



May 19, 2020

Robert Vian, Superintendent
Notus School District
25257 Notus Road
Caldwell, ID 83607

Dear Superintendent Vian,

On January 22, 2020, State Department of Education (SDE) Coordinators Jessica Spoja and Jennifer Butler conducted an Administrative Review of Notus School District for the following United States Department of Agriculture (USDA) programs:

- National School Lunch Program (NSLP)
- School Breakfast Program (SBP)
- Fresh Fruit & Vegetable Program (FFVP)

The State agency would like to thank Eileen Javaux and the staff of Notus 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, however Idaho has received a waiver to conduct reviews on a five-year schedule 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.

SA determined findings and SFA response to the findings are as follows:

Findings and Corrective Action Plan (CAP)

Finding 1 – Nonprofit School Food Service Account

Allowable costs, direct and indirect, must be identified in a consistent manner. Two errors were discovered when reviewing the SY18-19 Fund 290 report. Upon initial review, it appeared foodservice was overcharged roughly \$300 for internet and phone services. While gathering additional information for the SA, the Business Manager discovered foodservice was not charged from January – June 2018 which led to the larger amount billed on July 24, 2018.

There were also several questions regarding the billing of electricity to foodservice. The Business Manager was asked to supply the SA with additional bills from Idaho Power to determine if the appropriate meter was paid for with the foodservice account.

After reviewing the manner in which utility costs were applied to the Fund 290, the State Agency determined that using Child Nutrition funds to pay for Idaho Power and CenturyLink utility services are unallowable costs. These Resource Management issues are repeat findings from the SY16-17 Administrative Review. While a kilowatt meter was installed in the kitchen after the SY16-17 finding with the intention of being directly billed through Idaho Power, it became clear this was not a sufficient process to determine an accurate cost percentage.

In speaking with Idaho Power representatives, the kilowatt meter in the kitchen is not able to be billed, as it is not accessible to Idaho Power. The State Agency was able to determine Child Nutrition funds were used to pay for a meter that was down the road from the cafeteria. When requesting to see the specific bill detailing electricity charges to foodservice, the business manager provided the SA with a bill for meter 36373915. Idaho Power provided the SA with an aerial view of the meter. Upon learning this was not the meter used by foodservice, the SA requested Idaho Power send the correct meter bill. The meter connected to the cafeteria is meter 57092503.

Meter 57092503 provides power to the kitchen, CNP storage, bus barn, gymnasium, and one classroom. Because this meter provides power to non-foodservice areas, paying for the bill with Child Nutrition funds is an unallowable cost.

Phone and internet charges were calculated by taking the total square footage of Notus SD buildings and dividing that by the square footage of the cafeteria. Using square footage to accurately determine phone and internet usage by foodservice is an unallowable cost.

The amount of unallowable costs for SY18-19 totaled \$4,016.02. Additionally, the SFA must return any Child Nutrition funds used to pay for Idaho Power bills during SY19-20. The business manager advised the SA that foodservice has not been charged for phone or

internet during SY19-20. As these are unallowable costs charged to the USDA program, there are no appeal rights afforded to this transfer of funds.

The SA also advised the SFA that they have the right to apply for an Indirect Cost Rate through the State Department of Education to charge foodservice in an allowable manner for any indirectly billed invoices in the future.

Corrective Action Plan (CAP): The following deliverables must be submitted to the SA:

- A copy of the SY19-20 Fund 290 detailing all payments to Idaho Power in the current school year
- A copy of the SY19-20 Fund 290 showing the deposit of \$4,016.02 to the Fund 290 account
- A copy of the SY19-20 Fund 290 showing the deposit of any payments made to Idaho Power during SY19-20 to the Fund 290 account
- A written plan outlining if the SFA plans to:
 - Apply for an indirect rate with the SDE to accurately charge foodservice for utilities, or
 - Cease charging foodservice for utilities, or
 - Implement a different plan to charge foodservice accurately for utilities.

Due Date for CAP Completion: February 13, 2020, extended to February 20, 2020, extended to March 12, 2020.

Corrective Action Response: On March 11, 2020, the SFA provided a copy of their SY19-20 Fund 290 highlighting all payments to Idaho Power in the current school year, a credit of \$3,190.51 for SY18-19 electricity costs, a credit of \$825.51 for phone and internet costs, and a credit of \$2,188.09 for SY19-20 electricity costs.

Finding 2 – Revenue from Nonprogram Foods

While reviewing revenue received in SY18-19, it was discovered that the SFA purchased food items and sold them to entities outside of food service. The costs recouped did not include a sufficient markup to cover the cost of the food, labor, storage, and delivery of the products sold. When selling food to any organization outside food service, the time ordering, preparing, and/or storing foods must be accounted for.

CAP: The following deliverables must be submitted to the SA:

- A copy of a written procedure to adequately apply a cost mark up to all catered/sold foods and implement an invoicing process to receive payments to cover all costs as they are incurred.

Due Date for CAP Completion: February 6, 2020, extended to February 10, 2020

Corrective Action Response: On February 14, 2020, the SFA provided the SA with a catering plan that proposed the following:

- All food purchased through Notus Foodservice for an event will have a 38% markup. All donated food will not be included in the markup.
- Staff preparing the food will be paid catering wages set by the District, plus benefits.
- Any fundraiser that requires the use of the Kitchen will accrue a minimum \$25.00 fee to Fund 290 for the use of kitchen supplies. Example - Gloves, paper towels, foil and any supplies that are needed for Food Safety. The final fee would be determined by the Foodservice Director depending on the amount time the kitchen and equipment would be used.

Finding 3 – Civil Rights

The incorrect non-discrimination statement (NDS) was included on some household notification letters and monthly menus. The correct USDA NDS is located on the SA website. The SA provides free template letters, available in Download Forms, which can also be utilized.

CAP: The following deliverables must be submitted to the SA:

- A copy of your revised household notification (benefit and verification) template letters (benefit and verification)
- A copy of your revised February breakfast and lunch monthly menus

Due Date for CAP Completion: February 6, 2020

Corrective Action Response: On February 18, 2020, the SFA provided the SA with revised template letters and copies of their February menus showing the correct nondiscrimination statement.

Finding 4 – 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. In reviewing the most recent SFA On-Site Monitoring Form, a review of breakfast service at the High School was completed after the February 1 deadline. The SFA failed to conduct on-site monitoring reviews of lunch service for both the elementary school and Jr./Sr. high school during SY18-19.

CAP: The following deliverables must be submitted to the SA:

- A completed on-site monitoring review form for elementary school breakfast service
- A completed on-site monitoring review form for elementary school lunch service
- A completed on-site monitoring review form for Jr./Sr. high school lunch service

Due Date for CAP Completion: February 3, 2020

Corrective Action Response: On January 30, 2020, the SFA provided completed on-site monitoring forms for elementary school breakfast and lunch, and high school lunch service.

Finding 5 – Meal Counting and Claiming

The POS computer is located before the service line. During the lunch rush, the line was backing up causing students to wait prior to entering the service line. Students were observed entering their ID numbers at the POS and circling back into a secondary line to enter the service area. The cluster of students between the two lines made it possible for students to line up for the service area without going through the POS. This is not a reliable POS as participating students could be missed. As the POS station is not the cause for delay, it is recommended that students be asked to stop and wait until they can enter their ID numbers and directly enter the service area without circling back.

CAP: The following deliverable must be submitted to the SA:

- A written plan outlining the new process to ensure an accurate POS

Due Date for CAP Completion: February 6, 2020

Corrective Action Response: On February 4, 2020, the SFA provided a written policy to ensure accurate POS procedures.

Commendations

Independent contractor CN Resources (CNR) conducted the menu review and provided the following commendation:

- Great job. Everyone was very friendly and helpful!

The SA provided the following commendations:

- The foodservice director was diligent in preparing for the review. She was receptive to suggestions provided by SA reviewers.
- All Free and Reduced Priced Meal Applications were determined correctly and verification was performed without errors. The SFA will no longer be required to conduct a second review of applications.
- The high school secretary was using the SA fundraiser tracking log and was very receptive to feedback on the use of the form as well as Smart Snacks requirements.

Technical Assistance (TA)

Local Wellness Policy

- LEAs must assess their wellness policy at least once every three years on the extent to which schools follow the district policy, the extent to which the local wellness policy compares to model local school wellness policies, and the progress made in attaining the goals of the local wellness policy. Additionally, LEAs must make this assessment available to the public. The SA reviewed the current wellness policy on the LEAs website

and did not see a copy of the most recent assessment available. The LEA may want to consider posting their assessment on their wellness policy webpage so it is readily available to the public.

Civil Rights

- The full nondiscrimination statement must accompany any printed materials, including household letters, 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 is available on the SA website under Civil Rights.

Professional Standards

- Training standards apply to all school nutrition program employees, regardless of student enrollment in the school district or size of the Local Educational Agency (LEA). If hired January 1 or later, an employee must only complete half of the required training hours. Staff working an average of at least 20 hours per week - must complete at least 6 hours of annual continuing education/training. Part time staff working less than 20 hours per week - at least 4 hours annual continuing education/training, regardless of the number of part-time hours worked. (7 CFR 210.30 Professional Standards Regulations). The SFA may want to consider requiring new foodservice staff to complete their civil rights, offer versus serve, and food safety training during the onboarding process.

Food Safety

- A food safety manual (HACCP) was available, but references an old food code. A more recent version should be obtained and personalized to meet the needs of the operation. Updated [Food Safety Standard Operating Procedure templates](#) are available from the Institute of Child Nutrition.
- SFAs are required to purchase domestic agricultural commodities or products that are produced and processed substantially in the United States or territories, as applicable [7 CFR 210.21 (d)]. If a product from another country is sourced, then the SFA must have documentation that the domestic product is significantly higher in price or not available in sufficient quantities. Documentation for pineapple from Indonesia was not available during the AR. The SFA must complete and retain the SA’s “Buy American Exemption Form” for all food products requiring documentation.
- A thermometer needs to be present in all food storage areas and temperatures taken and recorded on a temperature log on days when school is in operation. This includes dry storage. Please record temperatures every day that school is in operation. (CFR210.13(d))

Independent contractor CN Resource completed the menu review and provided the following TA:

- During the review, taking temperatures of all food served was reviewed with the SFA. The SFA must take and record all cold and hot foods served for all meals served.

Smart Snacks

- Per current Idaho policy, 10 exempted fundraisers of no more than 4 days in length may be approved by school site administrator. Exempt food sales beyond those 10 must be approved by the State Department of Education. Chocolate bars were sold before, during, and after school for more than 4 consecutive days and was counted as only one exempt fundraiser. Non-compliant and exempted fundraisers occurring during the school day exceeding 4 days must be counted as multiple fundraisers.
- Beverage vending machine located in the Jr.-Sr. HS contained diet soda allowable for grades 9-12 only. With grades 7-8 having access to the machine, extra steps must be taken to ensure the junior high students cannot purchase the soda. Allowable beverages for those school-aged students are limited to: Plain water or plain carbonated water (no size limit); Low-fat or non-fat milk, unflavored or flavored or nutritionally equivalent milk alternatives (no more than 12 fluid ounces); and 100 percent fruit/vegetable juice, and 100 percent fruit and/or vegetable juice diluted with water (with or without carbonation and with no added sweeteners) (no more than 12 fluid ounces).
- The [Smart Snacks Product Calculator](#) is a useful tool that produces a report that can be used to confirm and document compliance.

Fresh Fruit and Vegetable Program (FFVP)

- The school must widely publicize the FFVP. This can be done through posting the grant award on the school website, creating a bulletin board, or writing a short statement for the school newsletter.
- Teachers should be reminded to follow food safety practices and ensure distribution of fruits and vegetables shortly following delivery to classroom.
- The daily FFVP offering should be delivered closer to the actual preparation time to avoid potential food safety hazards. Food safety practices and time and temperature controls must be followed. It was observed that the daily offering was delivered to the elementary school around 1:00 p.m. and sat unattended on a cart in the hallway until 1:45 p.m. when two 6th graders pick up the baskets to deliver them to the classroom. Two of the three kindergarten classes picked up their baskets from the hallway prior to 1:45 p.m. Once the offering is delivered to the classroom it sits for additional time until the teacher is ready to serve, which in some cases is after recess.

Special Provision Options

- Provision 2 Base Year (SY17-18) benefit issuance was previously validated by the SA on September 18, 2017. The retention of all required Provision 2 documentation was confirmed during the Administrative Review. Records are kept in a combination of brown accordion folder and on a thumb drive. The current Provision 2 cycle expires at the end of SY20-21. If the SFA wishes to continue with Provision 2 breakfast, you must contact the SA prior to the expiration date to see if you qualify for an extension.

Dietary Specifications and Nutrient Analysis

Independent contractor CN Resource completed the menu review and provided the following TA:

- CN Resource completed the menu review and provided the following TA:
 - Secure a Child Nutrition Label or Product Formulation Statement (PFS) for the breakfast pizza and breakfast sliders. The spec sheets submitted included meal pattern crediting statements but were not official CN Labels or PFS's. Reference the link below for more information. <https://fns-prod.azureedge.net/sites/default/files/cn/TA07-2010v3os.pdf>
 - Standardize the recipes so that true yields and portion sizes can be determined. The bread and bun recipes need to be standardized to determine accurate yields and serving sizes. To be standardized, recipes must include:
 - All ingredients in the recipe.
 - Correct measures and specific weight/measure of each ingredient.
 - Serving/portion sizes for each age/grade group.
 - The true yield made by the recipe.
 - Clear and complete preparations steps and directions.
 - Production records did not provide adequate information, as recorded. It is a requirement of the federal regulations to maintain complete and accurate production records. Serving sizes did not always match what was actually offered, per communication with the sponsor. The production records did not indicate the accurate serving size for the bread and bun served to grades 7-8 and 9-12.

Procurement

- A procurement review was completed and closed on March 3, 2020.

Fiscal Action

There is no fiscal action resulting from this review.

Your review is now closed.

If you wish to discuss any of these findings, please contact me at (208) 332-6829.

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

Sincerely,



Jessica Spoja, MPA
National School Lunch Program Coordinator

cc: Colleen Fillmore, PhD, RDN, LD, SNS, Director, Child Nutrition Programs
Eileen Javaux, Food Service Director, Notus School District

Civil Rights

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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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