



April 9, 2018

Carina VanPelt, Principal  
Holy Rosary Parish School  
161 9th Street  
Idaho Falls, ID 83404

Certified Mail: 7013 1710 0000 9755 9597

**2<sup>nd</sup> Attempt Certified: 7013 1710 0000 9755 9603**

Dear Ms. VanPelt,

On March 9, 2018, State Department of Education (SDE) Coordinators Teresa Goodsell, Jennifer Butler, Tamara Donovan and Lynda Westphal conducted an Administrative Review of Holy Rosary Parish School for the following United States Department of Agriculture (USDA) programs:

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

The State agency (SA) would like to commend Chansity Tucker and the entire staff of Holy Rosary Parish School 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

Five errors out of a sample size of 41 applications were discovered, which resulted in an error rate of 24.39%. One application (three students) was missing the social security number(SSN); one application (three students) was denied due to over income limit, however students were on the benefit issuance list being claimed as free for reimbursement; one household (two students) did not submit a free/reduced application following the end of the 30 day carryover period and should have been changed to denied on the benefit issuance list, however the students were still being claimed as free for reimbursement based on previous school year status; one application (one student) was correctly determined as reduced, however, the student was on the benefit issuance list being claimed as free for reimbursement.

**Corrective Action:** Contact the household for the SSN and complete the application; send adverse action notification letters to appropriate households and update the benefit issuance list to reflect the students’ correct eligibility status, allowing 10 calendar days where adverse action to the household occurred. Upload copies of the letters along with an updated Benefit Issuance List (BIL) into MyIdahoCNP (MICNP) Review Attachments. Also, upload documentation to certify the Determining and Confirming officials have taken the SA online *Benefit Issuance and Application Determination* trainings available in the SA Child Nutrition Program (CNP) training portal.

**Timeframe for CAP Completion:** April 2, 2018

**Sponsor Response to CAP:** The SFA uploaded copies of all the appropriate notification letters, updated BIL, and certifications of completion for both online courses for the Determining, Confirming, and Hearing officials into MICNP. Based on the high error rate, an Independent Review of Applications must be completed annually with a separate report.

### Finding 2 – Certification and Benefit Issuance

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. Failure to reapply during the carryover period is not a denial of benefits for the current school year. LEAs are not required to notify families or send reminders. A notice of adverse action is not required, as eligibility was not established for the current school year (7CFR 245.6). Two applications (three students) continued their carryover benefits until the day of review. One student was listed on the BIL as free status; however, the household submitted a new application for SY17-18 that was determined as reduced. Two students were listed on the BIL as free status but should have been changed to paid when no new application was received for SY17-18.

**Corrective Action:** Update the BIL to reflect the students' correct eligibility status and upload into MICNP Review Attachments.

**Timeframe for CAP completion:** April 2, 2018

**Sponsor Response to CAP:** The SFA uploaded a copy of the updated BIL reflecting the correct eligibility status for these students into MICNP.

### **Finding 3 – Verification**

One household (one-student) selected for verification did not qualify for reduced benefits based on income documentation provided during verification, but was erroneously kept as reduced meal status on the BIL. If the household re-applies for benefits, verification for cause must take place using current household income documentation.

**Corrective Action:** Contact the household giving ten calendar-days' notice regarding the benefit status change, update the BIL, and upload all documents into MICNP Review Attachments.

**Timeframe for CAP completion:** April 2, 2018

**Sponsor Response to CAP:** The SFA uploaded a copy of the adverse action letter along with an updated BIL reflecting the correct eligibility status for the student into MICNP.

### **Finding 4 – Professional Standards**

Effective July 1, 2015, per USDA Professional Standards, Food Service Directors must have at least eight hours of food safety training within the past five years. *Food Safety in Schools* (formerly known as *Serving it Safe*) is available through the Institute of Child Nutrition (ICN) on-line and free.

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

**Timeframe for CAP completion:** April 2, 2018

**Sponsor Response to CAP:** The SFA uploaded copies of certificates of completion for both the food service director and the school principal.

### **Finding 5 – Resource Management**

The Resource Management form was completed indicating "no" Indirect Costs were charged to Food Service; however, the on-line Financial Form has \$4682.41 in Indirect Costs charged. If Indirect Costs are charged, the school needs an approved indirect cost rate from the Department of Education. If no rate was issued, these charges need to be reversed out of the food service account.

**Corrective Action:**

Upload a copy of the indirect cost rate letter if the charge is appropriately assigned; otherwise upload a copy of a detailed CNP account balance validating the reversal of indirect costs.

**Timeframe for CAP completion:** April 2, 2018

**Sponsor Response to CAP:** The SFA uploaded a copy of the CNP Fund account with indirect cost charges reversed and reflected in the revised account balance.

### **Finding 6 – Dietary Specifications and Nutrient Analysis**

Breakfast and lunch meals offered to students must meet the USDA meal pattern requirements for the age-grade group, including vegetable subgroup and whole grain-rich requirements (7 CFR 210.10). The meal compliance worksheets for the week of menu review showed missing

components. Additional issues included non-compliant recipes, a discrepancy with production records, questionable whole grain items and improper crediting. The menu must undergo a nutrient analysis by our independent contractor once the week has been certified as compliant with the USDA meal patterns for breakfast and lunch.

**Corrective Action:** Provide all required documentation to the State agency independent contractor for a full nutrient analysis. Make necessary changes as identified to ensure meals are compliant with the USDA school breakfast and lunch meal patterns.

**Timeframe for CAP completion:** April 2, 2018

**Sponsor Response to CAP:** The SFA provided a four-week cycle menu along with recipes, product formulation statements, and production records for a full analysis. The State agency contractor worked with the SFA to ensure understanding of the meal requirements, ounce equivalencies and component crediting within the four-week cycle menu. The menu analysis resulted in compliance for all meals being served during the four-week cycle.

### **Finding 7 – Afterschool Snack Program**

An assessment of the production records for the review period resulted in a determination that the vast majority of the snacks served were unallowable. The SA will calculate fiscal action for unallowable snacks. The records indicated snack portion sizes which do not meet the required creditable amount; non-creditable items cannot be counted as one of the two items served; and records indicate not all students took two items for a reimbursable snack. At least one production record showed a different total for milk than the other snack item, indicating both items were not selected as required to count as a reimbursable snack.

**Corrective Action:** Upload two weeks of completed ASSP production records for SA review. Write and upload a narrative describing how the ASSP will be modified to ensure compliance for serving and documenting reimbursable snacks. The narrative should describe a plan for staff training on reimbursable snacks and changes to counting and claiming to guarantee only students who select two required components in their full creditable serving sizes are counted as receiving a snack. The narrative should also explain the steps taken to address recipes that did not result in 1 oz. eq. grain or leftover food portion sizes not meeting the required serving amounts. Finally, the narrative should address corrections to the daily production records for documenting items and creditable portion sizes and completing the production record to accurately reflect the number of reimbursable snacks served. SA recommends that SFA develop and follow a cycle menu for snacks.

**Timeframe for CAP completion:** April 2, 2018

**Sponsor Response to CAP:** The SFA developed a cycle menu and a functional production record outlining program requirements for meal item crediting for ASSP. The cycle menu, completed production records and a comprehensive narrative outlining training and completion of the production records was uploaded into MICNP.

### **Fiscal Action**

Application errors resulted in fiscal action of \$47.57 for lunch and breakfast. Fiscal action for unallowable snacks totaled \$392.56. Due to a high application error rate and repeat finding in

the area of Afterschool Snack Program, fiscal action will be assessed. Total amount is \$440.13, which will be recovered from future claims.

## Commendations

- The Principal was organized for the review by placing all required records in a binder with tabs and a table of contents to allow reviewers to easily access documentation. All other school year records were appropriately retained and neatly organized in binders.
- The Food Service Director, who is new to the position, was very helpful to reviewers. She was thoughtful to check in often to see if reviewers needed anything and to advise if she was going to be temporarily unavailable.
- The Secretary made herself available to review information immediately upon request so that errors could be identified and corrected.

## Technical Assistance (TA)

### Offer versus Serve (OVS)

- When operating the OVS provision, all staff responsible for monitoring or counting reimbursable meals must have annual OVS training. All staff training should be documented by preserving agendas and sign-in sheet that reference OVS training. These trainings should be recorded on the employees' professional standards tracking logs. OVS training is available through the State agency training portal and a training log is available in MICNP Download Forms.

### Civil Rights

- Please update your non-discrimination statement on your notification of benefits letter template to the correct USDA non-discrimination statement available at the State agency website.

### Meal Components and Quantities

- Independent contractor Kerry McKaig started the menu review and provided the following TA:
  - Signage explaining what constitutes a reimbursable meal (must take 3 items; must take a fruit or a vegetable) must be present at breakfast so that students know what food items they are required to select for meal compliance. Reviewer observed that no signage was available for what was offered for a reimbursable breakfast. There is a sign posted at the end of the line that states, "You must take 3 items and one must be a fruit or a vegetable." Recommend using a poster like the lunch poster from the SA for breakfast.
  - Only 1% milk was offered at breakfast each day during the week of review and was observed and confirmed on the day of contractor review. Two milk varieties must be offered, either fat free flavored or unflavored, or 1% unflavored. Two milk varieties are offered at lunch. The food service director told me she has not offered two varieties at breakfast all school year.

- Peanut butter offered with toast is not measured. Recommended switching to the 1 oz. cups available from USDA Foods.

### Food Safety

- Starting July 1, 2018, the Idaho Food Code requires a Person in Charge to demonstrate knowledge of food safety practices by completion of one of the examinations and courses that meets the demonstration of knowledge requirements in Section 2-102.11 of the Idaho Food Code. More information can be found on the Idaho Health and Welfare website.

### 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.
- Please attempt to directly certify students selected for verification before sending the verification notification letter to the household.
- Complete the official use section on the free and reduced application to documentation verification date and signature of the Verifying Official.

### Afterschool Snack Program

- The ASSP meal pattern includes four components: fluid milk, fruit or vegetable, grain, meat or meat alternate. Snacks must be comprised of two components in their required serving size. Two items from the same component (e.g. fruit juice and carrots) is not allowed. In addition, two fluid items (e.g. milk and juice) is not allowed.
- A reimbursable snack is comprised of two different ASSP components in their creditable serving size. Low-fat or fat-free fluid milk must be 8 fluid ounces, fruits or vegetables must be a minimum of 3/4 cup, grains must be 1 oz. eq., and meat or meat alternates must be 1 oz. eq. Some unallowable snack portions discovered included only 1/2 cup fruit or vegetable, .5 oz. eq. oatmeal bars and peanut butter bars, .75 oz. eq. oatmeal muffin squares and fruit crisp. Pudding and popcorn do not qualify as any component.
- Product Formulation Statements (PFS) for two ASSP products were provided by the SFA that could not be used to credit items. One PFS statement was dated 2013, and an updated, more current PFS should be obtained. Another statement did not meet the requirements to be an acceptable PFS. Tips and information regarding acceptable product formulation statements are available on USDA's CN Labeling webpage. If acceptable PFS are not available, grain crediting can be based on Exhibit A.
- Multiple recipes for items used in the ASSP did not result in a creditable grain serving. These recipes should be adjusted to provide a minimum 1 oz. eq. per serving or acceptable products should be procured for use in the ASSP.

### Local 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 LWP 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 Child Nutrition Programs School Wellness webpage.

### Resource Management

- SFA submitted a compliant Non-Program Food Revenue Tool (NPFRT) using Option 1 during the application renewal period for SY17-18. This option only validates that extra milk and adult meals are sold at pricing that meets the Non-Program Food Revenue requirements under subsection 12(q) of the Richard B. Russell National School Lunch Act and 7 CFR 210.14(f). At the beginning of SY17-18, the SFA decided to allow a few fifth grade students to preorder a' la carte items and sells second entree's based on reports that students were still hungry. The sale of these items would constitute revenue from non-program foods, thus requiring the SFA to complete Option 2 of the NPFRT to ensure revenue available to support the production of reimbursable school meals does not subsidize the sale of non-program foods. Pricing must demonstrate the cost of non-program foods have been increased sufficiently to cover labor and other expenses associated with sales. The SFA must choose from the following courses of action.
  1. Discontinue the practice of allowing sales of entrée or a' la carte foods and submit a compliant NPFRT completing Option 1 during the application renewal process, or;



2. Continue allowing the sale of entrée or a' la carte foods and submit a compliant NPFRT completing Option 2 during the application renewal process. This technical assistance will be escalated to a finding in the next Administrative Review if it is not resolved satisfactorily.

### Procurement

- A separate procurement review was completed by Keddington & Christensen, LLC; please follow the guidance previously provided and policies to ensure compliance by the next administrative review.

### Your review is now closed

Fiscal action in the amount of \$440.13 will be recovered from future claims. 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,



Teresa Goodsell, BS, SNS  
NSLP Coordinator

cc: Colleen Fillmore, Ph.D., R.D.N., L.D., S.N.S., Director, Child Nutrition Programs  
Chansity Tucker, Child Nutrition Director, Holy Rosary Parish School

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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](mailto: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](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](mailto:program.intake@usda.gov).

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