



April 17, 2019

Certified Mail Receipt No. 7016 1370 0000 2344 3443

Robert Ranells, Superintendent
Wallace School District
501 Western Avenue
Wallace, ID 83867

Dear Dr. Ranells,

On November 13, 2018, State Department of Education (SDE) Coordinators Tamara Donovan and Teresa Goodsell conducted an Administrative Review of Wallace School District for the following United States Department of Agriculture (USDA) programs:

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

The site reviewed was Silver Hills Elementary School (operating Provision 2 breakfast, base year 2016-17 and the SMP).

The State agency (SA) would like to commend Joanne Williams, Bea Conley, and the staff of Wallace 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 Certification and Benefit Issuance

Out of a sample size of 160 students, 23 students had benefit issuance errors. Errors included the following: missing social security information, unclear household number information, determination errors, no application on file nor direct certified status (carry over status continued beyond the end date), and not properly identifying students as directly certified.

Corrective Action: The determining official must contact households, as applicable, gather needed information, document the information, make a benefit determination, and send notification letters to the households if the meal benefit changed. Upload copies of the notification letters sent to the households and a copy of the updated benefit issuance list. Ensure that all students (including those that were not reviewed by the SA) have accurate, updated meal benefit status. Additionally, the determining and confirming officials must complete two online trainings available in the CNP training portal, *NSLP Benefit Issuance* and *Application Determination*. Upload the four training certificates.

Due Date for CAP completion: December 5, 2018, extended to January 11, and then 15, 2019

Corrective Action Response: Copies of the notification letters, the updated benefit issuance list, and the training certificates were uploaded.

Based on the administrative error rate over 10% associated with certification and benefit issuance, the SFA will be required to conduct a second review of applications beginning school year 2019-20, and continuing until further notice. A second review of applications requires a re-evaluation by the confirming official of the eligibility determination made by the determining official, based on the information provided by the household on the application. Complete this process until the next administrative review. A Second Review of Applications Report will need to be filed while this requirement is in place. Please reference the Independent Review of Applications section in the Eligibility Manual, a copy of which is available in MyIdahoCNP Download Forms.

Finding 2 Verification

Two applications selected for verification in SY 2017-18 were “non-response”, therefore the student meal benefit must be changed from free to paid status. The SFA did not send out a letter to each household to inform them of the reduction of meal benefits as required, providing ten calendar days advance notification for the reduction in meal benefits. A reminder was given to make use of the SA template letters available in MyIdahoCNP Download Forms and to allow households advance notice of a change in benefit status.

Corrective Action: The verifying official must complete the *Verification Level 1* and the *Enhanced Verification* online trainings available on the CNP training portal. Upload the certificates of training.

Due Date for CAP completion: December 5, 2018

Corrective Action Response: Copies of the training certificates were uploaded.

Finding 3 Meal Components and Quantities - Lunch

Independent contractor CN Resources completed the menu review and noted the following: During the week of menu review, 3 ounce equivalents (oz. eq.) of grain-based desserts were offered; for USDA meal pattern compliance, no more than 2 oz. eq. of grain-based desserts is allowed per week. Keep in mind that sweet crackers, such as animal crackers and graham crackers, credit as a grain-based dessert.

Corrective Action: Reduce the amount of grain-based desserts served on the menu to 2 oz. eq. per week or less and provide a written statement that the weekly grain based dessert requirement is now met. Include details to describe what specific changes were made to the menu to correct all menu review findings and bring the menu into compliance. Submit any necessary documentation (menu) to demonstrate that the menu finding is now corrected. Reference the menu review results report for specific details and suggestions to bring the menu into compliance.

Due Date for CAP Completion: October 16, 2018

Corrective Action Response: The SFA provided an updated menu. Graham crackers were removed from the menu on Tuesday which brought the grain based desserts down to 2 oz. eq. for the week, while still meeting all other grain requirements.

Finding 4 Civil Rights

The non-discrimination statement (NDS) must accompany any new printed materials and any web-based materials referencing FNS programs. If the material is too small to contain the full statement, the material at minimum must include the following statement: "This institution is an equal opportunity provider." The full statement must be included on outreach material when notifying potentially-eligible participants how to apply for benefits or when informing participants about their right to file a complaint. Ensure the school food service web page and materials including the meal benefit, direct certification, and verification notification letters contain the correct USDA NDS; the NDS is available on the SA website under Civil Rights. Make use of the SA template letters available in Download Forms under the *Direct Certification Information* and *Free & Reduced Income Eligibility Forms* sections.

Corrective Action: Revise notification letter templates and upload copies. Post the long NDS to the district food service website; ensure menus available to the public contain the USDA NDS.

Due Date for CAP completion: December 5, 2018, extended to January 11, then 15, 2019

Corrective Action Response: Documentation was provided showing that the SFA is utilizing the SA notification letter templates. The SA confirmed that the district web site had the full USDA NDS posted and that the menus included the short NDS.

Finding 5 Smart Snacks

Schools must meet the minimum requirement in 7 CFR 210.11, for all foods and beverages sold in school (also known as Smart Snacks in School) to increase consumption of healthful foods

during the school day and support a healthy school environment. Silver Hills Elementary School vending contained non-compliant beverage items. During the last administrative review, Smart Snacks technical assistance was provided. Food and beverages sold to students must comply with specific nutrition standards, must be tracked as exempt fundraiser(s), or must be inaccessible during the school day (defined as midnight the day before until 30 minutes after the school day ends). The SA discussed Smart Snacks regulations with the elementary school principal and provided *A Guide to Smart Snacks in School* booklet and reminded that fundraisers must be tracked. Per state policy, a maximum of ten exempted fundraisers per school site per year may be approved. An exempted fundraiser can be for a maximum of four consecutive school days. All exempted fundraisers beyond ten must be pre-approved by the SA using the request form. Details are available at the SA Smart Snacks web page where a fundraiser tracking form may be found.

Corrective Action: Provide written documentation (an email would suffice) describing how Silver Hills Elementary School plans to comply with Smart Snacks regulations, including a fundraiser tracking process.

Due Date for CAP Completion: December 5, 2018, extended to January 11, 2019

Corrective Action Response: In a December 28, 2018 email, the business manager informed the SA that, moving forward, only water will be for sale to students during the school day per the Silver Hills Elementary School Principal; there are no plans to use the vending machines for fundraisers and vending machines will not be available to students during the school day.

Finding 6 Resource Management

There were five Pepsi-Cola entries in SY 2017-18 Fund 290 Child Nutrition financials totaling \$1,594.60 for the purchase of Smart Snack compliant beverages sold a la carte to high school students. Since non-program foods beyond a la carte milk and adult meals are sold, the non-program food revenue tool (NPFRT) must be completed. Non-program foods include Smart Snack compliant a la carte items (e.g., milk, juice, entrée items, chips, etc.), adult meals, vending items, and catering. SFAs may opt to complete the USDA tool (USDA Non-program Food Revenue Calculator) or the SA NPFRT; both are available in Download Forms. The NPFRT must be completed on an annual basis if non-program foods are sold.

Corrective Action: Upload a completed, compliant NPFRT. This completed NPFRT may be used during renewal for SY 2019-20.

Due Date for CAP Completion: December 5, 2018 extended to January 11, and then 15, 2019

Corrective Action Response: On January 18, 2019, a completed, compliant NPFRT was uploaded.

Finding 7 SFA On-Site Monitoring Form

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. Ensure each site has a breakfast review every other year. The SFA was unable to provide documentation that the monitoring form for SY 2017-18 for Wallace Junior

Senior High School was completed; the form had not yet been completed for SY 2018-19 (due February 1st).

Corrective Action: Either upload a copy of the SY 2017-18 SFA monitoring form when located, or complete the review for SY 2018-19 and upload a copy.

Due Date for CAP Completion: December 5, 2018

Corrective Action Response: A copy of a completed SY 2018-19 on-site review form for Wallace Junior Senior High School was uploaded.

Finding 8 Offer vs Serve (OVS)

Food service serving line staff, including newly hired staff, must be trained on OVS every year. Documentation of staff training must be maintained on file at the SFA for three years plus the current year. OVS training is available through the CNP training portal.

Corrective Action: Melissa Seymore must complete the online OVS training available on the CNP training portal. Upload copies of training certificates.

Due Date for CAP Completion: December 5, 2018

Corrective Action Response: Copies of the OVS training certificates were uploaded.

Finding 9 Provision 2 Breakfast

Provision 2 base year (SY 2016-17) benefit issuance was previously validated by the SA on September 28, 2016. However, during the administrative review, the retention of all required Provision 2 documentation could not be confirmed since daily meal counts by student name and eligibility were unable to be located while the SA was on-site. During the validation in 2016, the SA provided guidance on the Provision 2 Base Year Review Checklist which noted, "Skyward report of all days of breakfast generated". If base year records are not located by the CAP due date, the district must immediately return to standard counting and claiming procedures and calculate fiscal action; however, the SA is extending previous USDA guidance and allowing the SFA to continue the Provision 2 claiming procedure through the end calendar year 2018 and then convert to standard counting and claiming.

Corrective Action: Upload copies of daily meal counts by student name and eligibility for December 2016 and March 2017. If records are not located, begin standard counting and claiming procedures on the first day of school in January 2019; if the SFA wishes to participate in Provision 2 Breakfast next school year, a new base year will need to be established during the SY 2019-20. Let the SA know whether or not missing base year records have been located and/or if the district anticipates establishing a new base year in SY 2019-20.

Due Date for CAP Completion: December 5, 2018

Corrective Action Response: Copies of daily meal counts by student name and eligibility for December 2016 and January, February, and March 2017 were uploaded as a sample to document retention of daily meal counts during the Provision 2 breakfast base year 2016-17.

Commendations

- Silver Hills Elementary School had a very clean and organized kitchen and students had excellent hand hygiene.

- Outstanding job meeting all meal pattern requirements for breakfast, for the week of menu review!
- The USDA school meal programs are complex, please continue to utilize training resources and reach out to the SA with questions.
- The business manager did a wonderful job following up on the corrective action and other requirements. It is clear she is committed to understanding the regulations and facilitating compliance.

Technical Assistance (TA)

Certification and Benefit Issuance

- Update the Sponsor Application in MyIdahoCNP to reflect one determining official (versus multiple determining officials) to help ensure accurate application determination and update the confirming official to reflect a current employee.
- The SA recommends that Free and Reduced Applications be date stamped upon receipt to allow students to receive benefits as of the date of receipt as opposed to the date of determination (SP11-2014). Additionally, the date stamp will document that eligibility was determined within the ten-operating-day window.
- Make notes on applications to document additional information obtained from the household, including the date, the name of the household member spoken with, the information collected, and the initial of person who collected the information.
- Per the Eligibility Manual, when determining applications, income should not be converted unless various income frequencies are reported. Please make use of the Income Eligibility Guidelines chart.
- Students who qualify for free meal benefits through an application with a food stamp case number must not be listed as directly certified, unless their name appears on a DC (direct certification) list or they qualify based on DC household extension.
- Make use of the SA notification of benefit letter available in MyIdahoCNP Download Forms. The letter being used contained the incorrect USDA NDS and incorrectly noted temporary approval of free/reduced price meals. Ensure the letter lists the determining official as the contact for questions.
- The SFA must send a qualifying household a DC notification letter to help identify other students in the household that may qualify for free meal benefits through household extension. Please make use of the DC notification template letter found in Download Forms.
- Ensure that the determining, confirming, and verifying officials complete the applicable sections located on the back of the application in the "office use only" section.
- Last school year's eligibility status can carry over 30 operating days into the new school year, allowing time for households to reapply without interruption of benefits. However the carryover period is not intended to allow schools to delay the processing of applications; the SFA must use the most recent meal qualification information. Failure to reapply during the carryover period is not a denial of benefits for the current school year. SFAs are not required to notify households or send reminders. A notice of adverse

action is not required as eligibility was not established for the current school year (7 CFR 245.6).

- The SA demonstrated location of the online CNP training portal and encouraged usage of the Idaho School Nutrition Reference Guide resource located on the SDE website.

Verification

- Error prone applications are applications that document a monthly income within \$100 of the Income Eligibility Guidelines. When determining applications, make note of error prone applications since error prone applications must be a priority when selecting households for verification.
- Please attempt to directly certify students selected for verification before sending the verification notification letter to the household.
- Verification must be in line with requirements outlined in 7 CFR 245.6a. Update the notification letter template to inform households who to contact for questions (determining official), which is different from who to contact regarding an appeal (hearing official).
- Reminder that households must be notified of any reduction in benefits, and must be informed of their right to reapply for benefits at any time [7 CFR 245.6a(f)(7)]. If benefits are decreased, a notice of adverse action must be sent. SFAs must provide ten days advance notification to households that are to receive a reduction or termination of benefits, prior to the actual reduction or termination [7 CFR 245.6a(j)].
- In SY 2018-19 verification, ensure that the household that was changed to paid due to no response, then changed to free when income documents were provided, received a notification letter that the benefits were changed to free.
- The school year 2017-18 verification file did not have complete records; documents must be retained for three years plus the current year.

Meal Components and Quantities

- Independent contractor CN Resources completed the menu review and provided the following TA:
 - Ensure completion of breakfast and lunch production records, including milk, for all sites. The records must be completed throughout meal service and maintained every day of operation. At a minimum, the production records must include the name of the item, the recipe or item number, the portion size, the number of planned portions, the component contribution amount, and the number of actual servings prepared, served and leftover. All kitchen staff should be trained on completing production records.
 - If substitutions are made from the planned menu, make sure these changes are noted on the production record.

Smart Snacks

- Ensure that caffeine-containing Smart Snack compliant beverages are only available for high school student (9-12 grades) purchase. Reference the standards outlined in the booklet *A Guide to Smart Snacks in School* that the SA provided.

Provision 2

- Provision 2 Breakfast base year (SY 2016-17) benefit issuance was previously validated by the SA on September 28, 2016. The retention of all required Provision 2 documentation was confirmed during the administrative review. The current Provision 2 cycle expires at the end of SY 2019-20. To continue with Provision 2 Breakfast, contact the SA prior to the expiration date to see if you qualify for an extension.

Procurement

- Follow any guidance provided in the separate procurement review scheduled for SY 2019-20.

Fiscal Action

Due to a 14.37% benefit issuance error rate, fiscal action results in \$1,307.80. This financial adjustment will be withheld from subsequent claims.

Your review is now closed.

Fiscal action resulted in \$1,307.80. Should you wish to appeal any of these findings please follow the appeal procedures on the State Agency Appeal Procedures document located on [the SDE web page](#).

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,



Tamara Donovan, RD, LD, SNS
NSLP Coordinator

cc: Colleen Fillmore, PhD, RDN, LD, SNS, Director, Child Nutrition Programs
Joanne Williams, Child Nutrition Director, Wallace School District
Bea Conley, Business Manager, Wallace School District

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- (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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