



May 31, 2024

Robert Raschke, Superintendent  
Grace Lutheran School  
1350 Baldy Avenue  
Pocatello, ID 83201

Dear Superintendent Raschke,

On February 28, 2024, Idaho Department of Education's Child Nutrition contractor's Child Nutrition Resources (CNR) conducted an Administrative Review (AR) of Grace Lutheran School for the following United States Department of Agriculture (USDA) programs:

- National School Lunch Program (NSLP)
- USDA Foods

The site reviewed was Grace Lutheran School.

The State agency (SA) would like to commend Lyssa Sauer and the entire staff of Grace Lutheran 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 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 an alternate 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:

## **FINDINGS AND CORRECTIVE ACTION PLAN (CAP)**

### **Finding 1 – Certification and Benefit Issuance**

One application was not calculated correctly resulting in a need to reduce benefits. The application indicates a household of 3 with income totaling \$33,110 annually which qualifies for reduced benefits, but they were miscalculated at \$32,040 annually (multiplied bi-weekly income by 24 instead of by 26) and designated as qualifying for free. Free and reduced applications appeared to be inaccurately determined.

**CAP:** Inform the household of the change in status and update the Benefit Issuance List. Standard letters are available at the SA website under Download Forms. All households for whom benefits are to be reduced or terminated must be given ten calendar days' written advance notice of the change; all households for whom benefits are changed to higher benefits are effective immediately and must be implemented no later than three operating days (Eligibility Manual).

**Date:** Due March 27, 2024; Completed March 13, 2024

**Response:** The sponsor provided the updated benefit issuance List and copies of the adverse action letters.

### **Finding 2 – Verification**

There is no documentation that a confirmation review was completed. Sponsors are required to conduct a confirmation review before notifying households about verification.

**CAP:** Upload a plan identifying who at the LEA will conduct the confirmation review and how, when, and where the confirmation review will be documented.

**Date:** Due March 27, 2024; Completed March 13, 2024

**Response:** The FSD uploaded the application selected for verification with the verification signature completed.

### **Finding 3 – Local School Wellness Policy**

The triennial assessment of the Local School Wellness Policy has not been completed.

**CAP:** Upload a plan identifying who at the LEA will be responsible for the completion and implementation of the triennial assessment, as well as notify the public of the results in a timely manner.

**Date:** Due April 25, 2024; Completed April 19, 2024

**Response:** The sponsor provided a review which outlines the team and plan moving forward. In this plan, it was noted that a triennial review of Grace Lutheran School's wellness policy will be carried out by the school administration team, involving Executive Director, K-8 Principal and HS Principal. This review will be completed in August of the applicable year. Once completed,

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notifications to parents and/or students regarding wellness policy will be communicated via school based emails.

#### **Finding 4 – Local School Wellness Policy**

The provided wellness policy does not include all required areas. USDA Wellness Policy requirements:

- 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 local wellness policy 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 website.

**CAP:** Upload a plan identifying who at the LEA will be responsible to ensure the LWP is compliant with Federal regulations, how the policy will be updated, and when a compliant policy will be available to the public.

**Date:** Due April 25, 2024; Completed April 24, 2024

**Response:** The wellness policy can be found on the website provided under the calendar tab and parent resource tab.

#### **Finding 5 – Professional Standards**

The sponsor is not maintaining a consolidated tracking tool for professional standards. The Sponsor may use the USDA created tool or create their own. At a minimum the tracking tool must include the following information: Name of employee, date of hire, job category (Director, Manager, Full-time, Part-time), hours worked each week, completed training with the training name, length, date of completion, and training code.

**CAP:** To come into compliance, provide a consolidated tracking tool for professional standards.

**Date:** Due March 27, 2024; Completed March 8, 2024

**Response:** The attached professional standards tracking tool has been accepted. The tracker shows the employee's name, training completion date, key topic area, and training hours.

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### **Finding 6 – RCMR – Nonprofit School Food Service Account**

A sample of expenses using the SFA's detailed general ledger showed that the expenses were used for activities that were unallowable. A total of \$1,696.58 was found to be unallowable. The SFA must ensure that all expenditures from the nonprofit school food service accounts are reasonable, necessary, and adequately documented.

- CAP:** 1. Please submit a copy of the corrected detailed general ledger indicating a transfer that reimburses the nonprofit school food service account for all noted unallowable expenses.
2. Explain the internal controls that have been implemented to ensure that only allowable costs are charged to the nonprofit school food service account.
3. Explain the internal controls that have been implemented to prevent, detect, and correct financial reporting errors in a timely manner.

**Date:** Due April 24, 2024; Completed April 11, 2024

**Response:** The SFA provided the corrected ledger with payroll expenses removed and a journal entry to repay the food service account for Other Wages. The SFA also provided the required explanations.

### **Finding 7 – RMCR – Nonprofit School Food Service Account**

The SFA must ensure that the net cash resources of the nonprofit school food service account do not exceed three months' average expenditures. The SFA has not been accurately tracking the accumulation of surpluses in the food service program, so they were unaware that they had excess net cash resources. The SFA submitted a food service multi-year Profit & Loss Report for each year since enrolling in NSLP. This report was used to determine the opening (\$284,297.82) and closing (\$295,653.42) balance in the food service fund. Technical assistance will be provided to the SFA regarding the requirement to track the food service fund balance moving forward. Excess net cash resources as of June 30, 2023, were \$249,576.00. This was determined by taking \$295,653.42 net cash resources less \$46,077.42 three-month average expenses.

- CAP:** 1. Please submit a plan explaining how the SFA will spend down their excess net cash resources. The plan should include estimated purchase dates and amounts.
2. Please explain the internal controls that will be implemented to accurately track the food service fund balance moving forward.

**Date:** Due April 24, 2024; Completed April 24, 2024

**Response:** The SFA submitted a spend-down plan addressing the entire excess balance. The SFA also provided a written explanation of how they will monitor net cash resources moving forward.

### **Finding 8 – RMCR – Revenue from Nonprogram Foods**

The SFA did not sufficiently cover the cost of adult meals served free of charge to nonprogram adults in SY22-23. The SFA serves free meals to staff members who perform lunch and/or recess duty. In SY22-23, the SFA did not have a process of tracking which adults were assigned to lunch or recess duty. The SFA did not separately track the free nonprogram adult meals and did not repay the food service account for the cost of the free nonprogram adult meals. The SFA must ensure that the full cost of adult meals served is recovered in the nonprofit school food service account. As of SY23-24, the SFA has developed a process for tracking free

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nonprogram adult meals served and repaying the food service account for the cost of the meals using non-Federal funds.

**CAP:** Explain the process that has been implemented to ensure the food service department correctly tracks the number of free nonprogram adults served and transfers per-meal revenue from the school's operating fund or from another non-federal funding source to supplement the revenue deficiency.

**Date:** Due April 24, 2024; Completed April 11, 2024

**Response:** The SFA provided a copy of the written policy that has been implemented to ensure the food service department correctly tracks the number of free nonprogram adults served, as well as transfers from a non-federal funding source to supplement revenue deficiency.

### **Finding 9 – RMCR – Revenue from Nonprogram Foods**

The SFA used the Idaho Nonprogram Food Revenue Tool to assess compliance but did not correctly complete the tool. In SY22-23, the SFA did not have a method for separately tracking employee meals, free nonprogram adult meals, and paid nonprogram adult meals. All adult meal sales were lumped together in the point-of-sale system. Therefore, the SFA included the total daily adult meal count as paid adult meals in the tool, which led to inaccurately higher nonprogram food revenue and food costs. The SFA must correctly calculate the nonprogram food ratio and its food cost ratio.

**CAP:** 1. Please submit a corrected copy of the Idaho Nonprogram Food Revenue Tool, completed using a 5-day reference period from SY 23-24. The reference period must be from a 5-day period during which the SFA separately tracked food service employee meals, free nonprogram adult meals, and paid nonprogram adult meals.

2. Submit all documentation used to complete the tool, including point-of-sale reports, raw food costs, invoices, and any notes/calculations for how you came up with the figures for your tool.

3. Explain the processes that have been implemented to separately track employee meals, free nonprogram adult meals, and paid nonprogram adult meals at the point of service.

4. Explain the internal controls that have been implemented to prevent this finding from reoccurring in the future.

**Date:** Due April 24, 2024; Completed May 7, 2024

**Response:** The SFA provided the written explanation detailing that a monthly reminder has been added to the calendar of the Business Manager and Food Service Director for the 1<sup>st</sup> of each month to print reports needed to make the correct journal entries to allocate all non-program food sales to the correct accounts. Both parties will also coordinate to meet at the end of each fiscal year to review the non-program foods that were sold throughout the year to ensure accuracy.

### **Finding 10 – Meal Components and Quantities - Lunch**

During the review, serving multiple age/grade groups was discussed with the SFA. On the day of review, the meal only provided 1/2 cup of vegetables for K-8 meals. The requirement is 3/4 cup. The SFA must ensure, if multiple age/grade groups are served, that menus are planned to meet the requirements of the meal pattern for each age/grade group that is served. If there are

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different menus served to the different grade groups with the same meal service, the SFA must determine the changes that need to be made and how to determine which student receives which menu. For example, if the K-5 student comes through first and then the 6-8 students come through the serving line then the kitchen staff can make adjustments to portions between the different grade groups. Using different serving spoons or measuring cups may be all that is needed to meet the requirements depending on the menu offered.

**CAP:** Provide documentation to demonstrate that the menu findings are now corrected. This documentation may include menus or production records.

**Date:** Due March 6, 2024; Completed March 5, 2024

**Response:** The FSD submitted production records reflect the appropriate serving of vegetables to fulfill the daily requirement of vegetables for grades K-8. Please see updated USDA menu compliance worksheet in review attachments.

### **Finding 11 – Meal Components and Quantities - Lunch**

For the week of menu review, the 9-12 lunch menu did not meet the minimum daily requirements for meat/meat alternate. The federal regulations require menus to be planned that meet the minimum daily 2-ounce equivalent meat/meat alternate requirement for grades 9-12 (7 CFR 210.10(c)(2)(i)). This requirement was not met on Wednesday, with only 1.75 oz. eq. offered.

**CAP:** Provide documentation to demonstrate that the menu findings are now corrected. This documentation may include menus, production records, nutrition facts labels, Child Nutrition (CN) labels, and recipes. Reference the menu review results report for specific details and suggestions to bring the menu into compliance.

**Date:** Due March 27, 2024; Completed March 13, 2024

**Response:** The submitted production records reflect the appropriate serving of popcorn chicken to fulfill the daily requirement of meat/meat alternate for grades 9-12. Please see updated USDA menu compliance worksheet in review attachments.

### **Finding 12 – Meal Components and Quantities - Lunch**

For the week of menu review, the K-8 lunch menu did not meet the minimum daily requirements for vegetables. The federal regulations require a minimum of 3/4 cup of vegetable to be offered each day for grades K-8 (7 CFR 210.10(c)(2)(iii)). This requirement was not met on Monday, with only 5/8 cup offered.

**CAP:** Provide documentation to demonstrate that the menu findings are now corrected. This documentation may include menus, production records, nutrition facts labels, Child Nutrition (CN) labels, and recipes. Reference the menu review results report for specific details and suggestions to bring the menu into compliance.

**Date:** Due March 27, 2024; Completed March 15, 2024

**Response:** The addition of 3/4 cups of carrots for K-8 and 1 cup of carrots for 9-12 on Monday fulfilled the vegetable requirement. Please see updated USDA menu compliance worksheet in review attachments.

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### **Finding 13 – Meal Components and Quantities - Lunch**

For the week of menu review, the K-8 & 9-12 lunch menu did not meet the minimum daily and weekly requirements for fruit. The federal regulations require a minimum of ½ cup of fruit to be offered each day for grades K-8. This requirement was not met on Tuesday and Friday with only 1/4 cup(s) offered. The federal regulations require a minimum of 1 cup of fruit to be offered each day for grades 9-12. This requirement was not met on Tuesday and Friday with only 1/2 cup(s) offered. The federal regulations require minimum weekly amounts for fruit. The weekly minimum of 2.5 cups was not met for grades K-8, with only 2 cups offered. The federal regulations require minimum weekly amounts for fruit. The weekly minimum of 5 cups was not met for grades 9-12, with only 4 cups offered. [7 CFR 210.10(c)(2)(ii)]

**CAP:** Provide documentation to demonstrate that the menu findings are now corrected. This documentation may include menus, production records, nutrition facts labels, Child Nutrition (CN) labels, and recipes. Reference the menu review results report for specific details and suggestions to bring the menu into compliance.

**Date:** Due March 27, 2024; Completed March 15, 2024

**Response:** The additional fruit added to the production records to reflect compliance is approved. Please see updated USDA menu compliance worksheet saved in review attachments.

### **COMMENDATIONS**

- We greatly appreciate the time and effort the school took to provide us with the needed documentation.

### **TECHNICAL ASSISTANCE (TA)**

#### **Certification and Benefit Issuance**

- The verification letter should be updated to list the Hearing official. As a reminder, the hearing official cannot be the person that is making the initial determination, completing the Verification confirmation review, or completing the Verification process.

#### **Verification**

- The determining official cannot be the confirming official, but the confirmation review was not conducted. Please make sure the determining official is different from confirming official.
- Attempt to directly certify students selected for verification before sending the verification notification letter to the household. According to 7 CFR 245.6a(c)(2), verification efforts are not required for children who have been certified under direct certification procedures.

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## Meal Counting and Claiming

- Training for the point of service system should happen on an annual basis at a minimum. Training for the POS was not documented on the training log for any employee. Be sure to document all training and maintain sign-in sheets and agendas from each training.

## Meal Components and Quantities

- Independent contractor CN Resource completed the menu review and provided the following TA:
  - Production records are a written record demonstrating that a reimbursable meal was served. They also provide valuable information for planning and forecasting menus. The submitted production records did not provide adequate information. It is a requirement of the federal regulations to maintain complete and accurate production records.
    - Milk types were not recorded on the production records. for K-8 & 9-12.
    - Fruit servings should indicate how much is being offered for K-8.
  - Secure a Child Nutrition (CN) Label or Product Formulation Statement (PFS) for the Cheese and Bean burrito. The spec sheets submitted included a meal pattern crediting statement but was not an official CN Label or PFS.
  - The Child Nutrition (CN) Labels submitted for the Mini Corn Dogs, Corn Dog and Chicken Strips included a watermark. Please secure for your records the actual CN label from the product packaging, without the watermark. The CN numbers were verified as active on the USDA CN Label Verification Report.

## Resource Management

- It is highly recommended that the SFA develop policies for ensuring that bad/delinquent debt is not paid for with food service funds. Please refer to the following guidance for additional information:
  - [SP 29-2017: 2017 Edition of Overcoming the Unpaid Meal Challenge](#)
  - [SP23-2017: Unpaid Meal Charges Q&A](#)
  - [SP46-2016: Unpaid Meal Charges: Local Charge Policy](#)
  - [SP47-2016 Unpaid Meal Charges: Clarification on Collection of Delinquent Meal Payments](#)

## RMCR – Nonprofit School Food Service Account

- Per 2 CFR 200.430, salaries and wages must be based on records that accurately reflect the work performed and must support the distribution of the employee's salary among cost objectives if the employee works for multiple programs or activities. The SFA must be able to substantiate the bi-weekly stipend with documentation such as time studies, timesheets, receipts/invoices, mileage reimbursement forms, etc. The cost may be reasonable and necessary, but it must also be adequately documented to be allowable.
- Any positive balance remaining in the nonprofit food service account at the end of the school year must be carried over to the next school year as the beginning balance in the nonprofit food service account. Any negative balance in the account at the end of the year must be cleared by funds from non-federal sources, such as the general fund. A

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school food authority cannot carry a negative fund balance (Net cash resources) into the next school year. A negative fund balance exists when all net cash resources have been depleted, and the resulting negative balance constitutes a liability to the organization. School Food Authorities (SFAs) must limit their net cash resources in its nonprofit school food service account to no more than three months' average expenditures (7 CFR 210.14(b)). Net cash resources are defined under 7 CFR 210.2 as consisting of all monies, as determined in accordance with the State agency's accounting system, that are available to or have accrued to an SFA's nonprofit school food service at any given time, less cash payable. If a sponsor has net excess cash (over 3 months' average expenditures) the department will require the Sponsor to reduce the price children are charged for lunches, improve food quality, or take other action designed to improve the school food service; such as upgrading food service equipment, developing nutrition education materials and curricula, or training of food service personnel, and any other use in accordance with 2 CFR 200.

- If the SFA chooses to serve free adult meals to adults not directly involved in the food service program, the SFA must transfer per-meal revenue from the school's operating fund or from another non-federal funding source to supplement the free meals. The school food service program cannot absorb the cost of underpriced or free nonprogram adult meals.
- The SFA must include the cost of any nonprogram foods it provides for free to students or adults in its tool. Please refer to USDA Memo SP 20-2016 Assessing Compliance with Nonprogram Food Revenue Requirements and Nonprogram Food Revenue Tool (NPFRT) for additional guidance on correctly completing the tool.

#### **SFSP Outreach**

- SFAs must cooperate with Summer Food Service Program (SFSP) sponsors to distribute materials to inform families of the availability and location of free SFSP meals for students when school is not in session [7 CFR 210.12 (d)(2)]. SFAs should promote locating summer meal locations by advertising the Summer Meal Site Finder (<https://www.fns.usda.gov/meals4kids>) or texting the word "FOOD" or "COMIDA"; to 304-304 to see nearby options. Best practice is to include SFSP promotion and ways to locate meals on the SFA's website.

#### **FISCAL ACTION**

Due to benefit issuance errors, fiscal action results in \$20.00 for NSLP. However, since this amount falls under the \$600 threshold, the fiscal action will be disregarded, and no financial adjustment will occur.

#### **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,

*Cambria Steffler*

Cambria Steffler, MS, RD  
NSLP Coordinator

cc: Lynda Westphal, MHS, SNS, Director, Idaho Child Nutrition Programs  
Lyssa Sauer, Child Nutrition Director, Grace Lutheran School

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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; or
2. **fax:**  
(833) 256-1665 or (202) 690-7442; or

3. **email:**

[Program.Intake@usda.gov](mailto:Program.Intake@usda.gov)

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