

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

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**School Food Authority: Burlington School District**

**Agency Code: 51-0777**

**School(s) Reviewed: Dr. Edward G Dryer School & Waller El**

**Review Date(s): 4/16/18-4/17/18**

**Date of Exit Conference: 4/17/18**

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

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

**General Program Reminders/Updates:**

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

## **Appreciation/Commendations/Noteworthy Initiatives:**

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

## **REVIEW AREAS**

### **1. MEAL ACCESS AND REIMBURSEMENT**

#### **Certification and Benefit Issuance**

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

420 eligibility determinations were reviewed, 6 errors were identified. Fiscal action will not be assessed on these errors, but they need to be corrected.

#### **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 with the household. The SFA may return the application to the household or contact the child's parent or guardian either by phone or in writing/email. The determining official should document the details of the conversation plus date and initial. Applications missing signatures must be returned to the parent to obtain. Reasonable effort should be made to obtain the missing information prior to denying the application.

#### **Application Forms**

If an SFA wishes to change the look or format of the application for Free or Reduced-price school meals or other forms in the application packet, that document needs to be approved by the School Nutrition team at DPI.

#### **Disclosure**

- The information provided by the family on the free and reduced price application is to be used only for determining eligibility for meal or milk benefits. The LEA must seek written consent from the parent or guardian to use the information provided on the application or through direct certification for non-program purposes, such as athletic or testing fee waivers, registration fee waiver, 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>).

#### **Findings and Corrective Action Needed: Certification and Benefit Issuance**

- ✓ **Finding #1:** Six student meal eligibility certification errors were found as indicated on the SFA-1 form.

**Corrective Action Needed:** Follow-up with the household to receive clarification and any missing information. For any household that will be decreasing meal benefit level, send a letter of adverse action providing 10 calendar days to appeal prior to changing the benefit in the point of sale system.

Submit the following to the consultant:

- Copy of an adverse action letter for any decreases in meal benefit
- Copy of any application in which you needed to obtain clarification or missing information. Date and initial communications on the application. Once the application is complete, if this changes the original determination, you may need to send a letter communication an increase or decrease in meals benefit. Increases must be made within 3 days.
- Copy of the SFA-1 form with the "Date of Correction" column complete. This should be the date a letter was sent to the household, or the date an application was clarified and complete.

**Corrected. No further action required.**

- ❑ **Finding #2:** The free and reduced application and DC notification templates do not contain the correct non-discrimination statement. The DC template lacks mention of Medicaid as an eligibility match type.

**Corrective Action Needed:** Update the Skyward templates to contain the correct non-discrimination statement. Update the DC approval template to include mention of Medicaid. Consider utilizing the [DPI templates](#) each school year to ensure all required information is communicated (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/free-reduced-applications#notification-letters>).

- ❑ **Finding #3:** The agency is not in compliance with USDA disclosure guidance. Local officials accessing free and reduced data for non-program federal/state reporting do not have disclosure agreements on file. It is also unclear as to why social workers have "a need to know" free and reduced data *without obtaining prior parental consent*. Per the [Eligibility Manual for School Meals](#) (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/free-reduced-applications#em>) pg. 95:

**Q6. May children's eligibility information be shared with the school guidance counselor?**

*A: Yes, but only with household consent. Free and reduced price eligibility status may not be shared with guidance counselors without household consent. An LEA or school could send a letter to all households informing them of other school-based programs available to households that qualify for free or reduced price meals. Interested households could then contact the guidance office if they are interested in pursuing any of these benefits and to complete a consent form.*

**Corrective Action Needed:**

- a) Submit copies of the signed [disclosure agreement form](#) (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/free-reduced-applications#sharing-disclosure>) for anyone working outside of food service, who is determined to need access to this information (e.g., IT, staff handling state/federal reporting of individual F/R data). The goal is to limit the number of people who need to know this information and make sure these individuals understand the consequences of improper sharing/release of this information. Note: aggregate data (just F/R numbers or percentages without a connection to individual names does not require prior parental sign-off before sharing and often times satisfies the request).

- b) Submit a statement explaining why social workers need access to free and reduced data within Skyward. If the reasoning is unallowable use per the aforementioned guidance, explain how the district will correct the problem. Open access to the F/R meal benefit list within software should never be granted to non-food service program staff for local initiatives.

### **Verification**

#### **Technical Assistance (TA)/Compliance Reminders**

When a benefit eligibility status increases, the change must take place within 3 days. When a benefit eligibility decreases, the change cannot take place before 10 calendar days and a notice of adverse action is sent in writing with appeal rights procedures.

### **Meal Counting and Claiming**

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

- The meal counting and claim for the review month was conducted perfectly.
- 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.

## **2. MEAL PATTERN AND NUTRITIONAL QUALITY**

### **Commendations and Appreciations**

Sincere thanks to the Food Service Director and school nutrition professionals of Burlington School District, including Dyer Intermediate and Waller Elementary. We appreciate your time and efforts spent preparing for and participating in the onsite review. School nutrition professionals at Dyer Intermediate prepare model trays at lunch and at breakfast to show students what is included with their reimbursable meals. The model tray is accompanied by signage, listing the menu by component. The school nutrition professional assigned to the POS at lunch at Dyer Intermediate did an exemplary job identifying reimbursable meals and providing customer service. The Food Service Director responded promptly and thoroughly to questions and requests for additional information, which was greatly appreciated.

### **Technical Assistance and Program Requirement Reminders**

#### **Non-reimbursable Meals at Waller Elementary**

Two students at Waller Elementary selected non-reimbursable meals during lunch meal observation on April 17. Students left the meal service line without selecting the required ½ cup fruit, vegetable, or combination. **Incomplete meals claimed for reimbursement on the day of onsite review will be subject to fiscal action.**

#### **USDA Meal Patterns**

Dyer Intermediate, serving students in grades 4 through 6, utilizes breakfast and lunch meal patterns for grades 6-8. At lunch for grades 4-5, the weekly maximum for grains is exceeded by as much as 4.25 ounce equivalents (oz eq). Separating these students is critical to ensuring minimum daily and weekly requirements are met within the dietary specifications appropriate to each age/grade group at Dyer Intermediate. The lunch meal patterns for K-5 and 6-8 grades may be used, or the lunch meal patterns for K-8 grades may be used. The breakfast meal pattern for K-12 grades may be served to all students of the Burlington School District.

Meal service is not structured to comply with the required age/grade group meal pattern requirements. This must be addressed by school or district administration as well as by food service.

### Offer Versus Serve

Food service staff were somewhat unclear about the Offer Versus Serve (OVS) requirements for lunch at Waller Elementary. A substitute school nutrition professional was assigned to the POS. She inappropriately sent students back for additional fruits and vegetables. She did not know that students are not required to take a fruit and a vegetable, and she allowed two students to leave the meal service line without ½ cup fruit, vegetable, or combination. It is important for staff to fully understand the OVS requirements. The [Offer Versus Serve Guidance manual](#) is available on our NSLP requirement website under the OVS heading (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ovs>).

### Production Records

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, standardized recipes, or the Food Buying Guide. Including meal pattern contributions for specified grade groups on production records is not required, though it must be documented and available for staff.

Product substitutions as well as recipe substitutions were contributing factors. The following discrepancies were identified in crediting recipes from the review period:

- Taco Macaroni (M53006) – 1.0 oz eq of grain, 0.75 oz eq of meat/meat alternate (m/ma) per 6 ounce spoodle
- Chicken Ham Turkey and American Cheese Sandwich (M50066) – 1.75 oz eq of m/ma
- Turkey Sandwich (M50480) – 1.5 oz eq of m/ma
- Chicken Salad (M52340) – 1.75 oz eq of m/ma
- Pepperoni Pizza (M53000) – 1.75 oz eq of m/ma

Production records are intended to be useful tools to record information prior to production, during production, and following production. Production records submitted for the review period were considered not to be filled in completely. Continue working with all staff members to record planned usage, actual usage, and leftovers.

### Vegetable Subgroups

The vegetable subgroups are categorized based on nutrient composition. In order to ensure that students are getting a variety of nutrients each week, the USDA lunch meal pattern requires the menu planner to offer students a certain amount of each vegetable subgroup over the course of the week. Beans and peas (legumes) are excellent sources of dietary fiber and nutrients such as folate and potassium. Some foods commonly referred to as beans and peas, such as green peas, lima beans, and green beans, are not considered part of this vegetable subgroup because their nutrient profile is not like those of legumes. Refer to the [Vegetable Subgroups handout](#) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/vegetable-subgroups.pdf>) from the Menu Planning webpage to identify commonly eaten vegetables in each subgroup.

### Pepperoni

The standardized recipe for Pepperoni Pizza (M53000) inappropriately credits pepperoni towards the m/ma alternate component. Per USDA memorandum TA 05-2011, dried pepperoni may credit when used as a topping on CN labeled pizza. Therefore, Smithfield pepperoni may not credit towards daily and weekly meal pattern requirements.

### Crediting Documentation

A CN label or PFS is required for any combination food, m/ma, or other processed food not found in the [USDA Food Buying Guide for Child Nutrition Programs](https://foodbuyingguide.fns.usda.gov) (https://foodbuyingguide.fns.usda.gov). A complete CN label includes the following: CN logo, product name, ingredient statement, and inspection legend. It is important to save actual CN labels from product packaging that include these four things. You may either cut the label off the package, make a copy of the label directly from the package, or take a picture of the label. More information is available on the [Menu Planning webpage](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning) (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning).

When a CN label is not available for a product, that product must have a current, accurate PFS detailing product composition and crediting information in order to be served in Child Nutrition Programs. A complete PFS must be directly from the manufacturer and 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. It is required that this documentation is 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.

### 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 next regularly scheduled Administrative Review (AR). An in-house yield study may be warranted if your food service operation consistently gets higher or lower yield from a product than the yield specified in the FBG, or if a specific food item or size is not currently listed in the FBG (e.g. packaged baby carrots, packaged broccoli). [Specific and verifiable procedures](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/in-house-yield-study-procedures.pdf) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/in-house-yield-study-procedures.pdf), which must be followed, are available on the [Menu Planning webpage](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy) (https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy).

### Corrective Action

**Finding #1:** Incorrect meal pattern during the review week. Dyer Intermediate served the 6-8 breakfast and lunch meal patterns. The school serves students in grades 4 through 6. Two options exist to remedy the situation:

- Serve K-5 breakfast and lunch meal patterns to students in grades 4 and 5, and 6-8 breakfast and lunch meal patterns to students in grade 6
- Serve K-8 or K-12 breakfast and K-8 lunch meal patterns to all students at Dyer Intermediate

**Corrective Action Required:** Submit two to three sentences explaining which meal pattern will be followed to serve students in grades 4 through 6 at Dyer Intermediate. Please explain how the menu will be modified to meet the USDA lunch meal pattern.

**Finding #2:** The daily minimum requirement for m/ma was not met on March 15 as result of an inappropriate portion size of Taco Macaroni (M53006). Standardized recipe directions indicated a portion size of two 6 ounce spoodles. A portion size of one 6 ounce spoodle was planned, offered, and served, which provided 0.75 oz eq of m/ma. Therefore, the daily minimum requirement of 1.0 oz eq was not met. **Insufficient daily quantity of m/ma is a repeat finding subject to fiscal action.**

**Corrective Action Required:** Submit a statement describing how you will meet the daily minimum requirement going forward.

- ❑ **Finding #3:** The weekly minimum requirement for m/ma was not met for lunch during the review period at Waller Elementary. The following represent the minimum oz eq of m/ma offered each day during the review period:
- Monday – Turkey Sandwich (M50480), 1.5 oz eq
  - Tuesday – Beef Meatball Melt (M54030), 1.25 oz eq
  - Wednesday – M52593, M51457, M52736, and M55222, 2.0 oz eq each
  - Thursday – Taco Macaroni (M53006), 0.75 oz eq
  - Friday – Turkey Sandwich (M50480), 1.5 oz eq

The weekly minimum requirement is 8.0 oz eq; 7.0 oz eq were offered during the review period. **Repeat findings during subsequent Administrative Reviews will be subject to fiscal action.**

**Corrective Action Required:** Submit a statement describing how you will meet the weekly minimum requirement going forward.

- ❑ **Finding #4:** The weekly minimum requirement for grain was not met for lunch during the review period at Waller Elementary. The following represent the minimum oz eq of grain offered each day during the review period:
- Monday – Diced Chicken Chef Salad (M53532, offered with one slice of bread), 1.0 oz eq
  - Tuesday – Egg Chef Salad (offered with one slice of bread), 1.0 oz eq
  - Wednesday – Chicken Nuggets (M51457) and Romaine Mix Cheese Salad (M52736, offered with one slice of bread), 1.0 oz eq each
  - Thursday – Chicken Tenders (M52223), Taco Macaroni (M53006), and Turkey Chef Salad (M50170, offered with one slice of bread), 1.0 oz eq each
  - Friday – Ham Chef Salad (M50832, offered with one slice of bread), 1.0 oz eq

The weekly minimum requirement is 8.0 oz eq; 5.0 oz eq were offered during the review period. **Repeat findings during subsequent Administrative Reviews will be subject to fiscal action.**

**Corrective Action Required:** Submit a statement describing how you will meet the weekly minimum requirement going forward.

- ❑ **Finding #5:** The weekly minimum requirement for m/ma was not met for lunch during the review period for students in grade 6 at Dyer Intermediate. The following represent the minimum oz eq of grain offered each day during the review period:
- Monday – Ham Turkey Sandwich (M53270, prepared with Tyson Chicken Ham), 1.75 oz eq
  - Tuesday – Deli Bar (choice of two meats), 1.5 oz eq
  - Wednesday – Italian with Ham (M53250) and Pepperoni Pizza (M53000), 1.75 oz eq
  - Thursday – Grilled Cheese (M53275), 1.75 oz eq
  - Friday – Turkey Sandwich (M50480), 1.5 oz eq

The weekly minimum requirement is 9.0 oz eq; 8.25 oz eq were offered during the review period.

**Repeat findings during subsequent Administrative Reviews will be subject to fiscal action.**

**Corrective Action Required:** Submit a statement describing how you will meet the weekly minimum requirement going forward.

- ❑ **Finding #6:** The weekly minimum requirement for grain was not met for lunch during the review period for all students at Dyer Intermediate. The following represent the minimum oz eq of grain offered each day during the review period:
- Monday – Diced Chicken Chef Salad (M53532, offered with one slice of bread), 1.0 oz eq
  - Tuesday – Caesar Salad (M53865, offered with one slice of bread), 1.5 oz eq

- Wednesday – Italian with Ham (M53250, offered with one slice of bread) and Chicken Tenders (M52223), 1.0 oz eq each
- Thursday – Turkey Chef Salad (M50170, offered with one slice of bread), 1.0 oz eq
- Friday – Popcorn Chicken (M52963) and Ham Chef Salad (M50832, offered with one slice of bread), 1.0 oz eq each

The weekly minimum requirement is 8.0 oz eq; 5.5 oz eq were offered during the review period. **Repeat findings during subsequent Administrative Reviews will be subject to fiscal action.**

**Corrective Action Required:** Submit a statement describing how you will meet the weekly minimum requirement going forward.

- ❑ **Finding #7:** The weekly vegetable subgroup requirement for beans and peas (legumes) was not met at Waller Elementary during the review period. Green peas were substituted for black beans on March 15. No other beans and peas (legumes) were offered during the review period. **Repeat findings during subsequent Administrative Reviews will be subject to fiscal action.**

**Corrective Action Required:** Submit a statement describing how you will meet the weekly vegetable subgroup requirement for beans and peas (legumes) going forward.

- ❑ **Finding #8:** Production records for breakfast and lunch for the review period are incomplete. All required information on the template must be documented for all menu items.

**Corrective Action Required:** Submit three days of completed production records for breakfast and lunch at Waller Elementary and Dyer Intermediate. Include planned portion sizes for all items, as well as all other information on the “must haves” list.

### 3. RESOURCE MANAGEMENT

#### Nonprofit School Food Service Account

#### 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 other) need to be separated by program. This requirement also applies to SFAs with food service management companies and vendors. Properly separating revenues and expenditures by category will aid the school in calculating its “yearly” reference period for nonprogram food compliance. The [16-17 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>).

#### 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>).
- Staff mentioned plans to install LED lighting and new tiling in the café seating area. Expenses for this project must be prorated based on usage. The full cost cannot be assessed to the food service account if other departments use the space (e.g., study hall, meetings, afterschool programming). If the LED lighting and tiles will be updated primarily in the kitchen prep space, this can be supported in full by the food service account.



## Unpaid Meal Charges

### Refunds

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. The SFA must attempt to refund households and any 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 that must be followed (<https://www.revenue.wi.gov/DOR%20Publications/pb82.pdf>).

### Bad Debt

Reviewer noted many high negative balances for delinquent accounts during meal observation. The agency should be running a debit program, not a credit program. As a reminder, if these accounts need to be written off, bad debt is an unallowable expense to the food service program. A transfer must be made from non-federal funds. [SP23-2017 Unpaid Meal Charges guidance Q & A](#) may be found on our Financial Management webpage (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>).

## **Findings and Corrective Action Needed: Nonprofit School Food Service Account**

- ✓ **Finding #1:** The 16-17 SY Annual Financial Report (AFR) was not allocated correctly. FSMC expenditures are all reported under Purchased Services. FSMC expenditures must also be separated into expenditure categories to assist in determining nonprogram food revenue compliance.

**Corrected onsite. No further action required.**

- ❑ **Finding#2:** Cafeteria tables and chairs were purchased during the 1617 SY and the method of allocation was not documented.

**Corrective Action Needed:** Any equipment that is shared between departments must be allocated. The full cost cannot be assessed to the food service account. The method for allocation (time or usage study) should be documented. Submit a written statement explaining your methodology at the time and your understanding that future shared equipment purchases should be supported by documentation.

## **Paid Lunch Equity (PLE)**

The agency was approved for a 17-18 SY PLE exemption.

## **Revenue from Nonprogram Foods**

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

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

- Nonprogram Food costs and revenues must be separated from Program food costs and revenues.
- The USDA Nonprogram Revenue Tool must be completed yearly, at a minimum. The DPI Nonprogram Food Revenue Tool/Calculator located on our website feeds into the USDA tool and aids in calculating prices of nonprogram foods and meeting the USDA nonprogram food regulation (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/non-program-food-price-calculator.xlsx>).
  - Only federal and household per meal reimbursements should be included in the bottom program half of the NP tool. State revenues should not be included. It is a local decision to include USDA Foods value.

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

#### 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>)

#### FSMCs with fixed fee contracts and Nonprogram Foods

As a reminder, the district should annually update the Meal Equivalency Rate according to the per meal federal and state reimbursements within the amendment to renew contract. This ensures a fair meal equivalent count on the district’s invoice from the FSMC.

#### **Findings and Corrective Action Needed: Revenue from Nonprogram Foods**

- ❑ **Finding #1:** The agency is operating a non-program snack and milk break. The cost is being covered by the food service account, but revenue is not coming in for the sale of these items. These transactions are considered nonprogram foods/internal caterings and cannot be supported by program food service funds.

**Corrective Action Needed:** Submit a statement explaining how the agency will correct this issue by either 1) billing the outside department(s) to cover the cost, 2) making a transfer from the general fund, or, 3) documenting the milks and snacks as a catering on the nonprogram food revenue tool. \*If the 3<sup>rd</sup> option is taken, the nonprogram food revenue tool must reflect *annual* program and nonprogram sales, which includes all caterings.

- ✓ **Finding #2:** Caterings (both internal and external) are not being converted meal equivalents on the monthly invoice using the meal equivalency rate.

**Corrective Action Needed:** All caterings (internal and external) must be converted using the meal equivalent rate. By signing this report, the agency agrees to utilize the meal equivalent rate for any catered event.

- ✓ **Finding #3:** Catering expenses and revenues for some internal and all external caterings are not ran through the food service account. All transactions that use food service resources must run through Fund 50.

**Corrective Action Needed:** By signing off on this report, the agency agrees to run all expenses and revenues for caterings through the food service account.

- ❑ **Finding #4:** In the 1617 SY, the FSMC conducted an external catering in the amount of \$1,939.72. This catering was directly billed to the outside organization and the FSMC received all revenue. Direct billing is unallowable as this is comparable to operating a for profit business while using district resources.

**Corrective Action Needed:** Discontinue this practice. If there is an external catering, the district needs to be paid the \$1939.72. The revenue is then converted to meal equivalents and then the school is billed by the FSMC for those meals. Example  $\$1939.72/3.50 = 554$  meals billed to the school.

#### 4. GENERAL PROGRAM COMPLIANCE

##### Civil Rights

##### Technical Assistance (TA)/Compliance Reminders

##### 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.

##### Special Dietary Needs

- 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.

##### Processes for complaints

- All verbal or written civil rights complaints regarding the school nutrition programs that are filed with the district must be forwarded to the Civil Rights Division of USDA Food and Nutrition Service within 5 days.
- 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](https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf)).

##### Findings and Corrective Action Needed: Civil Rights

- ✓ **Finding #1:** The “And Justice for All” poster was not posted in public view where meals are served at Waller El.

**Corrected onsite. No further action required.**

- ✓ **Finding #2:** USDA Civil Rights training was not completed by the determining official, direct certification runner, and the Authorized Representative.

**Corrective Action Required:** Complete Civil Rights training by reviewing the [PowerPoint](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/ppt/civil-rights-training.pptx) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/ppt/civil-rights-training.pptx>) posted to the DPI SNT Civil Rights website. Submit an email statement with date of completion. This is an annual requirement.

**Completed. No further action required.**

- ❑ **Finding #3:** Juice is offered in place of cow's milk as a fluid milk substitute. The agency does not have a medical statement signed by a licensed medical practitioner to support this.

**Corrective Action Required:** Discontinue this practice. Submit a statement explaining how the district will remedy this moving forward.

### **Local Wellness Policy (LWP)**

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

The agency is in full compliance with the minimum requirements for the LWP. Keep up the good work! As a reminder a full assessment of the policy will need to be completed in 2020.

### **Smart Snacks in Schools**

#### **Student Organization Food and Beverage Sales**

There are two situations by which a student organization may sell foods and beverages to students during the school day. The school day is defined as the period from the midnight before to 30 minutes after the end of the instructional school day.

1. If they are selling foods or beverages that **meet** the Smart Snacks standards:
  - a. These foods or beverages may be sold at any time and in any location.
  - b. The organization must keep documentation on file that proves the compliance of the items. This may include nutrition facts labels for purchased foods or beverages, or recipes for anything that is made from scratch. It is also helpful to keep printouts of the results page from the Smart Snacks calculator.
2. If they are selling foods or beverages that **do not meet** the Smart Snacks standards:
  - a. These are considered exempt fundraisers. Each student organization may hold two exempt fundraisers per school per school year. Each exempt fundraiser may be no longer than two consecutive weeks in length.
  - b. Exempt fundraisers cannot occur in the meal service area during meal times.
  - c. Someone in the school must keep track of the exempt fundraisers. Tracking exempt fundraisers is crucial to ensuring that each student organization holding fundraisers that comply with the rule. The process of tracking fundraisers simply means keeping a list of each student organization that has had a fundraiser, noting the length of time and location of the fundraiser, and ensuring that no organization has more than two fundraisers and that each fundraiser is not more than two consecutive weeks. Templates, such as the Exempt Fundraiser Tracking Tool, are available on the [Smart Snacks](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks) webpage, under the resources heading (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>).

#### **Beverage Sales to Multiple Age/Grade Groups**

If multiple grades have access to a la carte beverages, products must meet Smart Snacks standards for the youngest age/grade group. For example, if a la carte beverages are available to 4-6th graders, beverages must meet Smart Snacks standards for the K-5 age/grade group. Only plain water (flat or carbonated), milk (less than 8 fluid ounces; skim [flavored or unflavored] or low-fat [unflavored]), or 100% juice (less than 8 fluid ounces) may be sold to students in the K-5 age/grade group.

### **Findings and Corrective Action Needed: Smart Snacks in Schools**

❑ **Finding #1:** Two beverages (Snapple Juiced [all flavors] and Izze [all flavors]) sold a la carte were determined to be non-compliant with Smart Snacks standards.

**Corrective Action Required:** Indicate in a written response intentions regarding evaluating all foods and beverages for sale a la carte, keeping necessary documentation, using inventories of non-compliant products, and purchasing compliant replacement products.

### **Professional Standards**

Staff have training in job-specific areas. Trainings are tracked well. Keep up the good work!

### **Food Safety, Storage and Buy American**

#### **Food Safety Plans**

The Food Safety Plan was available at both review sites. It was obvious in observing the food service manager/director at work that they are very knowledgeable about food safety practices and safe food handling. All temperature logs, calibration logs, and sanitizing solution logs were up-to-date.

### **Buy American**

#### **Findings and Corrective Action Needed**

❑ **Finding:** The following products were identified in SFA's storage area as non-domestic and not listed on the SFA's Buy American – Noncompliant Product List or SFA equivalent form:

- Frozen mixed vegetables from Canada
- Frozen broccoli from Mexico

**Corrective Action Required:** Update the Noncompliant Product List to include any noncompliant products listed above. Provide copies of the updated forms.

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

Keep up the good work!

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

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

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



*With School Nutrition Programs!*