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December 15, 2016

Superintendent Judy Thomas
Swan Valley School District
PO Box 220
Irwin, ID 83428

Dear Ms. Thomas,

On November 9, 2016, State Department of Education (SDE) Coordinators Jennifer Butler and TJ Goodsell conducted an Administrative Review of Swan Valley School District for the following United States Department of Agriculture (USDA) programs:

- National School Lunch Program (NSLP)
- School Breakfast Program (SBP)
- USDA Foods

Swan Valley Elementary was the school site reviewed.

The State agency (SA) would like to commend Joanne Hincks for her hard work operating the school nutrition programs.

Overview

The Richard B. Russell National School Lunch Act, amended by the addition of Section 201 to the Healthy, Hunger-Free Kids Act of 2010 (HHFKA), requires a unified accountability system designed to ensure that participating school food authorities (SFA) comply with USDA requirements. The objectives of the Administrative Review are to:

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

Review Frequency and Scope of Review

The Healthy, Hunger-Free Kids Act mandates State agencies conduct an Administrative Review a minimum of one time during a three-year cycle to evaluate Critical and General Areas of Review, including:

- Performance Standard 1: Meal Access and Reimbursement
- Performance Standard 2: Meal Pattern and Nutritional Quality
- General Areas of Review: Resource Management, Food Safety, Local School Wellness Policy, Smart Snacks, Civil Rights, Buy American, Professional Standards, and other areas of general program compliance

These were the SA determined findings and the SFA response to the findings:

Finding and Corrective Action Plan (CAP)

Finding 1- Certification and Benefit Issuance

One application (affecting 1 student) was incorrectly certified to receive reduced benefits due to the exclusion of a monthly income amount. The student should have been denied as the listed income exceeds the income eligibility guidelines for household size. Send letter of adverse action to the household notifying them of the change in benefits and update the POS to reflect changes. Upload notification letter into MyIdahoCNP.

Timeframe for CAP completion: November 22, 2016

SFA Response to CAP: On November 14, 2016, a copy of the notification letter to the household was uploaded. On November 22, 2016, an email was received advising that the family did not appeal the adverse change in benefits and the POS had been changed to the correct benefit for that student.

Finding 2- Resource Management Comprehensive Review

During a comprehensive resource management review of the nonprofit school food service account, some unallowable expenses were discovered. The unallowable expenses were personal food items. It was reported that the food items were purchased in lieu of submitting a mileage reimbursement for travel to the store to purchase food items for the school meal program. The district has a current procedure in place that specifies the 2016 mileage reimbursement at .54/mile. This set procedure must be followed and the practice of purchasing personal food items in lieu of submitting the mileage reimbursement form must be stopped immediately. A total of \$16.50 (\$15.57 plus .93 sales tax) for unallowable charges must be paid back to the nonprofit school food service account. A copy of the Fund 290 transfer is required as corrective action supporting documentation.

Timeframe for CAP completion: November 30, 2016

SFA Response to CAP: On November 15, 2016, the Business Manager provided documentation of the \$16.50 unallowable charges being returned to the food service account.

Finding 3- Reporting and Record Keeping

Under subsection 12(q) of the Richard B. Russell National School Lunch Act and 7 CFR210.14(f), SFAs are required to ensure that all revenue from the sale of nonprogram foods accrues to the non-profit school food service account and that revenue available to support the production of reimbursable school meals does not subsidize the sale of nonprogram foods. SFAs are required to determine if the percent of total revenue that is generated from their nonprogram food sales is equal to or greater than the percent of total food costs that are attributable to the SFA's purchase of nonprogram foods. Provide documentation of the simplified approach to assess compliance by completing one of the nonprogram food revenue tools provided by the SA. This simplified approach allows SFAs to separate their nonprogram food costs from their program food costs for a period of at least 5 consecutive operating days. Upload a completed tool into MyIdaho CNP for SA review.

Timeframe for CAP completion: November 30, 2016

SFA Response to CAP: On November 18, 2016, a completed nonprogram food revenue tool for breakfast and lunch was uploaded. The simplified approach indicated that non-program food was appropriately priced.

Finding 4- Dietary Specifications and Nutrition Analysis

During the week of review, eight recipes were found to inaccurately reflect portions, ingredient amounts, and/or crediting contributions. Correct the identified recipes for SA approval.

Timeframe for CAP completion: December 7, 2016

SFA Response to CAP: On November 30, 2016, copies of the corrected recipes were provided to the SA.

Commendations

- Kitchen is very organized and clean, and staff is hardworking.
- Staff wore appropriate hair restraints as required per Idaho Food Code.
- It was nice to see the students enjoying a recipe from the Chef Designed School Lunch resource provided by the State agency.
- The director does a nice job utilizing USDA foods in her scratch cooking recipes.
- The director and business manager were cooperative with SA reviewers and open to suggestions.
- The business manager was very helpful with the resource management review.
- Students were respectful and eager to eat. The director knows each child by name and takes great care to encourage healthy choices.

Fiscal Action

Due to the incorrectly determined application, fiscal action results in \$39.23. However, since this amount falls under the \$600 threshold, the fiscal action will be disregarded and no financial adjustment will occur.

Technical Assistance (TA)

Certification and Benefit Issuance

- Per the Eligibility Manual, when determining Free and Reduced Applications, income should not be converted unless various income frequencies are reported. Please make use of the Income Eligibility Guidelines chart.

Verification

- Error prone applications are applications that document a monthly income within \$100 of the Income Eligibility Guidelines. Error prone applications must be a priority when selecting households for verification.
- When performing Verification of Free and Reduced Applications, the Confirming Official cannot be the same person as the Determining Official (the person who approves the application). There must be another person checking the application prior to sending out the letter for Verification. Verification must be in line with requirements outlined in 7 CFR 245.6a.

Meal Counting and Claiming

- When reporting Meal Counting and Claiming, student helper meals should be counted and claimed at the student's eligibility. The Meal Time POS software includes a labor meal option for each eligibility category that should be utilized.

Dietary Specifications and Nutrient Analysis

- Technical assistance was provided on the day of review regarding incomplete and inconsistent production records. The targeted week of review (October 3 – 7, 2016) production records included planned amounts, but did not always include “actual reimbursable” amounts served. The SFA completed the day of review production records to include all necessary information.

Meal Components and Quantities

- Several of the cereals in the “assorted” cereal recipe are not whole grain rich and therefore not creditable toward the grain component. On the day of review, cereal was a menu choice, however a whole grain piece of bread was also on the menu so there was no missing component. Provided technical assistance on site to ensure that only whole grain rich cereals are served in the future.

Local School Wellness Policy

- On July 29, 2016, the USDA Food and Nutrition Service (FNS) finalized regulations to create a framework and guidelines for written wellness policies established by LEAs. (§210.30) The final rule requires LEAs to fully comply with the requirements of the final rule by June 30, 2017. Federal legislation requires school districts to implement a local wellness policy that must include language:
 - Permitting parents, students, school board, PE teachers, school health professionals, school food service staff, administrators, and community members to participate in the development, implementation, review, and update of the local wellness policy.
 - Identifying wellness policy leadership of one or more LEA and/or school official(s) who have the authority and responsibility to ensure each school complies with the wellness policy.
 - Specifying measurable goals for nutrition education, nutrition promotion, physical activity, and other school-based activities to promote student wellness that are written with consideration for evidence-based strategies.

- Addressing nutrition guidelines for all foods and beverages sold on the school campus during the school day and for providing school meals that adhere to Federal meal pattern requirements.
 - Identifying nutrition standards for non-sold foods and beverages available during classroom and school celebrations.
 - Stating a policy for food and beverage marketing that allows the marketing and advertising of only those foods and beverages that meet Smart Snacks in School nutrition standards.
 - Addressing an evaluation conducted once every three years of the wellness policy and the extent to which schools are in compliance, how the district policy compares to model wellness policies, and the progress made in attaining local wellness policy goals.
 - Identifying a way to share the wellness policy content and implementation with the public.
- For more information regarding local wellness policies, please visit the Idaho SDE CNP School Wellness website: <http://www.sde.idaho.gov/cnp/hne/wellness.html>

Your review is now closed.

At this time there will be no fiscal action. Should you wish to appeal these findings please follow the appeal procedures on the [State Agency Appeal Procedures](#) document.

If you wish to discuss any of these findings, please contact me at (208) 332-6820. Thank you for your support of the Child Nutrition Programs.

Sincerely,



Jennifer Butler, MEd, SNS
NSLP Coordinator

Cc: Colleen Fillmore, PhD, RD, LD, SNS, Director, Child Nutrition Programs
Joanne Hincks, Food Service Director, Swan Valley School District

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