



December 5, 2018

Mr. Joel Wilson, Superintendent
Butte County SD #111
250 S Water Street
Arco, ID 83213

Dear Mr. Wilson,

On November 15, 2018, State Department of Education (SDE) Coordinators Lynda Westphal and Jennifer Butler conducted an Administrative Review of Arco Elementary School for the following United States Department of Agriculture (USDA) programs:

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

The State agency (SA) would like to commend Carolyn Blattner, Jodi Wasylow and the staff of Butte 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 – Revenue from Non-program Foods

The invoices checked did not include a sufficient markup to cover the labor costs for ordering, preparing and/or storing the foods sold. Also selling to outside entities should be done with caution when using your tax exempt status. The Institute of Child Nutrition (ICN) recommends a 38% markup when selling food to any organization outside food service to account for the time ordering, preparing and/or storing foods.

Corrective Action: Develop a procedure to appropriately apply a mark up to foods to cover all costs.

Due Date for CAP completion: November 30, 2018

Corrective Action Response: A procedure for food sales was uploaded into the review attachments on November 27, 2018, revised and e-mail sent on December 3, 2018.

Finding 2 – Certification and Benefit Issuance

Several applications were determined in error or have conflicting information which needs to be investigated. Also the Verification application used the net pay instead of the gross pay resulting in a reduction of benefits.

Corrective Action: The families must be contacted for further information. After any changes are made upload the documentation into review attachments showing that the family had a notification letter sent to them and that their benefits were changed within 3 days for an upward revision or after 10 days for a downward revision.

Due Date for CAP completion: November 30, 2018

Corrective Action Response: All determinations were changed in the computer as of November 26, 2018.

Finding 3 – Professional Standards

Food Service Directors must have at least eight hours of food safety training at least every five years. A free, online course, *Food Safety in Schools* (formerly known as *Serving it Safe*) is available through the ICN and can be used to meet this requirement. However, this training will not fulfill the Idaho Health Code for a person in charge to be certified, which has not yet occurred.

Corrective Action: Upload a training certificate indicating successful completion of at least eight hours food safety training into MICNP Review Attachments.

Due Date for CAP completion: November 30, 2018, Extended to December 5, 2018

Corrective Action Response: The Institute of Child Nutrition, Food Safety in Schools on-line eight hour class was taken and a certificate was uploaded December 3, 2018.

Based on the administrative error of 5.14% associated with certification and benefit issuance, the SFA will be required to continue to conduct a second review of applications 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. Depending on the outcomes of this second review, the SFA may be required to complete this process until the next administrative review. A Second Review of Applications Report must be filed as well 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.

Commendations

- CN Resource contractor gave a commendation on your meal
 - Thank you for the best tasting school lunch that I have had! Excellent portion sizes. Great interaction with the students. Keep up the great work!
 - Outstanding job meeting all of the meal pattern requirements. All daily and weekly meal component and food quantity requirements were met.
- Mr. Angel, the Elementary Principal, was great with the kids at lunchtime. It was fun to watch him interacting with the children in line.
- The lunch was made with care and was very tasty. The Romaine salad was very fresh looking and crunchy.
- Congratulations on the vending machine in the High School with the healthy, smart snack compliant, items. It was used by a lot of the students which offered them healthy options to fuel their growing bodies. Great job tracking fundraisers too.

Technical Assistance (TA)

Verification

- Remember to use the net pay (pay before taxes are taken out) instead of the gross pay to calculate the allowable benefits.

Meal Counting and Claiming

- While the SA was calculating the review period (Oct. 2018) claim, one day was found to be claimed in error. October 3 included an under-claim of 1 free meal and an over-claim of 1 paid meal. The SA will adjust the claim accordingly. The SFA has a detailed process that involves daily reports and edit checks and determined this to be a non-systemic error. It was easy to identify the one day in error because of the detailed records and process. The SA recommends incorporating a monthly practice of comparing the Power Lunch POS counts to the FS-4 edit sheet to identify any days that differ and make the required adjustments as needed.

Dietary Specifications and Nutrient Analysis

- CN Resource completed the menu review and provided the following TA:
 - Nice variety of foods offered.
 - Excellent job meeting the whole grain-rich requirement.

- Production records with planned numbers for each item should be accessible before each meal service. Served numbers and leftover numbers need to be recorded at the end of meal service to ensure accuracy.
- Regarding the cheese sticks offered, when served, list the total number of cheese sticks placed out for students to select. Once lunch service is over, count the total cheese sticks left and subtract this total from the planned total. This would be the total served for the day. Do this any day that cheese sticks are offered with the reimbursable meal.

Meal Components and Quantities

- Independent contractor CN Resource completed the menu review and provided the following TA:
 - All daily and weekly meal components and food quantity requirements were met.

Food Safety

- The SFA must post a copy of the most recent food safety inspection in a publicly visible location at the site. This was corrected immediately, and no further action is required.

Civil Rights

- The Determining, Confirming and Hearing official must take the full Civil Rights training. The one page handout is for teachers and staff monitoring the lunchroom.
- FNS Instruction 113-1 requires that the USDA nondiscrimination poster “And Justice for All” be displayed in a prominent location where meals are served and money exchanged. No poster was located at the elementary school where breakfast is served. The SFA requested that the SA mail posters, but they did not arrive prior to the day of review. When the posters arrive, ensure they are hung in the required locations and clearly visible to program participants.

SFA On-Site Monitoring

- 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. Only a lunch review was conducted for Arco ES and Butte Jr. Sr. HS, none was conducted for Howe ES. No lunch reviews were conducted. This school year be sure to conduct reviews for lunch at all three sites and for two sites for breakfast by February 1.

Local School Wellness Policy

- The Local School Wellness Policy must be in compliance with the USDA Final Rule established in July 2016, including the requirement that report(s) on the progress towards goals stated in the wellness policy be publicly available. The final rule requires LEAs to fully comply with the requirements of the final rule by June 30, 2017. Ensure the wellness assessment (e.g., Idaho Wellness Policy Progress Report) is available to the

public; posting to the school /district website and/or in a school newsletter would support this requirement. TA given on the Wellness Policy and the Progress Report. A copy of a partially completed one was given with some suggestions.

Smart Snacks

- Fundraising ideas were given, such as candle sales, holiday wreaths, cookie dough, pencils and other non-food fund raisers. Healthy fundraiser ideas can be found on the [USDA Website link found here.](#)

Professional Standards

- Develop a plan for tracking training hours in order to comply with the Professional Standards requirements. Training log for each employee must be maintained showing current training hours, key area/topics, and training subjects completed with certificates, agendas, and sign-in sheets retained for backup. The Professional Standards Learning Objectives and Topics with Codes which can be found on the USDA Professional Standards Website.
- The ICN Food Safety in Schools on-line training can be found at the [ICN Website at this link](#)

Procurement

- A separate procurement review will be completed by Keddington & Christensen, LLC in 2019-20; with a closure letter from the SA being sent after completion. Please follow the guidance provided.
- Utilize the Buy American exclusion forms provided by the Snake River purchasing co-op to serve as documentation for the canned pineapple, mandarin oranges, and tropical fruit served in meal programs.

Your review is now closed.

Fiscal action in the amount of \$153.44 for lunch and \$34.32 for breakfast (total of \$187.76) resulting from this review will be disregarded because it is below our \$600 threshold. 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,



Lynda Westphal, MHS, SNS, NSLP Coordinator

cc: Colleen Fillmore, Ph.D., R.D.N., L.D., S.N.S., Director, Child Nutrition Programs
Carolyn Blattner, Food Service Director, Butte County SD #111

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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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