



April 17, 2019

Certified Mail Receipt No. 7016 1370 0000 2344 2484

Chris Born, Superintendent
Salmon School District
907 Sharkey St.
Salmon, ID 83467

Dear Mr. Born,

On November 12, 2018, State Department of Education (SDE) Coordinators Jennifer Butler and Lynda Westphal conducted an Administrative Review of Salmon School District for the following United States Department of Agriculture (USDA) programs:

- National School Lunch Program (NSLP)
- School Breakfast Program (SBP) – operating Provision 2 breakfast
- USDA Foods

The site reviewed was Salmon Pioneer Primary School (grades Pre-K-5).

The State agency (SA) would like to commend Suzy Palmer and the entire staff of Salmon 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

Several applications resulted in determination errors. Four applications were correctly determined, but the determination was not accurately reflected on the benefit issuance list. Two applications were incomplete and should have not been determined without all required information. Three applications were incorrectly determined based on income.

Corrective Action: If necessary, inform households of changes in benefits and upload a benefit issuance list demonstrating the accurate benefit. Upload copies of completed applications once missing information has been obtained.

Due Date for CAP Completion: November 29, 2018; completed December 12, 2018.

Corrective Action Response: Documentation uploaded with applicable benefit issuance changes.

Finding 2: Certification and Benefit Issuance

Last school year's eligibility status can carry over for *30 operating days* into the new school year, allowing time for households to reapply without interruption of benefits. Student eligibility changes must be applied when a new determination for the school year has been made even if the determination is made within the carryover period. As soon as the carry-over period is over, students lose the previous year's eligibility and must be changed to a paid benefit for the current school year if no new determination is made. Carry-over ended October 25, 2018, and eligibility changes were not updated in the benefit issuance/point of service software as required, and as of the Administrative Review date students were still receiving last year's benefit. This was a repeat finding from the last review and the incorrect eligibility statuses will be counted in the error rate and fiscal action applied. Additionally, applications for some students could not be located although a determination date from the current school year was listed. It was unclear why or how these children were provided eligibility determinations for the current year and will need to be changed to paid without any benefit issuance documentation.

Corrective Action: Upload a benefit issuance list for all students demonstrating that any student without out benefit issuance documentation is changed to paid. Also, upload a statement describing a plan to ensure that the benefit issuance/point of service software accurately reflects benefits and eligibility dates. Additional information can be found in the *Eligibility Manual for School Meals*.

Due Date for CAP Completion: November 29, 2018; completed December 20, 2018.

Corrective Action Response: A statement was uploaded advising that the SFA plans to utilize calendar reminders to ensure important dates are not missed.

Finding 3: Meal Counting and Claiming

During the review, the SA identified that the SFA had not submitted a Provision 2 breakfast claim for the month of September and October. The SFA had thought they had entered the claim accurately and had all appropriate backup documentation. The SA showed the SFA what elements were missing from the claim and how to check whether or not the claim was submitted and received.

Corrective Action: Revise the September and October claims and accurately enter and submit the breakfast claim totals.

Due Date for CAP Completion: November 29, 2018; Completed November 26, 2018.

Corrective Action Response: SFA revised and submitted the September and October breakfast claims.

Finding 4: Meal Counting and Claiming

Using tray counts to count served reimbursable breakfast meals is an unallowable method of point of service (POS) counting.

Corrective Action: Upload a plan describing a way of properly counting meals for claiming, whether it be using a clicker or having assistance during breakfast meal service time.

Due Date for CAP Completion: November 29, 2018; Completed December 12, 2018.

Corrective Action Response: A plan was uploaded stating that a clicker will be used to count reimbursable breakfast served at no charge under Provision 2. Beginning January 2019, an additional person will assist with breakfast service to enter participating students into the POS system during service as the SFA will no longer be operating under Provision 2 breakfast.

Finding 5: Civil Rights

The SFA must provide documentation that indicates that the civil rights training occurred and that required participants attended. Implement a plan that ensures annual civil rights training occurs at the beginning of each school year. The hearing official (Superintendent) did not complete the required annual training.

Corrective Action: Upload a dated sign-in sheet showing completion of the required training.

Due Date for CAP Completion: November 29, 2018; Completed November 27, 2018.

Corrective Action Response: Superintendent signed off that he has completed civil rights training.

Finding 6: Civil Rights

The USDA non-discrimination statement (NDS) must accompany any printed materials and any web-based materials referencing FNS programs. The lunch menu posted on the school's website does not include the required statement.

Corrective Action: Upload a copy of the December lunch menu demonstrating the use of the NDS. This statement must be included on all subsequent menus.

Due Date for CAP Completion: November 29, 2018; Completed November 26, 2018.

Corrective Action Response: The December lunch menu was uploaded with the correct NDS.

Finding 7: Local Wellness Policy (LWP)

The final rule on wellness policies (§210.31) required LEAs to be in compliance by June 30, 2017. The LEA's current LWP (applicable ISBA policies adopted in 2005 & 2006) is missing

required elements, making it noncompliant. The wellness policy committee must work to get the LWP compliant with the final rule.

Corrective Action: Upload a plan for how and when the LWP will be brought into compliance with Federal requirements.

Due Date for CAP Completion: November 29, 2018; Completed November 29, 2018.

Corrective Action Response: A statement was uploaded advising that the school board will meet on December 17, 2018, for the third and final reading of a compliant Wellness Policy. The policy will be posted to the district's website.

Finding 8: Revenue from Nonprogram Foods

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 supports the production of reimbursable school meals does not subsidize the sale of non-program foods. 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. The nonprogram food revenue tool (NPFRT) completed for SY 17-18 was found to be non-compliant requiring an increase in the price charged for items sold a la carte in SY 18-19. During renewal, the SA modified the NPFRT and advised of the higher pricing required to become compliant, the SFA did raise prices, but not enough to become compliant per the NPFRT.

Corrective Action: Upload the following documentation: 1) a letter from administration advising that general funds will cover the difference of revenue not received in excess of expenses for nonprogram foods, and 2) a written statement describing a plan of action to ensure the SFA will become and remain compliant with 7CFR 210.14(f).

Due Date for CAP Completion: November 29, 2018; Completed December 12, 2018.

Corrective Action Response: A statement from the Superintendent addressing both corrective action elements was uploaded. The statement indicates the school district will cover any expenses in excess of revenue received from non-program foods. It also states that for SY 19-20 the district plans to increase prices of program meals to the recommended amount and will evaluate prices annually. The SA will continue to require the NPFRT to be completed and uploaded during renewal. It is expected that the SFA takes appropriate steps to ensure pricing compliance.

Finding 9: Provision 2 Breakfast

Provision 2 Base Year (SY 08-09) benefit issuance was previously validated by the SA on November 5, 2009. However, during the administrative review, the retention of all required Provision 2 documentation could not be confirmed due to missing records. The SFA was given a due date of November 29, 2018, to locate and submit the missing records to the SA. Since the required base year records have not been maintained, the SA would generally require the district to 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 their claiming procedure until the holiday break (December 20, 2018). Notify the SA by November 29, 2018, if the missing base year records have been located. If records are not located, begin standard counting and claiming procedures when school begins again in January

(January 2, 2019). If the SFA wishes to participate in Provision 2 Breakfast next school year, they will need to establish a new base year during the next school year (SY 19-20).

Corrective Action: Let the SA know whether or not missing base year records have been located. If the missing records have been located, upload them for SA confirmation. If not, advise if the SFA plans to conduct a new base year in SY19-20.

Due Date for CAP Completion: November 29, 2018; Completed December 12, 2018.

Corrective Action Response: The SFA advised that the missing base year records were not located requiring the SFA to stop operating Provision 2 breakfast and return to standard counting and claiming in January 2019, upon returning from the holiday break. The SFA indicated they plan to conduct a new Provision 2 breakfast base year during school year 19-20.

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 2019-2020, 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. 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 will need to 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 Resources contractor advised on an outstanding job meeting all of the requirements for the grades K-5 meal patterns. All daily and weekly meal component and food quantity requirements were met for the week of menu review.
- The SA appreciated the effort in preparing for the Administrative Review. Suzy was open to all feedback and recommendations provided by the State agency.

Technical Assistance (TA)

Certification and Benefit Issuance

- The income frequency listed on the application must be used to determine the application. If multiple frequencies are listed then all income must be converted to an annual amount per USDA regulations. PowerSchool requires monthly and does not comply with USDA requirements. Please make use of the Income Eligibility Guidelines chart.
- Direct certification (DC) notification letters should be sent out as soon as a child is directly certified. The DC list should be run after July 1 each school year in order to identify students and notify household in a timely manner so that the household knows they do not need to complete a free and reduced meal application.
- Additional training on using the DC system is required. An online training is available in the CNP training portal and a user manual is available in Download Forms. Although the

SFA did upload a student list at the beginning of the school year, the list was not downloaded to accurately capture active students. While onsite the SA demonstrated the process.

- 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) The students' benefits were supposed to end on October 25, 2018, but as of the review date they were still receiving benefits from the last year.

Meal Components and Quantities

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

- Production records were not completed completely. All columns must be filled out for each item served. During the review, production records were discussed with the SFA. The SFA must ensure that all sites are keeping accurate and complete production records for the meals they produce. The records must be completed throughout meal service and maintained every day. At a minimum the production records should 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.
- All kitchen staff should be trained on completing production records so that everyone can complete the records completely.

Pre-K Meal Pattern

- The CACFP Meal Pattern for the appropriate age group must be followed when Pre-K is not comingled with grades K-5 students. A separate Pre-K/Preschool Production Record template is located in Download Forms. This production record should be utilized to assist in planning and serving meals that meet the CACFP Meal Pattern requirements.
- All cereal served to Pre-K must meet the Pre-K meal requirement that dry cereal has no more than 6 grams of sugar per dry ounce. The Apple Cinnamon Cheerios does not meet this requirement and should not be served to Pre-K. Ensure that any cereal purchased and provided to the Pre-K meets this requirement.
- The Golden Graham cereal bar and Fruit and Grain bar are considered to be grain based desserts in the CACFP meal pattern and cannot credit toward the grain requirement. Use Exhibit A to identify the allowable grains and their appropriate crediting amounts to meet the requirements of the CACFP meal pattern for the Pre-K students.
- Refer to the procedures outlined in FNS Memorandum SP 35-2011, Clarification on the Use of Offer versus Serve (OVS) and Family Style Meal Service and FNS Instruction 783-9, rev 2, Family Style Meal Service in the Child and Adult Care Food Program for more information on implementing Family Style Meal Service for Pre-K.

Offer versus Serve (OVS)

- When training staff on OVS make sure the training topics are documented on a dated sign-in sheet for all the staff in order to have documentation to show that the required training was completed and have backup documentation to support employee tracking logs.

Food Safety

- The Food Safety plan (HACCP) must have bodily fluid clean-up and employee exclusion that are required by Idaho Food Code. Please update your plan to come into compliance.

Resource Management

- 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 supports the production of reimbursable school meals does not subsidize the sale of non-program foods. The nonprogram food revenue tool was found to be non-compliant requiring an increase in the price charged for items sold a la carte. During renewal, the SA advised of higher pricing to become compliant, the SFA did raise prices, but not enough to become compliant.

Civil Rights

- Procedures for receiving and processing complaints must include that the State agency will be advised of the complaint within 3 working days. No written procedures were available explaining the process. During the review, the SFA printed a complaint procedure from the SA website. This procedure should be kept with the Civil Rights binder that includes complaint forms and tracking logs available at each site.

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. There is no record that this review has occurred in the past. Ensure that this review is conducted for all feeding sites as indicated no later than February 1 and retain documentation for three years plus the current year.

Local School Wellness Policy (LWP)

- The final rule on wellness policies (§210.31) requires LEAs to conduct an assessment of the LWP at least every 3 years and make it publically available. The LEA did not have available any assessment of their policy. This triennial assessment must evaluate the extent to which schools are in compliance, how the district policy compares to model wellness polices, and the progress made in attaining local wellness policy goals.
- For more information regarding local wellness policies, please visit the [Idaho SDE Child Nutrition Programs School Wellness website](#).

Smart Snacks

- Fundraisers are not being tracked at the elementary school. Please see the Smart Snacks tracking form located on the [Smart Snacks in Idaho Schools website](#).

Professional Standards

- The Food Service Director was hired after July 1, 2015. A Professional Standards questionnaire was completed to document required education and experience. The *Professional Standards for School Nutrition Program Employees brochure* was provided.
- Staff training must be tracked to ensure compliance with Professional Standards training requirements. Template tracking logs are available for use in Download Forms.

Special Provisions

- The SFA is considering reestablishing a Provision 2 breakfast base year in school year 2019-2020 and should evaluate whether the savings in administrative costs associated with simplifying meal counting, cash handling, and claiming procedures under Provision 2 offset the costs of providing breakfast to all children at no charge. Because all breakfast meals are served at no charge to children in Provision 2 schools, there is no revenue from households who would normally pay the reduced price and full price for breakfast meals. Therefore, the district may need to make up the difference between Federal reimbursement and meal costs. 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.

Procurement

- A separate procurement review will be completed by contractors (currently Keddington & Christensen, LLC) in 2019-2020 with a State Agency closure letter sent following completion of corrective action (if needed); please follow the guidance provided.

Fiscal Action

Due to a 27.03% benefit issuance error rate, fiscal action results in \$4,460.60. This financial adjustment will be withheld from subsequent claims.

Your review is now closed.

Fiscal action resulted in \$4,460.60. 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,

Jennifer Butler, MEd, SNS
NSLP Coordinator

cc: Colleen Fillmore, PhD, RDN, LD, SNS, Director, Child Nutrition Programs
Suzy Palmer, Child Nutrition Director, Salmon 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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