



April 3, 2018

Rich Moore, Superintendent
Oneida County School District
25 E. 50 S. Suite A
Malad City, ID 83252

Dear Superintendent Moore,

On March 7, 2018, State Department of Education (SDE) Coordinators Jennifer Butler and TJ Goodsell conducted an Administrative Review of Oneida County School District for the following United States Department of Agriculture (USDA) programs:

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

The site reviewed was the Malad Elementary School.

The State agency (SA) would like to commend Jean Coburn and the entire staff of Oneida County School District for their 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, 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:

Findings and Corrective Action Plan (CAP)

Finding 1 – Benefit Issuance

One application (affecting 3 students) inaccurately identified students as being Foster. Only children deemed to be wards of the State can be considered Foster. Of the three students, two were listed as free, and one as paid on the benefit issuance list. While SA reviewers were onsite, the SFA contacted the household and obtained missing information and the application was determined based on income resulting in the three students being eligible for reduced benefits. A letter of adverse action was sent, and benefits status changed after the 10 days on March 17. Based on this .88% error rate, claiming errors resulted in \$30.35.

Timeframe for CAP completion: Due March 22; completed March 19, 2018

Sponsor Response to CAP: Documentation showing that the students were changed to reduced was uploaded into MyIdahoCNP.

Finding 2 – Benefit Issuance

One application (2 students) was suspected of not accurately representing the household and potential income. While SA reviewers were onsite, the SFA sent this household a letter advising the application was being verified for cause. The household must provide income verification by the established date, or the students will be changed to full pay.

Timeframe for CAP completion: Due March 22; completed March 19, 2018

Sponsor Response to CAP: No response was received from the household and documentation showing that the students were changed to Paid status was uploaded into MyIdahoCNP.

Finding 3 – Resource Management

During a review of school year 16-17 foodservice financials (Fund 290), it was discovered that the SFA was not refunded for non-program foods purchased for use by other departments: \$131.15 for a district lunch and \$193.75 for the middle school cookout. The SFA advised that other items for the meals were either provided by the school/district or previously reimbursed. A total of \$324.90 must be reimbursed to the Fund 290.

Timeframe for CAP completion: Completed March 7, 2018

Sponsor Response to CAP: Documentation showing the transfer of \$324.90, from general funds into the SFA account, to cover this expense was provided while SA reviewers were onsite.

Finding 4 – Non-program Food Revenue

Under subsection 12(q) of the Richard B. Russell National School Lunch Act and 7 CFR 210.14(f), SFAs are required to ensure that all revenue from the sale of non-program 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 non-program foods. Because the SFA

is catering meals for Head Start and occasionally purchasing food items for other departments, the Non-program Food Revenue Tool (NPFRT) must be completed for both breakfast and lunch for a reference period of 5-days.

Timeframe for CAP completion: Due March 22; extended to and completed on March 29, 2018

Sponsor Response to CAP: Two NPFRTs, reflecting a five- day period of breakfast and lunch menu costs and revenues, for grades K-5, 6-8, 9-12, and Head Start catering were uploaded into MyIdahoCNP. The lunch NPFRT was non-complaint and requires an increase in the meal charges for the Head Start catering to come into compliance. Additionally, a la carte milk sales should be raised to a minimum of \$0.30 based on milk costs.

Finding 5 – Meal Counting and Claiming

Meals are provided to the Oneida HS students from Malad ES and claimed on the Malad Senior HS claim. At breakfast, the SA observed a couple of high school students come into the elementary school to pick up cold milk to take back to the high school and give to students eating the breakfast items kept there. This was a usual practice. For lunch, menu items are picked up by a student and transported back for the high school students to eat. The SA identified that not all meal components are readily available for those students to select and that no adult was monitoring if a reimbursable meal was selected by those students. Students must have all required components, in the daily minimum portion size made available to them at the point of service, and should only be counted for reimbursement if a reimbursable meal has been selected. Identify a plan to ensure all components in the required portion size are provided to the student to select a meal using Offer versus Serve and only reimbursable meals are counted for claiming. A separate production record identifying the high school meal pattern should be completed.

Timeframe for CAP completion: Due March 22; completed March 14, 2018

Sponsor Response to CAP: A narrative describing the plan of serving and monitoring the point of service for the Oneida HS students was uploaded into MyIdahoCNP. This narrative stated that the high school students will come to the elementary school for meal service and be counted at the POS. Separate production records for the Oneida HS and Malad ES will be maintained.

Finding 6 – Offer versus Serve (OVS)

Schools operating the OVS provision must train on OVS annually. This training should occur at the beginning of the year and be addressed on an on-going basis. As misunderstanding with the meal pattern was also identified, ensure that staff understands the meal pattern for applicable age-grade groups and then applies the OVS provision exceptions to identify a reimbursable meal. All staff training should include an agenda and sign-in sheet, and training documentation should be maintained on file at the SFA for three years plus the current year. OVS and meal pattern trainings are available through the State agency training portal.

Timeframe for CAP completion: Due March 22; completed March 21, 2018

Sponsor Response to CAP: An OVS training agenda and sign-in form was uploaded into MyIdahoCNP.

Finding 7 – Food Safety

The Idaho Department of Health & Welfare updated the Food Code to come in line with the current FDA Food Code. This includes a new requirement that all food safety plans must include a procedure for cleaning up bodily fluids. A HACCP Bodily Fluid Cleanup sample is located in MyIdahoCNP in the Download Forms section under the Food Safety heading.

Timeframe for CAP completion: Due March 22; completed March 22, 2018

Sponsor Response to CAP: A copy of a Cleaning and Disinfecting Bodily Fluid Spills procedure that was distributed to all sites to add to their HACCP manuals was uploaded into MyIdahoCNP.

Finding 8 – SFA On-Site Monitoring

The SFA only completed 1 of the 4 required School Food Authority On-Site Reviews for lunch and 1 of 2 for breakfast. According to 7 CFR 210.8 (a)(1) and 7 CFR 220.11 (d)(1), each SFA with two or more feeding sites must perform no less than one on-site review of the meal counting and claiming system and the readily observable general areas of review identified under 7 CFR 210.18(h) in each school operating NSLP and 50% of schools operating SBP under its jurisdiction prior to February 1, each school year. The remaining 3 lunch reviews and one more breakfast review must be completed to meet this requirement for this school year.

Timeframe for CAP completion: Due March 22; completed March 22, 2018

Sponsor Response to CAP: Completed SFA On-Site Review Monitoring forms for the lunch program at Stone ES and Malad Jr. and Sr. High schools were uploaded into MyIdahoCNP along with a completed breakfast monitoring form for Malad Sr. HS.

Fiscal Action

No financial adjustment will occur as a result of the .88% benefit issuance error rate.

Commendations

- The Food Service Director worked diligently preparing and organizing necessary documents for the onsite review. She was open and receptive to all suggestions provided by the State agency.
- The Food Service Director and staff at Malad Elementary School organized the entire storage room, chemical room, freezer and refrigerator prior to the onsite review. Everything was well labeled and conveniently located allowing safe and easy access to all foods for meal preparation. Conducting the food storage review was easier as a result.
- The presentation of fresh salad, vegetables, and grapes at the elementary school was very appealing. State agency observed children consuming entire servings of the grapes.

Technical Assistance (TA)

Certification and Benefit Issuance

- According to the Eligibility Manual, Local Education Agencies (LEAs) have an obligation to follow-up when households submit applications with questionable and incomplete

information. *SP13-2012 Verification for Cause in School Meal Programs* states, "Verification for cause may be conducted at any time during the school year."

- According to 7 CFR 245.6(c)(2), an individual student's eligibility from the previous school year (before July 1) carries over for up to 30 operating days into the new school year, or until a new eligibility determination is made, whichever comes first. When children move to a new LEA, either at the beginning of the new school year or during the summer months, the new LEA is encouraged to use the former LEA's eligibility determination from the previous school year and carryover the child's eligibility status. As stated in 7 CFR 245.6(a)(4), the receiving school may accept the former school's eligibility determination without incurring liability for the accuracy of the determination.
- Inaccurate and outdated letter templates were being used for household notifications which also included an old Civil Rights Nondiscrimination statement. Updated letters were printed while SA reviewers were onsite and appropriate edits were made to list the hearing official when necessary. When using the SA templates, ensure the most current template is being utilized.

Meal Counting and Claiming

- Student workers at the middle and high school receive an earned meal, but can be claimed for reimbursement at their eligibility.
- The current meal charge policy (adopted in 2014) is not being followed. If the SFA has concerns with the current policy, those concerns should be raised and discussed with administration so that a practical policy can be implemented and followed.

Meal Components and Quantities

SA contractor Shawna Durbin, RD, LD, conducted the menu analysis for the review week and provided the following TA:

- The meal pattern for lunch requires a daily minimum of $\frac{3}{4}$ cup of vegetables for grades K-8 and 1 cup for 9-12. It was observed that $\frac{1}{2}$ cup vegetables were served, as allowable with OVS, but production records did not support that $\frac{3}{4}$ cups of vegetables were available to all students each day. Corn served was only planned for $\frac{1}{2}$ cup per student not the required $\frac{3}{4}$ cup. Even though additional servings may be available in unopened cans, production records should indicate the availability of the required minimum serving.
- The meal pattern requires $\frac{1}{2}$ cup legumes each week. The chili recipe does not have enough legumes. The recipe has 2.5 #10 cans of pinto beans for 250 servings, crediting for less than $\frac{1}{8}$ cup. To reach $\frac{1}{2}$ cup over the course of the week, the chili recipe needs to increase the amount of legumes or legumes will need to be included in another meal during the week.
- Although the daily grain minimum of 1 oz eq was met, the weekly minimum was not. It was suggested that the Chex Mix be included with the peanut butter and jelly sandwich to increase the total grains.
- Fluid milk must be offered in at least a variety of two selections at both breakfast and lunch. Only 1% white milk was being offered at breakfast. This was discovered prior to meal service and fat free chocolate milk available for lunch was added to the line. If it is

preferred to not offer flavored milk at breakfast then white milk can be offered in a fat free and a 1% variety.

Resource Management

- Spend down the excess fund balance by putting the additional costs back in to the program by increasing food quality or purchasing needed equipment. A plan to remove asbestos would be an unallowable cost and any cost for a floor replacement in the cafeteria would need to be prorated to other programs. It was noted that even with an excess balance, foodservice has applied for and been awarded grants.
- Although it is required to complete and submit a public release announcing school meals to the press annually, SFA's are not required to run the announcement if there is a cost associated with the request. If the newspaper identifies they will not run the information for free, the SFA can decline to pay to have it run. Document the attempt and what the cost would be to support the decision to not pay to run the announcement. Make sure this school meal information is available at each school site and the district website.
- All foods purchased by the food service department to be used as non-program food sales must be marked up to account for the cost of the food, labor, storage, and delivery of the products. Food service cannot order for non-USDA programs without ensuring that Federal funds are not used to support non-program foods. Due to the added non-program foods paperwork and record keeping, evaluate non-program foods pricing to ensure compliance.
- An invoicing process should be developed to clearly identify costs for other departments when ordering nonprogram food and to use as backup support for reimbursement.
- Parents and adults participating in lunch are expected to pay for meals at the office; however, there is no clear process at the POS in the lunchroom to ensure that the charge was collected. Develop a process for ensuring that all adults meals, other than earned meals, are being paid, and that the POS cashier can identify an adult has paid for the meal prior to meal service.

Civil Rights

- Ensure the correct USDA Non-Discrimination Statement is included on all public documents dealing with USDA Child Nutrition Programs.
 - The short non-discrimination statement is for use on documents less than one page (double-sided) in length; the long statement is for use on longer documents and can be found on the CNP website under Civil Rights.

Local School Wellness Policy

- The final rule on wellness policies (7 CFR §210.31) required LEAs to be in compliance by June 30, 2017. The LEA's current LWP (effective October 18, 2016) was adopted prior to the final rule. The wellness policy committee must work to get the LWP compliant with all required elements of the final rule.

- The final rule on wellness policies (§210.31) requires LEAs to conduct an assessment of their implementation of wellness policy at least every 3 years, and make the triennial assessment, including progress toward meeting the goals of the policy, available to the public. No such assessment was available on the district's website.
- The district website included a one page document identified as the wellness policy that differed from the adopted LWP #8250. It was explained that the one page document was to be a summary of LWP. The complete LWP must be made available to the public. This can occur by posting on the district's website either alone or along with the one page summary, if preferred. If only the one page summary is posted, it must reflect that it is a summary and not the complete policy and clearly state how a copy of the complete policy can be obtained.
- For more information regarding local wellness policies, please visit the Idaho SDE Child Nutrition Programs School Wellness website.

Smart Snacks

- All fundraisers, both exempted and compliant, must be tracked. Per state policy, a maximum of 10 exempted fundraisers per school site per year may be approved by the school administrator. An exempted fundraiser can be for a maximum of four consecutive school days. All exempted fundraisers beyond 10 must be pre-approved by the State agency using the Request form. (7CFR 210.11) Details available at the Idaho CNP Smart Snacks website.

Procurement

- A separate procurement review was completed by Keddington & Christensen, LLC. on December 11, 2017. No findings requiring corrective action were found, but five areas of technical assistance were noted. Please follow the guidance provided in this NSLP Procurement Review and bring the Procurement Policy into compliance with Federal Regulations before the next review.

Special Provision Options

- A Provision 2 Base Year for breakfast is currently being established (SY 17-18). SA reviewers Jennifer Butler and Tamara Donovan conducted a Provision 2 Base Year review on October 5, 2017. During that review, application determination and benefit issuance errors were discovered during a review of 236 students (99% statistical sample of all free and reduced students). Errors were corrected and the August and September 2017 breakfast claims were adjusted with \$85.65 in fiscal action recovered.
- The retention of all required Provision 2 documentation was confirmed during the administrative review. Please ensure all required Provision 2 documentation, including base year daily meal count records by student name and eligibility, are maintained per requirements. The current Provision 2 cycle expires at the end of SY 20-21. At that time, if you wish to continue with Provision 2 breakfast, you must contact the SA prior to the expiration date to see if you qualify for an extension.
- Schools operating Provision 2 must evaluate whether the savings in administrative costs offset the costs of providing breakfast to all children at no charge. Due to the potential

financial burden of providing meals at no charge, at least a 65% or higher Free and Reduced percentage (<35% Paid) should be achieved to participate in Provision 2 breakfast. Anything lower may be unsustainable and compound losses over the 4-year cycle. As of January 2018, three of four school sites operating a Provision 2 base year are at a threshold below the SA recommendation to operate this provision. This concern was discussed during the Administrative Review.

Your review is now closed

There is no fiscal action resulting from this review. Should you wish to appeal any of these findings please follow the appeal procedures found on the State Agency Appeal Procedures document attached to this letter.

If you wish to discuss any of these findings, please contact me at (208) 332-6820.

Thank you for your continued support of the Child Nutrition Programs.

Sincerely,



Jennifer H. Butler, M.Ed., S.N.S.
NSLP Coordinator

cc: Colleen Fillmore, P.h.D., R.D.N., L.D., S.N.S., Director, Child Nutrition Programs
Jean Coburn, Child Nutrition Director, Oneida County School District

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State Agency Appeal Procedures

School Meal Programs – Administrative or Follow-up Review

School food authorities may appeal the denial of all or part of a Claim for Reimbursement or withholding payment arising from administrative or follow-up review activity conducted by the State Agency under 210.18 of this part.

The appeal process outlined in 7 CFR 210.18 (p) reads as follows:

1. The written request for a review shall be postmarked within 15 calendar days of the date the appellant received the notice of the denial of all or a part of the Claim for Reimbursement or withholding of payment, and the state agency shall acknowledge the receipt of the request for appeal within 10 calendar days;
2. The appellant may refute the action specified in the notice in person and by written documentation to the review official. In order to be considered, written documentation must be filed with the review official not later than 30 calendar days after the appellant received the notice. The appellant may retain legal counsel, or may be represented by another person. A hearing shall be held by the review official in addition to, or in lieu of, a review of written information submitted by the appellant only if the appellant so specified in the letter of request for review. Failure of the appellant school food authority's representative to appear at a scheduled hearing shall constitute the appellant school food authority's waiver of the right to a personal appearance before the review official, unless the review official agrees to reschedule the hearing. A representative of the state agency shall be allowed to attend the hearing to respond to the appellant's testimony and to answer questions posed by the review official;
3. If the appellant has requested a hearing, the appellant and the state agency shall be provided with at least 10 calendar days advance written notice, sent by certified mail, return receipt requested, of the time, date and place of the hearing;
4. Any information on which the state agency's action was based shall be available to the appellant for inspection from the date of receipt of the request for review;
5. The review official shall be an independent and impartial official other than, and not accountable to, any person authorized to make decisions that are subject to appeal under the provisions of this section;
6. The review official shall make a determination based on information provided by the state agency and the appellant, and on Program regulations;
7. Within 60 calendar days of the state agency's receipt of the request for review, by written notice, sent by certified mail, return receipt requested, the review official shall inform the state agency and the appellant of the determination of the review official. The final determination shall take effect upon receipt of the written notice of the final decision by the school food authority;
8. The state agency's actions remain in effect during the appeal process;
9. The determination by the state review official is the final administrative determination to be afforded to the appellant.

Appeals must be directed to:
Brandon Phillips
Financial Specialist, Public School Finance
State Department of Education
PO Box 83720
Boise, Idaho 83720-0027
(208) 332-6983
E-mail: bcphillips@sde.idaho.gov

USDA Nondiscrimination Statement

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To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

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