



June 29, 2020

Marvin Hansen, Superintendent
Marsh Valley School District
40 School Street
Armo, ID 83214

Dear Superintendent Hansen,

On February 25, 2020, State Department of Education (SDE) Contractor, Shawna Durbin, with CN Resource (CNR), conducted an on-site review of the meal program, and from May 4 - June 25, 2020, Coordinator Teresa Goodsell conducted an off-site review process for the Administrative Review of the Marsh Valley School District due to the current COVID-19 pandemic for the following United States Department of Agriculture (USDA) programs:

- School Breakfast Program (SBP)
- National School Lunch Program (NSLP)
- USDA Foods
- Fresh Fruit and Vegetable Program (FFVP)

The SA reviewed Downey and Mountain View Elementary Schools.

The State agency (SA) would like to thank Michelle Taylor and the staff of Marsh Valley 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 (AR) 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 AR 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.

These were the SA determined findings and the SFA response to the findings:

Finding and Corrective Action Plan (CAP)

Finding 1: Certification and Benefit Issuance

Twelve determination and/or benefit issuance errors were identified in the statistical sample of 255 students. One application (one student and one other household member) was determined incorrectly due to a math error resulting in a reduction of benefits from free to reduced status; two applicants (two students and three other household members) were receiving free and reduced price meals however the household never submitted a new application at the end of the 30 day carryover period and the BIL was not updated correctly to reflect the change to paid status; two applications (four students and three other household members) did not include legible income and had household member discrepancies that were not resolved as part of the application determination process; one application (one student) was receiving categorically free eligibility without documentation to support the free meal status; one application (one student) was determined without inclusion of a listed child income; one application (three students and three other household members) was determined as reduced, however income was over the allowable income for reduced meal eligibility.

CAP: Contact households with application discrepancies and document the results of the conversation(s) on the applications. If a reduction in benefits occurs, send adverse action notification letters allowing 10 calendar days before updating the BIL (see SA notification letter in MyIdahoCNP Download Forms). Update the BIL with corrected meal benefit status for all identified application determination and benefit issuance errors. Upload copies of applications with documented household conversations, copies of the notification letters sent to all affected households, and a copy of the updated BIL for the State agency validation.

CAP Completion: June 22, 2020

CAP Response: Copies of applications, notification letters and the updated BIL were uploaded into MyIdahoCNP. The certification and benefit issuance errors resulted in a 4.71% error rate and fiscal action. This finding is closed.

Finding 2: Verification

The SA must determine if the SFA is implementing the verification process in accordance with Federal regulations (7 CFR 245.6a). Students certified for free meal benefits via direct certification through documented participation in an eligible Assistance Program or through a documented Other Source Categorical Eligibility designation are not subject to verification. One application included in the verification pool had a SNAP case number. The SFA completed a single child match resulting in Direct Verification of categorical eligibility, however the SFA sent a verification selection letter to the household asking for documentation to continue the verification process.

CAP: The Determining, Confirming and Verifying (which can be either the Determining or Confirming) Officials must complete the *Online 2020 NSLP Verification* training which can be found in the CNP Digital Learn Portal. Upload a copy of the course completion certificates into MyIdahoCNP.

CAP Completion: June 22, 2020

CAP Response: The completion certificates were uploaded into MyIdahoCNP. This finding is closed.

Commendations

- Although food service staff were working diligently to feed children in the community during the ongoing COVID-19 public health crisis, the Food Service Director and her assistant were very attentive to the administrative review process. Scanning and uploading all required documentation in a timely manner and dedicating time to meet via teleconference with the State agency review to ensure understanding and compliance. Job well done under strenuous circumstances.
- CNR completed the menu review and provided the following:
 - Excellent work meeting all meal pattern requirements for the week of menu review!
 - Great staff, very friendly and helpful.

Technical Assistance (TA)

Certification and Benefit Issuance

- Use of a pencil for completing an application is not a valid reason to the deny eligibility. The affected application status would not have changed as the household income was over the allowable income for free or reduced priced meals.
- Students who qualify for meal benefits through a Free and Reduced Application that then appear on a Direct Certification (DC) list, or whose sibling or household member appears on a DC list thus eligible for household extension, should be noted as Free DC (FDC) on the benefit issuance list.
- When making eligibility determinations, the determining official must confirm discrepancies found on the application with the applicant and thoroughly document all conversations. While the eligibility may not change, several application had fewer names listed than the number of household members indicated in the Total Household Members box. It has been the SA experience that some applicants have been known to claim and “unborn child” as a household member which is not allowable.
- While a date is not a requirement for a complete application, best practice is to ensure the application is dated by the applicant as they are certifying the information is accurate and representative of the current school year.
- Best practice is to run a Direct Certification (DC) match against current student enrollment, at or near the beginning of the school year (after July 1 but before the first day of the new school year). At a minimum DC must be completed at least three times during the school year, however best practice would be to upload current enrollment lists for matching more often in order to capture newly categorically eligible students. Match lists must be downloaded from the DC system so that new match results can be

extended to students. DC match lists must be printed or saved in PDF, including the date match was performed, and saved for three years plus the current year. The State agency DC system does not save information past 30 days.

- Per the Eligibility Manual, when determining Free and Reduced Applications, income should not be converted to an annual amount unless various income frequencies are reported. Please use the Income Eligibility Guidelines chart.
- Be consistent with the processes used during determination of applications. The State agency noted that some “incomplete” applications were denied without a documented attempt by the determination official to retrieve missing information by contacting the household, while other denied applications contained notes about attempted calls. Document all attempts for clarification of household information provided on applications and include details such as date, results of call, name of the household member providing information, and a signature or initials of the food service staff who placed the call.
- Make sure to provide households with the correct reason an application was denied. One denial letter stated “over income”, however the application was actually incomplete (missing household total and SSN information).

Resource Management

- Per FD-104 guidance memo, USDA Foods (formerly known as commodities) must be noted as revenue and as expenses in the Fund 290. Please consider a separate detail section in the Fund 290 with a “USDA Foods” description as a revenue line item as well as an expense line item. The State agency provided instructions on generating the Value of Commodities Report to ensure future compliance.
- SFAs may not use or provide nonprofit school food service account funds to reduce or “zero out” outstanding food service balances. SFAs encumbered with bad debt must have a process to ensure that nonprofit school food service account revenues are not used to pay off bad debt.

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. Vending machines, school stores, and fundraising need to comply with specific nutrition standards. Per current Idaho policy, 10 exempted food sales 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. Details and required documentation found on the [SDE webpage](#). According to the fundraising tracking logs provided to the SA for review, candy bars are sold daily at the Middle School site which is unallowable under Smart Snack regulations and exceeds the 10 exempt food sales no more than 4 days in length. Additionally vending machines that contain items that are not compliant are operational throughout the school day which is also not allowable under Smart Snack regulations. School stores that operate every Tues and Thursday throughout the school year with items such as “candy bars, suckers,

airheads, laffy taffy, sour patch kids, etc." are out of compliance with the districts Local Wellness Policy and Smart Snack regulations. TA only was provided due to the ongoing COVID-19 public health crisis, however compliance with Smart Snack regulations is required. Should the TA not result in corrective measures, a Finding requiring corrective action may result in a future administrative review.

Procurement

- A procurement review was completed. Please follow the guidance provided in a separate closure letter.

Meal Components and Quantities

- The SFA should ensure that all production records (for breakfast and lunch) are completed correctly and completely. The portion size for all food items should be listed on each production record. This includes condiments.

Fiscal Action

Fiscal action in the amount of \$562.67 due to certification and benefit issuance errors is below the \$600 threshold set by USDA and will be disregarded.

Your review is now closed.

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, MPA, SNS
NSLP Coordinator

cc: Michelle Taylor, Food Service Director, Marsh Valley School District
Colleen Fillmore, PhD, RDN, LD, SNS, Director, Child Nutrition Programs

Civil Rights

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800)

877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at [the USDA website](#), 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.

This institution is an equal opportunity provider.