

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

School Food Authority: Reedsburg School District

Agency Code: 564753

Review Date(s): 11/12/18–11/15/18

School(s) Reviewed: Webb Middle School, Loganville Elementary School

Date of Exit Conference: 11/15/18

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

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

General Program Reminders/Updates:

- The Department of Public Instruction (DPI) School Nutrition Team (SNT) conducts School Nutrition Skills Development Courses (SNSDC) each summer in various locations around the state at no charge. Courses cover many areas of the school nutrition programs including administrative responsibilities, program basics, meal pattern requirements and menu planning, financial management, 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 Reedsburg School District for the courtesies extended during the on-site review. Thank you for being available when answering questions and providing additional information. All were very receptive to recommendations and guidance. In addition, thank you for taking the time to respond to the off-site questions and requests.

The food service director and food service secretary were welcoming, eager to make improvements, and quick to take corrective action steps. The staff at the review sites were accommodating and receptive to suggestions.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Certification and Benefit Issuance

Commendations:

- The determining official did an excellent job reviewing applications, following up with households when needed, and investing effort in resolving software challenges. The determining official was quick to correct benefit issuance errors and exhibited excellent communications with households to ensure eligible families receive meal benefits.

Technical Assistance:

Benefit Issuance Review

- Of the 420 eligibility determinations reviewed, nine errors were identified. These errors have been recorded on the SFA-1 form and are used to determine an error percentage. The error percentage was 2.14%, which is low enough to not require an independent review of applications or benefit issuance fiscal action. An additional nine errors were identified outside of the benefits issuance sample. These errors have been recorded on the SFA-2 form and are not used to determine error percentages.

Application Approvals

- Incomes reported on applications should only be annualized when mixed frequencies are reported. If all incomes are reported in the same frequency, the determination should be based on that frequency as it compares to the income eligibility guidelines.

Transferring Students

- When a child transfers to a new school within the same Local Educational Agency (LEA), the new school must accept the eligibility determination from the child's former school, if the child has an individual eligibility determination. Transferring the eligibility determination between LEAs ensures that qualifying students continue to receive school meal benefits as they transition to new schools, and avoids the possibility of unpaid meal charges. FNS strongly encourages LEAs to immediately accept the eligibility determinations made at a student's previous LEA (if they participated in NSLP) when a student transfers between LEAs during the school year, over the summer, or at the start of the next school year. Wisconsin DPI requires source documentation of the student's previous eligibility. Source documentation means that the information originally used to determine the student's meal eligibility is shared with the school requesting the information for the new or transfer student. Source documentation may include a copy of the original application or a copy of a DC run with the student's name listed. A phone call or copy of a benefit approval letter are examples of documentation that would not be sufficient to establish the new or transfer student's eligibility. The transfer of eligibility between LEAs for students attending CEP schools will be required by July 1, 2019.

Direct Certification Approval Letter

- As explained in the [Eligibility Manual](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/eligibility-manual.pdf) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/eligibility-manual.pdf), the written direct certification approval letters sent to qualified households must:
 - Explain the child is eligible free without further application
 - Clarify that eligibility extends to all school aged children in household
 - Inform households of how to notify LEA of any additional school aged children in household not listed on notification
 - Explain how household can decline benefits
 - Include full non-discrimination statement
- Additionally, because students in Wisconsin may be eligible for reduced meal benefits via direct certification Medicaid match, it is important to inform these reduced-eligible families that they may qualify for free meals via an income application.

Denial of Benefits Letter

- As explained in the [Eligibility Manual](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/eligibility-manual.pdf) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/eligibility-manual.pdf), the written denial of benefits letters sent to households must:
 - Reason for denial
 - Right to appeal
 - Appeal process instructions
 - Ability to reapply for benefits at any time during school year
 - Include full non-discrimination statement

Direct Certification Benefits Extension

- All direct certification match codes, except for the E code indicating foster child status, extend to all other children residing in the household. A direct certification match with an E code only establishes free meal eligibility for that child and cannot extend to any other children in the household.

Findings and Corrective Action Needed: Certification and Benefit Issuance

- ✓ **Finding A:** Two households incorrectly received free benefits due to an improper extension of a direct certification E code. E codes indicate foster child status and do not extend to other children in the household. These errors affected twelve students.

Corrective Action: Adverse action letters are typically sent to households when an administrative review results in benefit decreases. However, the determining official promptly contacted the affected households to explain the situation and suggested submission of an income application. Before adverse action letters could be developed and sent, both households completed and submitted applications. Both applications were correctly determined as free and all the affected students were changed in the software system from free by DC to free by application. *Corrected on site; no further action required.*

- ✓ **Finding B:** One reviewed income application was incorrectly approved as reduced because one of the reported incomes was not included in the total calculation. The application should have been denied due to income over the eligibility guidelines. This error affected two students.

Corrective Action: During investigation of this application error, it was discovered that one of the students should receive a free benefit based on DC extension in a joint custody situation. The other student on the application was not eligible for a benefit based on DC or DC extension, and thus should have a paid status. The determining official corrected the errors by sending out an increase in benefits and an adverse action letter to the household for the two students. The free eligible student's benefit was updated immediately and the paid eligible student's benefit will be effective in 10 calendar days from the date the adverse action letter was sent. *Corrected on site; no further action required.*

- ✓ **Finding C:** Software errors prevented all students set to change to paid status after the 30 day carryover period from properly rolling over on the designated date. Review of the benefits issuance document shortly after the end of carryover, but before the on-site review, showed a number of students with effective dates from prior school years that did not properly change to paid status. Review of the benefits issuance document after the software vendor corrected the carryover errors revealed that two households were receiving the incorrect benefits. One household with three children did not change to paid status on the correct date, and thus was improperly receiving free benefits after carryover ended. One household with one child changed to paid status at the end of carryover, however this child should have continued to receive a free benefit based on an application indicating foster child status.

Corrective Action: Upon discovery of the software carryover error, the determining official promptly contacted and worked with the software vendor to resolve the error. During the on-site benefit issuance review, the determining official corrected the foster child application error by changing the benefit in the software system immediately. The household that did not change to paid at the end of carryover was notified via phone that they would return to paid status and was sent an application. If no application is submitted within two operating days, the affected students are scheduled to return to paid status. *Corrected on site; no further action required.*

- ❑ **Finding D:** The meal benefit denial letter did not contain all of the required components. The letter did not include the reason for denial, right to appeal, appeal process, or the ability to reapply for benefits any time during the school year.

Corrective Action: Update the denial letter to contain all of the required components. It is recommended to use the [DPI denial letter template](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/letter-to-households.doc) as a reference when updating the letter (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/letter-to-households.doc>).

- ❑ **Finding E:** The direct certification (DC) notification letters did not contain all of the required components. The letters did not include how the household can decline benefits and the reduced DC letter did not specify that households could be eligible for free benefits via an income application. Additionally, it is strongly recommended to update the letters to include all eligible assistance programs--FDPIR and Medicaid were not included on the current DC letters.

Corrective Action: Update the DC letters to contain all of the required components. It is recommended to use the [DPI DC template](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/direct-certification-letter.doc) as a reference when updating the letter (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/direct-certification-letter.doc>).

Verification

Technical Assistance:

- The date of scheduled adverse action resulting from verification was scheduled to after the on-site review. Therefore, the decrease of verified students' eligibilities could not be confirmed on-site. However, review of the verification documentation indicated that correct procedures had been followed and understood throughout the entire process.
- The adverse action letters sent out after verification completion allowed households more than 10 calendar days to appeal before the benefit status is changed. It is recommended to adhere to the USDA requirement of allowing 10 calendar days before a status change for adverse action.
- When collecting household information for verification, all reported incomes on applications must be verified with the proper documentation, including children's income.

- Household incomes should be verified according to the reported income frequencies. For example, if the household reports biweekly incomes, then pay stubs submitted by the household should show biweekly incomes.
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Meal Counting and Claiming

Technical Assistance:

Visiting Students

- Please note that SFAs may claim visiting students in the paid category or the individual's benefit category with documentation, unless they are from a CEP school.

Claiming Enrollment

- PPP students may be in the student information system because they are enrolled in the district for specific services. However, because PPP students do not have access to lunch or breakfast at Reedsburg School District, they must not be counted in the enrollment or free/reduced eligible counts reported on claims.

Breakfast Cart Counting and Claiming

- During breakfast observation at Webb Middle School, it appeared that staff members had difficulty checking off students by name while also trying to visually ensure each student had selected a full reimbursable meal. The quick pace at which students select their meals and attempt to get through the line may prevent consistently accurate check-offs at the POS. It is highly recommended to review the breakfast cart POS procedures and determine strategies to slow the line down so staff can accurately check off each student and verify their meal is reimbursable. Despite the quick pace of the POS, only one student was observed selecting a non-reimbursable meal that was lacking the required ½ cup of fruit.
- During breakfast observation at Webb Middle School, there was confusion over whether the entrees counted as one or two items. There was inconsistent information provided on the posted menu, by the food service director, and by the servers. After meal service, it was determined that each entrée counted as two items which prevented any served meals from being deemed non-reimbursable due to too few items selected. It is strongly advised to review the breakfast menu and provide refresher training to staff to prevent future confusion regarding breakfast entrees.

Findings and Corrective Action Needed: Certification and Benefit Issuance

- ✓ **Finding:** The SFA was allowing high school students to purchase second meals at the adult price. Any food items sold to students outside of the reimbursable meal must meet Smart Snacks nutrition requirements and be charge a la carte prices per item. Selling students bundled second meals at the adult price does not meet Smart Snacks requirements.

Corrective Action: Disallow the sale of bundled second meals to students. Remove the corresponding cashier button at the POS. Retrain staff to begin selling all items purchased outside of the reimbursable meal at a la carte prices per item. *Corrected on site; no further action required.*

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Menus, OVS, and Crediting

Commendations:

- Thank you to the food service director for sending all documentation ahead of time and being quick to respond to questions. The nutrition professionals were positive, enthusiastic, friendly, personable, and worked well with the students.
- Thank you also to the kitchen staff at Webb Middle School and Loganville Elementary School for doing a great job preparing and serving nutritious, tasty meals to students. Offering so many fresh fruit and vegetable options is wonderful to see, and students took a variety of these foods, which encourages healthy, lifelong eating habits.

Technical Assistance:

Training Opportunities

- Anyone involved with the USDA School Meal Programs is encouraged to attend Wisconsin Department of Public Instruction (DPI) training classes. These are offered in the summer and select other times throughout the year. The classes provide an overview of all areas of the National School Lunch Program (NSLP) and School Breakfast Program (SBP) requirements including verification, free/reduced meal applications, meal pattern, and record keeping requirements. Travel/meal expenses are allowable food service expenses. Information on upcoming trainings can be found on DPI's [Training](https://dpi.wi.gov/school-nutrition/training#up) webpage, under Upcoming Trainings (<https://dpi.wi.gov/school-nutrition/training#up>). Numerous webcasts are also available, which cover a wide array of topics. These can be found on DPI's [SNT Webcasts](https://dpi.wi.gov/school-nutrition/training/webcasts) webpage (<https://dpi.wi.gov/school-nutrition/training/webcasts>).

Equipment Grants

- The United States Department of Agriculture (USDA) distributes funding annually to State Agencies (SAs) to award equipment assistance grants to eligible School Food Authority's (SFA's) participating in the National School Lunch Program (NSLP). Priority for this grant is given to schools that have not received similar USDA equipment grants in the past and have 50% or higher free and reduced-price eligibility. Requested equipment must cost more than the SFA's definition of capitalization threshold or \$5,000, whichever is less. For the fiscal year 2018 grant, the SFA's capitalization threshold can be no lower than \$1,000. More information can be found on the [NSLP Equipment Grant Opportunities](https://dpi.wi.gov/school-nutrition/grants-opportunities/equipment-grant) webpage (<https://dpi.wi.gov/school-nutrition/grants-opportunities/equipment-grant>).

Signage

- At Webb Middle School, the vegetables on the garden bars are being used to meet the weekly vegetable requirements, therefore portion sizes should be communicated to students with signage. This can help teach children what an accurate portion size should be. [Salad Bar Signage Template](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/salad-bar-signage-template.docx) can be found on our [Signage](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/signage) webpage, under the heading Additional Signage Resources (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/salad-bar-signage-template.docx>; <https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning/signage>).
- In-house yield data may be used for crediting food items contributing to meal pattern requirements. Original documentation showing methods and procedures used to determine yield must be completed and maintained at the food service operation and will be reviewed during the School Food Authority's (SFAs) next regularly scheduled Administrative Review (AR). Additionally, an in-house yield study may be used for food items or sizes that are not currently listed in the Food Buying Guide (e.g., 175 count apples). [In-house Yield Study Procedures](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy) are available on the [Menu Planning](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy) website (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/menu-planning#ihy>).

Condiments

- Condiments can be significant sources of calories, saturated fat, and sodium in a meal, especially when usage is not controlled. Condiments should have a planned portion size that is included in the dietary specifications. During meal observation, it was noted that students took excessive amounts

of condiments at Webb Middle School. Promote correct serving sizes by adding signage at the condiment station or directly to the pump dispensers asking students not to take more than necessary. Providing portion cups for students to pump condiments into could help control costs and limit the amount of waste.

Findings and Corrective Action Needed: Meal Pattern and Nutritional Quality

Signage

- The National School Lunch Program (NSLP) regulation at 7 CFR 210.10(a)(2) requires that schools identify, near or at the beginning of serving lines, what constitutes a reimbursable meal at breakfast and lunch. [Signage](#) helps students understand what components make up a reimbursable meal, pictures of trays are a good way to teach young children what they are being offered (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/lunch-signage-DPI.pdf>).

- ✓ **Finding F:** While signage was posted at Loganville Elementary School, it lacked the statement “students must take at least three full components, one of which is ½ cup fruit and/or vegetable, or a combination.”

Corrective Action: The signage was corrected on site so no further action is needed. However, it is encouraged to visit each school to ensure each site has the proper signage and that signage is properly posted.

Offer Versus Serve

- Offer Versus Serve (OVS) is not required for grade K-8 students, although it is encouraged in order to reduce food waste and develop skills in making healthy meal choices. It is important for anyone (school staff, teachers, and volunteers) working with the NSLP to fully understand the OVS requirements.
- The [Offer Versus Serve Guidance manual](#) and the [Offer Versus Serve Webcast](#) can be used as a training resource (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/offer-versus-serve-guidance-manual.pdf>; <https://dpi.wi.gov/school-nutrition/training/webcasts>).

- **Finding G:** At Loganville Elementary, teachers/ staff were somewhat unclear about the Offer versus Serve (OVS) requirements for lunch. However, all but two students (who did not have the required ½ cup fruit and/or vegetables) observed at lunch took a reimbursable meal.

Corrective Action: Please provide the PHN with:

- A plan of action (training plan) in the form of a detailed written statement
- A signed roster and webcast quiz completion form for all staff
- A plan indicating how errors will be corrected and avoided in the future

Standardized Recipes

- Recipes should be updated to reflect current practices and products. Standardized recipes exist, but many are not accurately reflecting what is happening in the kitchen. For more information on what essential information must be on a standardized recipe, review the [Standardized Recipe Checklist](#) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/standardized-recipe-checklist.pdf>).

- **Finding H:** The turkey and cheese sandwich (#50883) provided contained a meat product that is not currently being used.

Corrective Action: Please create a standardized recipe for the turkey and cheese sandwich (recipe #50883) using the Jennie-O brand lunch meat, so that it is available in case the distributor substitutes this product again.

Production Records

- Production records are required to document that food meeting the meal pattern was served in the appropriate serving sizes. Continue to work with all staff members to record planned usage, actual usage, and leftovers. Thorough, accurate production records aid the menu planner with forecasting, ordering, menu planning, and reducing food waste. Production records are intended to be useful tools to record information prior to production, during production, and following production. Providing staff ample space to make notes on production records on the day of service can really help the food service director/menu planner know what is happening in each kitchen.

✓ **Finding I:** There was confusion regarding the yogurt parfait and the cookies on the production records—the page was titled “*substitutions*” instead of “*ala carte*,” which was the intent.

Corrective Action: The FSD worked with the FSMC to obtain the correct page. The FSD corrected the issue on site, therefore no further action is required.

Documentation

- Current nutrition facts labels, ingredient lists, Child Nutrition (CN) labels, and/or manufacturer's product formulation statements (PFS) clearly outlining dietary specifications (calories, saturated fat, sodium) and crediting information must be available onsite where meals are served, even if meals are prepared offsite.
- Crediting documentation should be updated at least twice per year and as new products are purchased or substituted. Product formulations change frequently, therefore it is important that nutrition facts labels, CN labels, USDA Foods Product Information Sheets (USDA Fact Sheets), and PFS on file are kept up-to-date. State-Processed Product Information is updated annually and can be found:
 - [SY 2018-2019 State-Processed Product Nutrition Information](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/wiprocessed-nutritioninfo-1819.pdf) (https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/wiprocessed-nutritioninfo-1819.pdf)
 - [USDA Foods Product Information Sheets](https://www.fns.usda.gov/fdd/nslp-usda-foods-fact-sheets) are organized by component and updated as needed (https://www.fns.usda.gov/fdd/nslp-usda-foods-fact-sheets). CN labels can be verified and collected from boxes as products are delivered. Once labels have been collected, keep checking when new shipments arrive to determine if crediting towards the meal pattern has changed.

❑ **Finding J:** Loganville Elementary School did not have any documentation onsite pertaining to the food offered to students.

Corrective Action: Please provide the PHN a detailed statement with a plan of action ensuring that each school in your district has the proper and up-to-date information on site.

3. RESOURCE MANAGEMENT

Nonprofit School Food Service Account

Technical Assistance:

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](#) are located on the DPI

website (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/annual-financial-report-instructions.pdf>).

- 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 costing over \$5000 per unit. Utensils, pans, smaller equipment such as a cart, etc., should be reported under “Other.”
 - Under “Purchased Services,” report any time someone is paid for services provided 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.
- For assistance allocating expenses on the AFR, please reference the resources provided in the Annual Food Service Financial Report section of the [Financial Management webpage](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>). An expenditures reference sheet and an expense allocation tool are available.

Food Service Management Companies (FSMC)

- Because of the Nonprogram Revenue Rule, expenses must be broken out by actual Labor, Food, Purchased Services, Equipment, or Other, and not all placed into Purchased Services, as was previously done for SFAs with FSMC contracts.
- SFAs must annually be provided information on food costs and revenues from FSMCs. The information must include food cost for reimbursable meals, food cost for non-program food, revenue from nonprogram food, and total revenue to determine SFA compliance with nonprogram food revenue requirements.

Allowable Costs

- Review of one month’s detailed expense report for Fund 50 showed that individual schools are charged for water softener treatment whenever the service is needed. Discussions with the business manager revealed that the water softener treatments are necessary to maintain food service’s dishwashers and that the full cost of the water softener upkeep is charged to Fund 50, even though the entire school utilizes the softened water. District buildings without dishwashers do not have water softeners installed. It was determined that this is an allowable cost because the purpose of the water treatment is to maintain food service’s dishwashers, and this cost cannot be reasonably allocated into a more direct cost.
- Allowable costs for the nonprofit school food service account are defined in 2 CFR 200 Subpart E and should be necessary, reasonable and allocable. More information on allowable costs can be found within the [Indirect Costs guidance](http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>).
- Bad debt is an unallowable expense to the food service program. A transfer must be made from non-federal funds to cover student account write-offs. [SP23-2017 Unpaid Meal Charges guidance Q & A](https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial) may be found our Financial Management webpage (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>).

Unpaid Meal Charge Policy

- USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs to have a written and clearly communicated policy that addresses unpaid meal charges. For a snapshot on what the policy must include, see the [Unpaid Meal Charges In a “Nutshell”](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf) (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>).

For a more comprehensive overview, see SP 23-2017: [Unpaid Meal Charges Guidance](https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-23-2017.pdf) (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-23-2017.pdf>).

- Best Practices
- Local meal charge policy checklist
- Sample outstanding balance letter
- Sample robo-call script

Account Balance Refunds

- Funds in student meal accounts are considered a liability until a meal is purchased. When the funds are left “unclaimed,” they cannot be kept by food service, unless *paid* households have *chosen to donate* those funds to the school food service account.
- Households that cannot be contacted and refunded in full must have all funds left in the student meal accounts 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>).

Findings and Corrective Action Needed: Nonprofit School Food Service Account

- ❑ **Finding K:** The annual financial report contained several errors. There were no expenses allocated to the “other” category. Additionally, there were no expenditures allocated to non-program foods.

Corrective Action: Correct and resubmit the annual financial report. This can be completed online until December 31. Notify the consultant when the report has been resubmitted.

- ❑ **Finding L:** The unpaid meal charge policy was not distributed in writing (letter, email, handbook, registration materials, etc.) to all households at the start of the school year and to households transferring into the district during the school year. Please note that posting the policy on the district website is encouraged, but does not meet the policy distribution requirement.

Corrective Action: Submit a detailed plan describing how the policy will be distributed to all households in writing going forward.

Paid Lunch Equity

Technical Assistance:

- The SFA was not required to increase paid student lunch prices for 2018-19, however the SFA voluntarily completed the PLE tool and increased paid lunch prices accordingly. An error in the completed PLE tool was discovered during the review and corrected on site by the food service director. The corrected tool was uploaded to the online contract to ensure accurate PLE assessment in upcoming school years, as needed.

Revenue from Non-Program Foods

Technical Assistance:

- The USDA Nonprogram Revenue Tool must be completed yearly, at a minimum. The [DPI Nonprogram Food Revenue Tool/Calculator](http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/non-program-food-price-calculator) 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>).

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

- 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. Catering services provided were marked up to account for costs above food cost alone, however the mark up may not be high enough to cover the full cost when accounting for labor. It is recommended to review the catering pricing procedures to ensure all associated costs are covered, including labor provided by the food service director for these non-program 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.

Findings and Corrective Action Needed: Nonprogram Foods

- ❑ **Finding M:** The nonprogram foods revenue tool was not completed in its entirety or correctly. Therefore, nonprogram food revenue was not adequately assessed for compliance.

Corrective Action: Complete the nonprogram foods revenue tool. Submit the completed tool. Assess compliance with revenue requirements once the tool is completed. If the tool shows non-compliance with the revenue requirements, submit a plan describing steps that will be taken to work towards compliance which could include raising prices of nonprogram foods at the semester or start of next school year.

4. GENERAL PROGRAM COMPLIANCE

Civil Rights

Technical Assistance:

Public Release

- The public release contains specific income amounts for free or reduced benefits, and thus cannot be sent to households and should not be posted on the district's website. The public release posted on the food service webpage was removed during the course of the review to adhere to this guidance.

Processes for Complaints

- Schools must have a process for receiving and processing complaints alleging discrimination within the school meals program.
- 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 or the state agency within 5 days. This should be included in the district procedures to ensure compliance.
- 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. An 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](https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf) for assistance in filing these complaints (https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf).

- Additional information can be found in the [FNS 113-1 USDA Civil Rights Compliance and Enforcement for Nutrition Programs and Activities](https://fns-prod.azureedge.net/sites/default/files/113-1.pdf) resource (https://fns-prod.azureedge.net/sites/default/files/113-1.pdf).

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 or water may not be substituted for fluid milk unless juice or water is specified as a substitution on a medical statement signed by a licensed medical practitioner. An SFA may choose to offer lactose-free milk or provide a fluid milk substitute that meets the nutritional requirements set forth by USDA without a medical statement. 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>).
- While the SFA's procedures for handling special dietary needs appeared to be compliant, it is highly recommended that the food service director and school nurse review the special dietary needs resources provided. It is also highly encouraged for the SFA to modify their special diets accommodations procedures to ensure that signed medical statements contain the necessary details to properly accommodate the students.

Findings and Corrective Action Needed: Civil Rights

- ✓ **Finding N:** At Webb Middle School, overt identification occurred via lunch prices by eligibility category (\$0.00, \$0.40, \$2.80) showing up on the cashier screen during service.

Corrective Action: Adjust the software settings for the POS screen so that individual lunch prices are not visible to the cashiers or students. *Corrected on site; no further action required.*

- ✓ **Finding O:** The "And Justice for All" civil rights poster at Loganville was not displayed in a location accessible to the program participants.

Corrective Action: Relocate the poster to a publicly visible location that program participants have access to. *Corrected on site; no further action required.*

Local Wellness Policy (LWP)

Technical Assistance:

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. 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).

Triennial Assessment

- The final *Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010* rule requires the SFA to assess the local school wellness policy (LWP) every three years, at a minimum. The first assessment should be completed within three years of the SFA's policy being updated, but no later than June 30, 2020 to be in compliance with this rule. The triennial assessment must evaluate compliance with the LWP, how the LWP compares to model wellness policies, and progress made in attaining the goals of the LWP. SFAs must retain documentation of the results of the triennial assessment and when it took place.
- To assist SFAs with evaluating compliance with their LWP, a report card has been developed and is available at [School Nutrition Team's Wellness Policy webpage](https://dpi.wi.gov/school-nutrition/wellness-policy) (<https://dpi.wi.gov/school-nutrition/wellness-policy>). A sample model wellness policy is available at the [USDA Wellness Policy webpage](http://www.fns.usda.gov/tn/implementation-tools-and-resources) (<http://www.fns.usda.gov/tn/implementation-tools-and-resources>).
- Additionally, the SFA is required to inform and update the public about the assessment of the implementation of LWP. The notification should include the extent to which SFAs are in compliance with their LWP, the progress made toward attaining the goals of the LWP, and the extent to which the SFA's LWP compares to a model policy. SFAs are required to retain a copy of the assessment and documentation regarding the public notification. SFAs may use a variety of methods to notify

the public about the assessment. This may include mailing flyers, newsletters, emails, website postings, and newspaper articles. It is recommended SFAs include an improvement plan upon the results of the assessment.

Resources:

- Wisconsin Team Nutrition has several [wellness policy resources](#) available, including a toolkit, a wellness policy builder, and wellness policy report card (<http://dpi.wi.gov/school-nutrition/wellness-policy>). The policy builder provides sample language that can be used in the SFA's policy when the updates are made.

Findings and Corrective Action Needed: Local Wellness Policy

- **Finding P:** The local wellness policy does not contain all of the required content areas.

Correction Action: Submit a timeline for updating the policy to become compliant with the final *Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010* rule.

Smart Snacks in Schools

Commendations:

- Thank you to the food service director (FSD) for the immediate responses to the ala carte items and bringing everything into Smart Snacks compliance. The FSD's willingness to ask questions and the response to the information provided speaks volumes to the FSD's understanding of children's health. The Reedsburg School District has an FSD that cares about the students first.

Technical Assistance:

- The Smart Snacks Final Rule, published in the Federal Register on July 29, 2016, finalized science-based nutrition guidelines for competitive foods sold on the school campus during the school day. Foods and beverages sold in schools must meet both the general standards and nutrient standards unless the sales qualify for an exemption. More information can be found on the [Smart Snacks](#) webpage (<https://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>). It is recommended that schools use the [Alliance for a Healthier Generation's Smart Snacks Product Calculator](#) to assess product compliance (<https://foodplanner.healthiergeneration.org/calculator/>). Simply answer a series of questions to see if the general and nutrition standards are met, then save and print the results for your records.

Findings and Corrective Action Needed: Smart Snacks

- **Finding Q:** At Webb Middle School, Propel in multiple flavors (16.9 fl oz) and G2 Gatorade sports drink (8 fl oz) were being offered for ala carte sales at lunch. Neither of these products is compliant for middle school students.
 - Middle school students may have:
 - Milk (skim or 1%, white or chocolate)
 - Juice (100% fruit or vegetable)
 - Diluted juices as long as the product is only diluted with water and no other sweetener is added.

Corrective Action: Please send the PHN a detailed statement of beverages you will stock the machine with that are Smart Snack compliant, along with a picture of the machine stocked. In the statement please detail how you are going to ensure all products are Smart Snack compliant throughout the district.

Professional Standards

Technical Assistance:

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.

Training Tracking

- 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 the [Professional Standards](http://dpi.wi.gov/school-nutrition/training/professional-standards) webpage (<http://dpi.wi.gov/school-nutrition/training/professional-standards>).

Director Role in FSMC Contracts

- In SFAs with FSMCs, the role of food service director is technically shared between the authorized representative and the FSMC food service director because the SFA retains ultimate responsibility for the school meal programs. For this reason, authorized representatives of SFAs under FSMC contracts are required to complete 12 hours of annual professional standards training. The authorized representative should begin seeking out opportunities for professional standards training and begin tracking trainings as they are completed.

Findings and Corrective Action Needed: Professional Standards

- ✓ **Finding R:** The professional standards tracking tool did not contain all of the required components. The tool did not contain employees' hiring dates or schedule hours to determine full or part time status.

Corrective Action: Update the tracking tool to contain the required information. *Corrected on site; no further action required.*

Food Safety

Findings and Corrective Action Needed: Food Safety

- ✓ **Finding S:** The most recent food safety inspection report at Loganville was not displayed in a publicly visible location.

Corrective Action: Relocate the copy of the inspection report so that it is publicly visible. *Corrected on site; no further action required.*

- ❑ **Finding T:** During breakfast service at Webb Middle School, cartons of milk and string cheeses were served from the breakfast carts out of plastic bins without temperature control. Milk, cheese, and other dairy products are considered time/temperature control for safety (TCS) foods, and thus must be held under temperature control or be handled using time as a public health control procedures. Saving and re-servicing TCS foods held outside of temperature control is unallowable.

Corrective Action: Please revise the procedures for handling TCS foods served on the breakfast cart. There are several options for how to modify the current procedures:

1. Utilize time as a public health control (TPHC) procedures.
2. Utilize ice-lined milk bags, barrels, or containers so that temperature control is used, along with monitoring of temperatures.
3. Work with local regulatory authority/sanitarian to develop an alternative, approved method for serving milk outside of temperature control.

Regardless of which option for serving TCS foods on the breakfast cart is used, a corresponding standard operating procedure must be included in the site-specific food safety plan. Submit a plan describing how service of TCS foods on the breakfast cart will be handled going forward.

- ✓ **Finding U:** Signed employee health reporting agreements were not available for the staff members at either review site. The agreements are part of regular training and were signed by all staff members at the beginning of the last school year. However, the signed forms could not be located upon request.

Correction Action: Have each staff member read and sign new employee health reporting agreements and retain in the designated location. *Corrected on site; no further action required.*

On-Site Monitoring

Findings and Corrective Action Needed: On-Site Monitoring

- **Finding V:** The required SFA on-site monitoring was completed by the FSMC food service director. Additionally, only on-site monitoring of lunch was completed in the prior school year. SFAs with more than one school must perform no less than one on-site review of the National School Lunch Program counting and claiming system in use in each school under its jurisdiction by February 1 of each year. On-site monitoring is also required for the School Breakfast Program (SBP). A minimum of 50% of schools participating in the SBP must be monitored annually by February 1, with each school operating the SBP being monitored at least once every two years. SFA on-site monitoring must be conducted by a representative from the SFA. On-site monitoring completion may not be delegated to FSMC employees.

Corrective Action: Submit a plan describing how the required SFA on-site monitoring of breakfast and lunch will be conducted prior to February 1, 2018. Please include the name of the SFA representative that will be responsible for completing the on-site monitoring.

Buy American

Technical Assistance:

- The Buy American provision was added to the National School Lunch Act (NSLA) by Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 (Public Law 105-336). Section 12(n) to the NSLA (42 USC 1760(n)), requiring school food authorities (SFAs) to purchase, to the maximum extent practicable, domestic commodity or product. A “Domestic Commodity or Product” is defined as an agricultural commodity or product that is produced or processed in the United States using substantial agricultural commodities that are produced in the United States. “Substantial” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically. Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowable under this provision as territories of the United States. The Buy American provision (7 CFR Part 210.21(d)) is one of the procurement

standards SFAs must comply with when purchasing commercial food products served in the school meals programs.

- The following information must be recorded on a Buy American Non-Compliant Product List of your choosing:
 1. Date
 2. Name of product
 3. Country of origin
 4. Reason
 - a. Cost analysis
 - b. Seasonality- record the months that the domestic product is not available
 - c. Availability
 - d. Substitution- record the reason the distributor substituted the product
 - e. Distribution- record the reason the distributor carries the non-domestic product
 - f. Other- explain
 - You may record additional information if you find it beneficial. A suggested [Buy American - Noncompliant Product List template](#) can be found on the Buy American webpage, under Buy American Resources (<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/buy-american-noncompliant-list.docx>).
- Before the Procurement Review (PR) was created, the Administrative Review (AR) contained a list of questions intended to assess if a school incorporated adequate competition when awarding contracts that were funded through tax-payer dollars. It was later determined by the USDA that a more in-depth look at this process should be implemented in order to effectively determine if adequate competition existed. This resulted in the development of the PR. Subsequently, The AR and the PR are completely separate reviews and follow completely separate review cycles. Here's a link to the [Procurement Review](#) webpage where you can download the PR Form (<https://dpi.wi.gov/school-nutrition/procurement/contract-procedures/review-process>). This PR Form is our primary way of obtaining the appropriate information and documentation needed to complete the PR. If you have more specific questions regarding the PR, or if you'd like clarification on parts of the Procurement Review Form, feel free to contact [Alex Zitske](#) directly (alex.zitske@dpi.wi.gov).

Findings and Corrective Action Needed: Buy American

- ❑ **Finding W:** Upon review of the storage facilities, a few products were found to have no country of origin or were products of other countries:
 - All Sysco brand products do not list country of origin.
 - Trio Gravy a product of Canada (Non-compliant form completed on site, no further action)
 - Bananas from Guatemala
 - Roland Pineapple from Thailand (Non-compliant form completed on site, no further action)
 - Roland Jalapenos from Egypt (Non-compliant form completed on site, no further action)
 - All Ardmore Juices from multiple countries (Non-compliant form completed on site, no further action)

Corrective Action Needed: Please provide the PHN with:

- a non-compliant form for the bananas
- the attestation and any documentation from Sysco for their products

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 webpage](https://dpi.wi.gov/statesupt/every-child-graduate) (<https://dpi.wi.gov/statesupt/every-child-graduate>).



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