inform staff of the amount that students must be served so that the menu credits as intended. Including crediting information on the production records is encouraged, but not required. It may be helpful to include both the planned serving size and the crediting on the menu planning worksheet to ensure all daily and weekly quantity requirements are met.

- A few items offered during the week of review were recorded on the menu planning worksheet, but not on the production record. All foods offered as part of a reimbursable meal must be recorded on the production records. Incomplete production records may result in missing component or insufficient quantity findings and fiscal action on the next Administrative Review.
- The lunch production record template currently in use contains language that is not current, like the Four of Five service option.
- The total number of planned meals must be recorded on the production record, along with the total number of actual meals served.
- If the actual number of servings or actual quantity prepared varies from the planned amounts, both numbers should be recorded on the production records.
- Any accommodations made for students with special dietary needs that are outside of the planned menu must be documented on the production record.
- The breakfast production records submitted for the week of review did not include the specific varieties of cereal or juice offered, but staff was recording this specific information during the onsite review. Continue to record this information or consider creating juice and cereal recipes using the same method used to create the milk recipe.
- Continue to work with all staff members to record planned usage, actual usage, and leftovers for all menu items.
- Production record templates for breakfast and lunch can be found on our [Production Records](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/production-records) webpage (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/production-records>).

Salad Bar

- Students are offered a full reimbursable meal in the daily salad bar line. This is a great second meal option for students and encourages vegetable consumption. However, it was noted on production records and during the onsite review that student participation is low in comparison to the work that goes into preparing the salad bar. Consider surveying students or asking nearby districts for salad bar menu ideas to boost participation.
- Homemade soup is offered daily on the salad bar as an extra. All items offered with the reimbursable meal, including those offered as extras, must be included in the dietary specifications (calories, saturated fat, trans fat, and sodium). The production records submitted for the week of review show that usage is minimal and the weighted usage would not greatly affect the dietary specifications. Consider crediting the soups toward the meal pattern components to provide students with another option to build a reimbursable meal in the salad bar line.
- The salad bar should be included on the monthly menu as a daily reimbursable meal option. It may either be listed daily or may be listed in one place on the menu and include a statement that says the salad bar is offered daily as a reimbursable meal option.
- Since students may build reimbursable meals from the items offered on the salad bar, portion sizes should be communicated to students with signage. This could be done with one sign at the beginning of the salad bar line or with smaller signs for each food offered. The School Nutrition Team (SNT) has a [Salad Bar Signage Template](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/salad-bar-signage-template.docx) with pictures that can be posted on a salad bar (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/salad-bar-signage-template.docx>).
- Consider pre-portioning the meat/meat alternates offered on the salad bar. This will ensure students select the correct portion to satisfy the intended crediting. This will also limit excessive usage.

Juice Limit and Duplicates

- No more than half (50 percent) of the fruit offered over the course of a week can be in the form of juice. It is possible to offer juice daily and still meet the 50 percent juice limit as long as it is offered along with fruit (fresh, frozen, dried, or canned).
- Use caution when determining if students can select duplicate juice cups with meals. SP 10-2012, Questions and Answers on the Final Rule defines an “offering” of fruits or vegetables for the purposes of assessing the juice limit, as “the amount a child is able to select at a given meal, regardless of the number of options/variety of fruits or vegetables. The total amount of juice available at all meals over the course of the week (separately for lunch and breakfast) is then divided by this total fruit offering to determine the weekly juice offering. No more than half of the total fruit offering may be in the form of juice.”
- When analyzing the juice limit, consider the total amount of fruit students are able to select each day and how much juice to which they have access.
 - If 1 cup of fruit is offered daily in the form of ½ cup juice and ½ cup fruit, the students have access to 2.5 cups of juice and a total of 5 cups of fruit over the week.
 $2.5 \text{ cups juice} / 5 \text{ cups fruit} = 50 \text{ percent}$
In this situation, duplicates of juice are not allowed.
 - If students are allowed to take duplicates, they have access to 1 cup of juice at breakfast each day, or 5 cups of juice over the week.
 $5 \text{ cups of juice} / 5 \text{ cups of fruit} = 100 \text{ percent}$
Therefore, while students can take duplicate serving of the fruit at the discretion of the menu planner, they cannot take two juices.

Offer versus Serve (OVS) Training

- Staff working at the point of service on the day of review showed an understanding of OVS at both breakfast and lunch and have been trained. Keep the Offer versus Serve - [Meal or No Meal PowerPoint presentation](#) or [webcast](#) for in mind for future staff training or meetings (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/ovs-meal-or-no-meal-2018.pptx>; https://media.dpi.wi.gov/school-nutrition/offer-versus-serve-meal-or-no-meal/story_html5.html)

Social Media

- You are encouraged to share photos of your meals, decorations, and events with the DPI School Nutrition Team for posting on our social media accounts. Visit the [School Nutrition Programs](#) webpage and look for the “share” button on the right side of the page (<https://dpi.wi.gov/school-nutrition>).

Team Nutrition Workshop

- The food service director is encouraged to attend Wisconsin Team Nutrition’s Teaming Up to Increase Participation workshop on June 19, 2019 at Chula Vista Resort (Wisconsin Dells). This one-day workshop will feature a keynote address that will encourage school nutrition staff to recognize that the true magic kingdom is the school cafeteria while teaching participants how to create magical experiences for their students. The workshop will also showcase speakers well-versed in three different areas: Smarter Lunchrooms; marketing and communications; and alternative service models. Through facilitated conversation and peer-to-peer discussion, attendees will identify strategies to implement and leave the workshop with a plan of action for moving forward. The cost to attend the workshop is \$30. More information about the workshop is available on the [School Nutrition Training](#) webpage (dpi.wi.gov/school-nutrition/training/increase-participation-workshop).

Findings and Corrective Action Needed: Meal Pattern and Nutritional Quality

Non-reimbursable meal: One student at Three Lakes Elementary selected a non-reimbursable meal during breakfast meal observation on February 6, 2019. The student's meal only contained a juice. Incomplete meals claimed for reimbursement on the day of onsite review will be subject to fiscal action.

❑ **Meal Pattern Finding #1:** There was a weekly grain shortage on the salad bar line during the week of review. Students were offered 7.0 oz eq grain during the week, which does not meet the weekly K-8 meal pattern requirement to offer a minimum of 8.0 oz eq grain. Outlined below are the minimum daily grain contributions:

- Monday: 1.0 oz eq grain from whole grain dinner roll
- Tuesday: 2.0 oz eq grain from the tortilla chips
- Wednesday: 1.0 oz eq grain from whole grain dinner roll
- Thursday: 1.0 oz eq grain from whole grain dinner roll
- Friday: 2.0 oz eq grain from the wheat bread

Corrective Action Needed: Submit a statement explaining how this weekly grain shortage will be fixed during the week of review. Include any necessary serving sizes, nutrition facts labels, ingredients lists, and/or crediting documentation.

Repeat violations of weekly grain quantity shortage during subsequent Administrative Reviews may result in fiscal action.

❑ **Meal Pattern Finding #2:** Every grain served and credited as part of a reimbursable meal needs to be whole grain-rich, meaning 50% or more of the product needs to be whole grain. The sliced bread offered during the week of review was not whole grain-rich.

Corrective Action Needed: Find new, whole grain-rich version of the bread or an alternate product. Submit the serving size, nutrition facts label, ingredients list, and/or crediting documentation.

❑ **Meal Pattern Finding #3:** There was confusion over the planned serving size, creditable amount, and the actual serving size for the ham offered on the salad bar on the day of review. The ham was planned to provide 2 oz eq M/MA, per the menu planning worksheet. However, when the actual serving size was weighed, it was less than the 1.22 oz required to credit as 1 oz eq M/MA. This was corrected prior to meal service and enough ham was offered to credit as 1 oz eq M/MA. The **planned serving sizes** for all items should be included on the production records. This informs staff of the amount that students must be served to credit as intended. The **crediting** should be used on the menu planning worksheets and may be included on the production records.

Corrective Action Needed: Submit updated salad bar production record templates for the week of review showing that all items have a planned serving size. This should be the amount (volume or weight) actually served, not the creditable amount.

❑ **Meal Pattern Finding #4:** The production records for the main serving line at lunch were inconsistently filled out or missing necessary information. Please refer to the above technical assistance and the production records "[Must Haves](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/production-record-requirements.pdf)" list for what is required (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/production-record-requirements.pdf).

Corrective Action Needed: Submit one week of lunch production records from the main serving line showing all required information is documented for all items offered with the reimbursable meal.

3. RESOURCE MANAGEMENT

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

Annual Financial Report (AFR)

- 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 nonprogram food compliance which is highly recommended. The [Annual Financial Report instructions](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/annual-financial-report-instructions.pdf) are located on the DPI website (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/annual-financial-report-instructions.pdf>).
- Any milk served to paid students within the WI School Day Milk Program must be recorded as a Nonprogram Food revenue on the Annual Financial Report. Expenditures for the paid milk served under the WSDMP would be recorded under Nonprogram foods as well.
- 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 “Purchased Services” report any time you pay someone for services provides such as equipment repair and health inspections.
 - Under “nonprogram 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 purchased service for public schools.

Allowable Costs

- Bad debt from unpaid student lunch accounts is an unallowable expense to the food service program. A transfer must be made from non-federal funds to cover student account write-offs. [SP23-2017 Unpaid Meal Charges guidance Q & A](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) may be found our Financial Management webpage (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>).

Unpaid Meal Charge Policy

- The SFA has a policy in place. The following is technical assistance regarding the policy and alternate meals.
- It is advised that the policy includes more detailed information regarding when households will be notified of negative account balances, how often and the mode of how they will be notified. If you choose to serve alternate meals to students that have reached a certain negative account balance that should be included in the policy as well.

- Notify the households of the policy at the beginning of the school year and many times throughout the year so they are aware.
- Students that are free eligible may not be denied a meal even if they have a negative account balance. If a Reduced eligible or Paid student brings money in hand to buy a meal that day, and they have a negative account balance, they must be allowed to purchase a meal that day.
- You may deny a reduced or paid student a meal if they have surpassed the negative amount set in the policy (for example, -\$20.00) and offer them an alternate meal.
- If students are not taking a reimbursable meal, they must be charged the a la carte (nonprogram food) price that covers the cost of those items as you are not getting federal reimbursement for anything but a reimbursable meal. You'll want to make sure whoever is working the point of sale that they know what a reimbursable meal is and to make sure to ask students if they want to take a half cup fruit or vegetable and/or a third component to make a reimbursable meal. The more reimbursable meals you serve, the more money you get in reimbursement for the program.
- If the policy states you will offer an alternate meal to students that surpass the negative amount set forth in the policy, you should state what the alternate meal will be and how the student will be notified they are receiving the alternate meal. You may also want to include where the student will receive the alternate meal. Some districts call the students to the office to discreetly tell the student they will be receiving the alternate meal that day on the lunch service line, or they will call the students to the office to hand them their alternate meal.
- The alternate meal is meant to encourage students to bring money or have their parent/guardian deposit money into their lunch account. You are still feeding the student by offering the alternate meal, but offering a less desirable meal option for them. You may refer to the [Unpaid Meal Charges "In a Nutshell"](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf) to see your options regarding alternate meals. Depending on whether you claim, charge, or giveaway the alternate meals, there are rules for each option. (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>)
- You may have a stricter policy for the older grades than the younger grades, such as cutting the older students off from getting an alternate meal. This is a district decision.
- If you decide to offer alternate meals free of charge and do not claim them, be sure to keep track of the number of alternate meals you serve throughout the year. Keep track of the food cost, labor, and other expenses as well. Make a transfer from Fund 10 or another non-federal fund (could be the donations) to Fund 50 to cover the costs of these alternate meals.
- 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 snap-shot on what the policy must include, see the [Unpaid Meal Charges In a "Nutshell"](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf) (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>). 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>).

Revenue from Nonprogram Foods

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

- Nonprogram foods include: Adult Meals, A la Carte, Extra Entrees, Extra Milk (for cold lunch or the paid student milk under the WSDMP), Catered Events and a Food Service operated Vending Machine.
- 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.
- The USDA Nonprogram Revenue Tool (the formula shown below) must be completed annually, at a minimum, to ensure all costs of Nonprogram foods are being covered.

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

- To ensure you are pricing all of your a la carte items correctly to cover costs, use the [DPI Nonprogram Food Revenue Tool/Calculator](#) located on our website feeds into the USDA Nonprogram Revenue tool and aids in calculating prices of nonprogram foods and meeting the USDA nonprogram food regulation (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/non-program-food-price-calculator.xlsx>).

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, at a minimum, SFAs must follow the **minimum** pricing guidelines in Food Nutrition Services Instruction 782-5.
- A [Wisconsin Adult Meal Pricing Worksheet](#) has been developed to assist the SFA in pricing adult meals (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/wisconsin-adult-meal-pricing-guide.doc>).
- Remember, adults may only take the same amount of food as the highest meal pattern served (9-12). Adults that take food which exceeds the portion sizes of students in grades 9-12 must be charged extra for those items.

Resources

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

Findings and Corrective Action Needed: Resource Management

- ❑ **Finding #1:** Fund 50 is not being properly reimbursed for catering events. Currently, only the food cost is being billed to the group requesting the catering. Labor and other expenses are not being accounted for. Catering events are not an allowable cost to Fund 50 and must be fully reimbursed including labor, food, and any other costs incurred. For all catering events, list each item purchased for the event, include the labor involved with ordering, receiving, prepping, and cooking. You may choose to mark up the total food and labor costs by 10-15% to cover any overhead costs.

Corrective Action Needed: Moving forward, include all expenses incurred for the catering event, including labor, food costs, and any other costs. **Submit a copy of a different catering invoice from January 2019 and a copy of the General Ledger for Fund 50 to show the amount reimbursed to Fund 50 as revenue.**

- ❑ **Finding #2:** The cost of the nonprogram foods is narrowly being covered by the revenue of nonprogram foods.

Corrective Action Needed: Use the DPI Nonprogram Food Price Calculator tool to price out all nonprogram foods. **Submit a copy of the completed tool, along with a list of new prices, and the date you plan to implement the new prices.**

4. GENERAL PROGRAM COMPLIANCE

Civil Rights

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

- The And Justice For All poster was posted in a publicly visible location at the review site.

Special Dietary Needs

- If accommodating students with allergies by having a specific table to sit at, it is advised to not label it “peanut free” or “allergen free”. Instead, label it “allergen aware” or “peanut aware” as you may not be able to guarantee the table(s) are free from any allergens at all times of the day. The school(s) should have special procedures for 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>).

- Fluid milk substitution rules apply to all federal school nutrition programs, including the National School Lunch Program, School Breakfast, and After School Snack Program, but do not apply to the Wisconsin School Day Milk Program. WSDMP allows juice as a milk substitution and is reimbursable. SFAs may offer lactose-free milk to children who have lactose intolerance without requiring DPI pre-approval for use.

Findings and Corrective Action Needed: Civil Rights

- ❑ **Finding #1:** All food substitutions made outside of the meal pattern requirements must be supported by a signed medical statement from a licensed medical professional. One student requiring accommodations has documentation on file only stating the student’s medical condition. This documentation should be more specific and state what foods the student should not be served and what foods may be offered instead.

Corrective Action Needed: Request a signed medical statement in order to continue to claim the meals offered to this student that do not meet the meal pattern requirements. Submit a copy of the signed medical statement. Personal information may be removed from the submitted copy. A [prototype Medical Statement](#) for Special Dietary Needs posted on the DPI website (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/special-dietary-needs>).

Local Wellness Policy

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

The SFA has a sufficient Local Wellness Policy in place. The committee meets often to discuss and update the policy. Continue to meet and update the policy as needed. More information regarding the policy is included below for reference.

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).

Smart Snacks in Schools

Comments/Technical Assistance/Compliance Reminders

- Foods and beverages sold in schools during the school day must meet both the general standards and nutrient standards unless the sales qualify for an exemption. The school day is considered the period from the midnight before to 30 minutes after the end of the instructional school day. You can find more information on our [Smart Snacks](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks) webpage (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks).
- The Wisconsin Department of Public Instruction (DPI) allows two fundraiser exemptions per student organization per school per school year, not to exceed two consecutive weeks each. An exempt fundraiser may sell foods and beverages that are not allowable under the Smart Snacks rule, but sales may not occur in the meal service area during meal service times. All exempt fundraisers must be documented. Templates, such as the Exempt Fundraiser Tracking Tool, are available on the Smart Snacks webpage, under the resources heading.

Findings and Corrective Action Needed: Smart Snacks

- ❑ **Smart Snacks Finding #1:** One of the non-food service vending machines located in the cafeteria was available for student purchases in the afternoon on the day of review. The bottles of juice offered exceed the allowable juice sizes for all grade groups. Additionally, since the school is a K-12 building, all beverages must meet the Smart Snacks beverage standards for the youngest grade group when available to all students during the school day. Flavored water is not allowable for elementary and middle school students. Please refer to the [Smart Snacks In a Nutshell](#) for the allowable beverages and

size restrictions (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/smart-snacks-in-a-nutshell.pdf>).

Corrective Action Needed: Submit a written statement explaining what will be done with this vending machine in order to comply with the Smart Snacks beverage standards.

Professional Standards

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

Professional Standards: New Food Service Director Hiring Requirements

- The [hiring standards for SFA directors](#) 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](#) 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.

Findings and Corrective Action Needed:

- Finding #1:** Trainings are occurring but not being tracked on a spreadsheet.

Corrective Action Needed: Use the [DPI tracking tool](#) to track trainings. **Submit a copy of a completed tracking tool.**

Food Safety and Storage

Commendations

- The Food Safety Manual was available for review and had all required information minus one SOP for Field Trip meals. The temperature logs were documented well.

Technical Assistance

- The site-specific food safety plan should include SOPs for all programs and procedures utilized at the site.
- The procedures detailed in the SOPs included in the site-specific food safety plan should be followed by all food service staff, student workers, volunteers, and any other people involved in the implementation of Child Nutrition Programs at all times.

Findings and Corrective Action: Food Safety

- Finding #1:** Field Trips are being offered to those attending a field trip. The field trip SOP was not included in the Food Safety manual.

Corrective Action Needed: Print a copy of the [Field Trip SOP](#) and include it in the Food Safety manual.
Submit a copy to the consultant.

Buy American

Comments/Technical Assistance (TA)/Compliance Reminders

- The USDA requires that an 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 is identified on the label, than SFA must get certification from the 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.
 - 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.

- 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 the 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 and Buy American monitoring procedures can be found in the [Contract Management](https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/contract-management) chapter of the *Introduction to the Procurement Policy and Procedures Handbook* (<https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/contract-management>). Additional Buy American monitoring procedures can be found on the [Buy American Provision](https://dpi.wi.gov/school-nutrition/procurement/buy-american/monitoring) webpage (<https://dpi.wi.gov/school-nutrition/procurement/buy-american/monitoring>).
- 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.
- For domestic products without country of origin labeling (COOL), 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). For more information, visit the [Buy American Provision](https://dpi.wi.gov/school-nutrition/procurement/buy-american) webpage (<https://dpi.wi.gov/school-nutrition/procurement/buy-american>).
- More information on this new requirement can be found on the SNT [Procurement](http://dpi.wi.gov/school-nutrition/procurement/buy-american) webpage (<http://dpi.wi.gov/school-nutrition/procurement/buy-american>).

Findings and Corrective Action Needed: Buy American

- ☑ **Buy American Finding:** The following products were identified in the SFA's storage area as non-domestic and not documented:
 - Frozen Broccoli (Mexico)

Corrective Action Needed: Complete and submit a Non-Compliant Product Form for the product listed above. **Corrected onsite; no further action needed.**

Reporting and Recordkeeping

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

- Thank you for completing the required USDA and DPI reports and maintaining the paperwork in an organized manner.

- Be sure to keep all documents pertaining to the School Nutrition Programs for 3 years plus the current school year. You may shred anything from the 14-15 SY and prior.

School Breakfast Program (SBP)

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

- The SFA notifies households of the breakfast program at the beginning of the school year.
- The SFA posts the monthly menu in the schools.
- The SFA must notify families of the availability of breakfast multiple times throughout the school year.

Summer Food Service Program (SFSP) Outreach

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

Summer Meals

A goal of USDA Child Nutrition Programs is to ensure all students have access to healthy and nutritious meals year-round. Even though a summer feeding program is not operated at Three Lakes School District, 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](http://www.fns.usda.gov/capacitybuilder) 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

5. OTHER FEDERAL PROGRAM REVIEWS

Wisconsin School Day Milk Program

Commendations/Comments/Technical Assistance/Compliance Reminders

- The 17-18 SY claim was validated and submitted correctly.
- Currently, grades PreK-3 are participating.
- Students in grades PreK-5 grade are eligible to participate in the Wisconsin School Day Milk Program (WSDMP).

Findings and Corrective Action: WI School Day Milk Program

- Finding #1:** The WSDMP contract is out of date.

Corrective Action Needed: Submit a new contract for the WSDMP for approval.

“The Wisconsin Department of Public Instruction has a vision that every student will graduate prepared for college and career. 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).”



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