The Administrative Review Process:

An Approach to Collaborative Compliance

PUBLIC SCHOOLS OF NORTH CAROLINA
State Board of Education | Department of Public Instruction
Safe and Healthy Schools Support Division
School Nutrition Services

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Handouts

North Carolina Department of Public Instruction
School Nutrition Services

Administrative Review: An approach to collaborative compliance Workshop

Koury Convention Center, Greensboro, NC
June 22-23, 2015
Tentative Agenda

Day 1 - June 13, 2016	**DAY 2 – June 14, 2016**
Sign in: noon to 12:30 pm Workshop: 12:30 to 5:30 pm	Sign in: 8:30 – 9:00 am Workshop 9:00 am to 3:30 pm (1 ½ hours for lunch)
Introduction to the Administrative Review (AR) AR Process Access and Reimbursement: Eligibility, Direct Certification, Benefits Issuance, and CEP Verification Meal Counting, Claiming and Reimbursement Nutritional Quality and Meal Patterns Meal Components Offer vs. Serve Dietary Specifications, Nutrient Analysis and Meal Component and Quantities Worksheets	General Program Compliance Areas: Civil Rights On-Site Reviews Competitive Foods Professional Standards Local Wellness Policy Water Food Safety SBP and SSO Outreach Resource Management Financial Management Procurement CN Technology System – Off-Site Data Entry Post Review Procedures and Best Practices for Submitting Corrective Action Other Federal Programs After School Snack Program Seamless Summer Option Fresh Fruit and Vegetable Program

The Administrative Review Process: An approach to collaborative compliance

NOTES:

Regulatory Authority for the Administrative Review (AR)

Regulatory authority is found in 7CFR 210 and 220, the Richard B. Russell National School Lunch Act, the School Nutrition Act of 1966 , and Section 201 of the Healthy, Hunger-Free Kids Act of 2010 (Pub. L. 111-296, HHFKA).

The school meal programs Administrative Review focuses on two primary components:

1. Critical Areas of Review
    - Performance Standard 1: Meal Access & Reimbursement
    - Performance Standard 2: Meal Pattern & Nutritional Quality
2. General Areas of Review
    - Resource Management
    - General Program Compliance

The Administrative Review approach is organized into five monitoring areas:

- Access and Reimbursement, again, which corresponds to Performance Standard 1;
- Nutritional Quality/Meal Pattern, which corresponds to Performance Standard 2;
- Resource Management
- General Program Compliance
- Other Federal Program Reviews, which are comprised of both Critical and General Areas.

AR Review Period

At a minimum, the review period must include the most recent month for which a claim was submitted, as long as it contains at least 10 operating days.

Sites for the Review

In order to determine the number of NSLP sites required for review, the State Agency (SA) must obtain data from the School Food Authority (SFA) for all sites participating in the School Nutrition Programs. Much of this will be retrieved from claims information in the CN Technology system, based on October claim data (or most recent claim month for those SFAs scheduled for AR prior to the October claim submission).
Using this data, the SA will use the following chart to determine the minimum number of sites for review.

Number of Sites in the SFA	Minimum Number of Sites to Review for NSLP	Number of Sites in the SFA	Minimum Number of Sites to Review for NSLP
1 to 5	1	41 to 60	6
6 to 10	2	61 to 80	8
11 to 20	3	81 to 100	10
21 to 40	4	101 or More	12*
* 12 plus 5 percent of the number of sites over 100. Fractions must be rounded to the nearest whole number.			

Choosing additional NSLP sites must be based on the average daily participation and free meal percentage criteria. In all cases, the sites must have a free average daily participation (ADP) of 100 or more. For elementary sites, those with 97% or more free participation would be selected; for combination sites, those with 87% or more free participation; and for secondary sites, those with 77% or more free participation would be selected.

Combination sites would be schools that combine grades such as K-12 or 6-12, etc.
Should the number of sites selected using these criteria still not meet the required minimum number of sites to review, the SA will select additional sites using additional criteria such as high or low participation sites, recommendations from the school nutrition administrator, similar claiming patterns, sites with a new site manager, sites with alternate points of service or those that have not been previously reviewed, risk for non-compliance with dietary specifications, and participation in school breakfast program (SBP). And in future years, after the first AR review cycle, schools with previous AR or TA non-compliance findings may be selected.

Process for the AR

- Entrance Conference
- Review of School Nutrition office and school sites, including a daily debrief of observations
- Exit Conference – Preliminary Findings Report
- 1st, 2nd and 3rd Party Reviews
- Exit Packet – Letters, Report of Findings, Commendations/Recommendations
- Corrective Action Plan
- Closure Letter

Resources:

http://www.fns.usda.gov/school-meals/administrative-review-manual

http://www.fns.usda.gov/nslp/regulations

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Access and Reimbursement

The access and reimbursement process is the link between the SFA's eligibility process, when a student's eligibility for free or reduced-price meals is determined, and the SFA's meal counting and claiming system, when a student's benefits are received at the point-of-service to count and claim meals for reimbursement. Reviewing this section is essential to improving program integrity and ensuring that those students eligible for meal benefits are receiving them appropriately. The goal is to ensure that the SFA's system for issuing benefits is timely, up-to-date, and accurately categorizes program participants in their correct eligibility benefit category (free, reduced-price or paid) at the point-of-service. The SA's examination of benefit issuance is essential to ensure that eligible children receive the meal benefits they are entitled to and that claims for reimbursement are valid. Access and reimbursement covers the following:

- Benefit Issuance and Eligibility Determination
- Community Eligibility Provision (CEP)
- Direct Certification
- Verification
- Meal Counting, Claiming, and Reimbursement

The scope of access and reimbursement part of the AR now focuses on the SFA level. Ultimately, this will allow any eligibility and benefit issuance errors to be applied across the SFA, instead of by site. The review has been moved to the SFA level to provide a more accurate snapshot of the SFA's process for reviewing eligibility, verification, and updating applications. Using a statistically valid sample, fewer student certification/benefit issuances will be reviewed, but if properly selected, the review will yield results representative of the eligibility/benefit issuance activity in the SFA. A listing of all students eligible for free and reduced-price meal benefits will be submitted prior to the AR in order that the statistically valid sample may be selected. The lead reviewer will contact you to provide instructions for submitting this listing.
The Meal Counting and Claiming process looks at meal consolidations at both the site and SFA level. However, the actual validation of meal counts is validated at the site level, similar to the process for previous reviews.

Benefit Issuance and Eligibility Determination

As the review of applications and the eligibility process begins, a series of questions will be asked related to benefit issuance and eligibility determination. These questions provide insights into how the SFA is determining eligibility, issuing benefits, transferring benefits, etc. Some of the questions may already be answered from the information provided on the annual Application/Agreement. Information needed includes:

- Name of the determining official for direction of questions and clarification
- Name(s) of those with access to the system so that the integrity of student eligibility and confidentiality is protected

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- Memorandum of Agreements (MOAs) to determine if eligibility data has been released during the school year and if so, to whom and for what purpose…remember, when in doubt, don't give it out.
- Frequency of update for benefit issuance (Increase in benefits must occur within 3 days and a decrease in benefits requires an adverse action notice allowing a 10 day notice before status change.)
- How eligibility benefits are transferred from the benefit issuance document to the point of service (POS) system – i.e. use of automated system linking the benefits from the master roster to the POS
- Type of backup system used

Second Party Review of Applications
As part of an effort to decrease certification errors during the eligibility determination process, section 304 of the HHFKA requires local education agencies to conduct a second party review of applications for free and reduced price meal benefits. The second party or independent review must be conducted by an individual that did not make the original eligibility determination. This second reviewer must determine whether the applications are complete, processed correctly by the determining official, and that approvals are based on current income eligibility guidelines or categorical eligibility information, as applicable, and the master list or roster of student names correctly records the student's eligibility.

Direct Certification (DC) is the automated process that is accessed through the SA to automatically qualify students for free meals if they are receiving foods stamps and other public assistance programs such as temporary assistance for needy families (TANF) and Food Distribution Program on Indian Reservations (FDPIR). The DC process will be reviewed to determine that it is conducted with the required frequency of at least 3 times per year – beginning of school, 3 months into school year and 6 months into school year. Even though USDA requires only tri-annual completion, more frequent DC downloads are encouraged. The DC system updates daily, therefore it is possible to complete every day. USDA requires free benefits be extended to all household members if at least one student in the home is receiving DC benefits from food stamps or TANF. Good documentation for supporting the DC benefits extension to other household children must be maintained to fully explain why there is no application for these students.

Other areas of assessment include:
- Conversion factors and income guidelines
- Carryover/roll-over from previous year
- Length of time for application processing
- Household notification
- Access to eligibility applications
- Non-discrimination statement

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Corrective actions are required for all errors or findings within the SFA and must be applied system-wide for benefit issuance and certification errors, including non-reviewed schools. Common findings include:

- Reimbursement claimed for student meals without approved application on file.
- Free/reduced applications are not processed within 10 days of receipt
- Data entry error results in incorrect eligibility status
- Application processed as an income application with required information missing
- Application is processed as an Income Application with incorrect income used to determine eligibility
- SFA did not use Direct Certification for students who receive food stamps
- One student is receiving free benefits due to Direct Certification while a sibling is receiving reduced or paid meal benefits
- Foster children not processed as categorically eligible
- Student is categorized inaccurately as temporarily free
- Confidential eligibility information is released for unauthorized purposes or without prior consent
- Student eligibility status is not updated at POS/roster

Fiscal action is required for erroneous benefits issuance. Some of these errors include:

- Applications with missing/incomplete information
- Incorrect eligibility determinations or certifications categorized incorrectly
- Benefit issuance errors (i.e. student is categorized for or is receiving meal benefits for which he does not qualify)
- Failure to update a change in status resulting from verification and extended to all household members

Generally, if documentation of corrective action is received within specified timeframes (typically 5 days from discovery), fiscal action may be limited from the point corrective action occurs backwards to the beginning of the review period or can be taken to the original date of eligibility. However, in the case of applications missing the last four digits of the social security number or are missing the signature of an adult household member, fiscal action is not required if corrective action occurs within the specified timeframe. If these errors are not corrected within the specified timeframe, fiscal action will be applied SFA-wide instead of only for review sites.

Verification is confirmation of eligibility for free and reduced-price meals under the National School Lunch Program (NSLP) and School Breakfast Program (SBP). Verification is required only when eligibility is determined through the household application process, not through direct certification or when officials or agencies documented a child eligible under other source categorical eligibility. Verification bolsters program integrity through confirmation of income eligibility and may also include confirmation of any other information required

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on the application such as household size. Responses for applications verified for cause will be included in the non-response rate and may impact the verification method that will be used in the following school year.

Verification Requirements:

- Number of verified applications
- Sample size calculated correctly
- Verified correct number of applications for sample size
- Replaced applications selected accurately, if applicable
- Confirmation reviews correctly conducted

Fiscal action for verification errors will be assessed only for the following situations:

- The SFAs initial determination of eligibility was incorrect
- The SFA did not change the eligibility status of the household following verification
- The SFA does not complete any required corrective action for verification in the required timeframes (In this instance, the State has the option to withhold funds.)

Common verification findings include:

- Verification did not take place or did not begin on October 1 or end by November 15
- An application was pulled for DC student
- SFA uses the incorrect verification method as determined by the SA
- SFA does not understand the sample size, or finds that the verification software language is not consistent with USDA and the incorrect method is selected
- The sample pool is not rounded up resulting in insufficient applications verified
- Applications selected for verification were not confirmed as correct before sending letters to households
- Only one attempt made to collect the verification information or documentation was not maintained for the second attempt
- Student withdraws without completion of the verification process the process and a similar application is not selected for replacement
- Households originally found eligible for free or reduced-price meal benefits did not provide another application with current income or proof of food stamps when re-applying
- SFA does not update the vendor's software, which may include verification updates

Resources:

http://www.fns.usda.gov/school-meals/income-eligibility-guidelines

7 CFR 210.18 (g)(2)

http://childnutrition.ncpublicschools.gov/front-page/information-resources/eligibility

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http://childnutrition.ncpublicschools.gov/information-resources/eligibility/eligibility/information-resources/direct-certification

http://childnutrition.ncpublicschools.gov/information-resources/meal-counting-claiming/meal-counting-claiming/information-resources/verification

Community Eligibility Provision (CEP) is a provision from the Healthy, Hunger-Free Kids Act of 2010 that allows schools and local educational agencies (LEAs) with high poverty rates to provide free breakfast and lunch to all students. CEP eliminates the burden of collecting household applications to determine eligibility for school meals, relying instead on information from other means-tested programs such as the Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families.

Verification does not apply for SFA's utilizing 100% CEP as there are no applications to verify.

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Meal Counting, Claiming, and Reimbursement

The purpose of the review for this area is to ensure that:

- Meal counting and claiming system(s) used for the NSLP and SBP provides accurate meal counts by category (free, reduced, and paid)
- Meal counts are correctly counted, consolidated, and recorded
- Meal counting and claiming system yields accurate reimbursement claims

Meal count systems that rely on plate counts, head counts, attendance rosters, entrée counts, etc. do not provide accurate counts. In addition, those systems that rely on a visual identification by the cashier are ineffective. Only one reimbursable meal may be claimed per student per meal service and meal counts must be taken at the point of service (POS). The point of service/sale is the point where the student has had an opportunity to choose the food items they desire from all those offered and the cashier can verify that the student has chosen the appropriate components to meet the requirements for a reimbursable meal. The POS is typically the "end of the serving line". The SFA must conduct an actual count of reimbursable meals by eligibility status on a daily basis at each meal service. Averages of meals over the course of the week or month, head counts, classroom counts, delivery counts, etc. do not provide accurate counts. In addition to reimbursable student meals, there must be an accurate, reliable system to document meals served to adults, SFS employees, visiting students, a la carte and other non-reimbursable services. Meal counts must be by eligibility category. Meal counting and claiming systems that "back out" numbers (i.e. subtract the number of free and reduced-priced meals from the total to arrive at paid meals), or those systems that do not accurately document participation by student, such as tabulators for F, R, & P or stickmen to indicate meals by category vs. by student personal identification number (PIN) are ineffective. Student eligibility must be associated with each student's PIN rather than utilizing generic free, reduced and paid meal keys. All coding systems, whether used with a manual or computerized meal counting and claiming system, must prevent overt identification. Coding must be devised in a manner that makes eligibility status easy to determine for SFS employees but difficult to decipher for other students and customers.

Federally-required edit checks bar potential over claims by comparing claims to attendance adjusted eligible counts and average daily membership counts. Discrepancies should be investigated and resolved before filing a claim. Document any discrepancies, as well as the corrective action implemented, and keep on file for no less than 3 years plus the current year.

Edit Checks are:

- Required by USDA
- Conducted daily at the school/site level
- Conducted monthly at the SFA level
- Used to resolve discrepancies before filing claim for reimbursement

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Common meal counting and claiming findings include:

- Accurate count by eligibility category not provided for each service line at the POS
- Meal counts are incorrectly combined and consolidated or not done daily
- Questionable patterns in the meal counts for the review period
- Effective edit checks not conducted as required

One of the common errors requiring fiscal action is meal count *combining* errors. These are mathematical mistakes that result in the school reporting incorrect meal counts to the SFA. Fiscal action is taken for the difference between the incorrect and the correct meal counts.

Meal count *counting* errors may also occur. These errors include:

- Meal counts do not equal the number of reimbursable meals served to eligible students
- Meal counts exceed the number of eligible students by category (i.e., free, reduced-price or paid)
- Second and/or other ineligible meals (e.g., adult meals or a la carte) are counted for reimbursement

When meal count errors are identified, reviewers must determine if the SFA has a systemic or a non-systemic error.

- Systemic errors occur when any of the contributing factors are built into the process and would likely recur if the process is not changed. The reviewer must determine the scope of the error by deciding if the same meal count procedures were in place for the review period and/or previous periods.
- An error would be considered non-systemic if the contributing factors are unusual, not part of the normal operating procedure, and the system does not have to be changed to achieve accurate results.

Fiscal action (FA) is taken for meal counts in any one category that exceed the number of students approved for meals within that category will result in fiscal action. FA is taken on all meals that were counted as reimbursable meals, but were ineligible for reimbursement, such as second meals, adult meals, etc. Remember, this error does not include meals which failed to contain the minimum number of required menu item/food item.

Technical assistance (TA) will be provided in either systemic or non-systemic situations. Formal corrective action (CA) is required with a systemic error and may also be required for a non-systemic error. The CA will be documented in a written Corrective Action Plan (CAP) which sets required time lines for response and corrective actions to be put in place and follow up will validate that the CA has been taken appropriately.

Resource:
http://childnutrition.ncpublicschools.gov/information-resources/direct-certification/direct-certification/information-resources/meal-counting-claiming

NOTES:

State Policies

Cash Management Procedures

Written cash management procedures must be available at each school/site and on file at the CN office. Cash management procedures should detail the way money/receipts are handled and documented, including but not limited to:

- How and when money/receipts are counted and how it is documented
- Who is responsible for counting and documenting money/receipts
- Where money/receipts are accepted, counted, documented and where/how petty cash is stored
- Responsibility for deposits - how, where, when, and who?

It is recommended to provide annual cash management and cashier training for all employees to strengthen competency and integrity in cash counts. Cashier duties and assigned stations should be rotated often.

Charged Meal Policy

OMB A-87 Circular does not allow school nutrition programs to use federal funds to offset meal charges to students or adults. The write off of these outstanding balances is considered "bad debt," which is an unallowable use of School Nutrition funds.

It is vital to communicate school board approved charge policy information to parents/guardians as soon as possible, preferably prior to school. Post the policy in the cafeterias, on the School Nutrition website, and include it on menus.

Be sure your school administrators are familiar with the charge policy. Communicate with administrators often regarding charges and failure to collect to prevent total student charges from mounting. Develop a mechanism to ensure withdrawn student charges are paid promptly.

Common cash handling findings include:

- Cash receipts are not counted and verified by two persons.
- An unacceptable receipting method is used each time money changes hands.
- Cash receipts and participation records are not maintained by separate people.
- Written cash management policies are not available and/or not used by employees.
- Written charge policy is not available and/or not followed.

Resources:

OMB A-87 Circular
http://www.schoolnutrition.org/uploadedFiles/School_Nutrition/102_ResourceCenter/RunningYourProgram/FinancialManagement/ChargepolicyandprocedureFINAL(1).pdf

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Meal Pattern and Nutritional Quality

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Meal Components and Quantities are part of the Performance Standard 2 element under the Critical Areas. This section of the review includes meal components and quantities, offer vs serve, and dietary specification and nutrient analysis.
This section will assess whether the school:

- Offers students the required meal components in the required quantities for specific age/grade groups
- Gives students access to select required meal components on all reimbursable meal service lines
- Records for reimbursement only those meals that contain required components in required quantities

Much of this information is assessed by review of production records. Current and complete Production Records must be maintained on-site at the school for each meal service each day. The records must document that all meal components are offered in quantities appropriate for age/grade groups served. Substitution and leftover information must also be included on production records. Missing Production Records will result in immediate Fiscal Action

Meal patterns are specific to each age-grade group, and there are specific requirements for meal components, quantities, vegetable subgroups, and dietary specifications (calories, saturated fat, sodium, and trans-fat).

United States Department of Agriculture (USDA) NSLP Requirements

A food based menu planning approach must be implemented for three age-grade groups (K-5, 6-8 and 9-12). There is some overlap in the component requirements between the age-grade groups, which provides further flexibility for some schools that serve more than one age-grade group at lunch (refer to the K-8 column in the chart below).
Schools must plan lunch meals that meet the calorie ranges, on average, over the course of the week; the calorie limits do not apply on a per-meal or per-student basis. Foods offered must contain zero grams of artificial trans-fat per portion. Saturated fat is limited to less than 10% of total calories. Level 1 sodium restrictions apply beginning this year.
Students are instructed on how much of each component must be selected through meal identification signage. Drinking water must be available without charge to students in the area where lunches are served.

Lunch Meal Pattern and Nutrient Specifications

Meal Pattern	Grades K-5	Grades 6 – 8	Grades K – 8	Grades 9 – 12
Calories	550-650 calories	600 – 700 calories	600-650 calories	750-850 calories
Fruit (cups)	1/2 cup per day 2 ½ cups per week	1/2 cup per day 2 ½ cups per week	1/2 cup per day 2 ½ cups per week	1 cup per day 5 cups per week
Vegetables (cups)	3/4 cup per day 3 ¾ cups per week	3/4 cup per day 3 ¾ cups per week	3/4 cup per day 3 ¾ cups per week	1 cup per day 5 cups per week
Dark Green	½ cup	½ cup	½ cup	½ cup
Red/Orange	¾ cup	¾ cup	¾ cup	1 ¼ cups
Beans/Peas	½ cup	½ cup	½ cup	½ cup
Starchy Vegetables	½ cup	½ cup	½ cup	½ cup
Other Vegetables	½ cup	½ cup	½ cup	¾ cup
Additional Vegetables	1 cup	1 cup	1 cup	1 ½ cups
Grains (oz eq)	1 oz eq per day 8 oz eq per week	1 oz eq per day 8 oz eq per week	1 oz eq per day 8 oz eq per week	2 oz eq per day 10 oz eq per week
Meats/Meat Alternates (oz eq)	1 oz eq per day 8 oz eq per week	1 oz eq per day 9 oz eq per week	1 oz eq per day 9 oz eq per week	2 oz eq per day 10 oz eq per week
Fluid Milk (cups)	1 cup per day 5 cups per week	1 cup per day 5 cups per week	1 cup per day 5 cups per week	1 cup per day 5 cups per week
Sodium	≤ 1230 mg	≤ 1360 mg	≤ 1230 mg	≤ 1420 mg
Saturated Fat	Less than 10% of total calories	Less than 10% of total calories	Less than 10% of total calories	Less than 10% of total calories
Artificial trans-fats	0 grams	0 grams	0 grams	0 grams

NOTES:

Food Components

Grains

- ✓ At least 1 ounce equivalent (oz eq) of grains must be offered for K-5, 6-8, or K-8 age-grade groups each day. At least 2 oz eq of grains must be offered for 9-12 age-grade group daily. Grain oz eq is credited according to the Exhibit A attached to USDA Memorandum SP30-2012, CN Labels, or Manufacturer's Product Formulation Statement.
- ✓ The minimum weekly offering varies by age-grade group (refer to the chart above); the flexibility for the maximum oz eq of grains allowed per week is extended.
- ✓ All grains offered must be whole grain-rich unless the SFA has an approved waiver to allow service of up to half of the offerings as enriched grains. There is also an exception for some pasta if the SFA has received approval for serving some enriched pasta according to USDA memorandum SP47-2014: Flexibility for Whole Grain-Rich Pasta in School Years 2014-2015 and 2015-2016 and USDA Memorandum SP30-2012: Grain Requirements for the National School Lunch Program and School Breakfast Program.

Meats/Meat Alternates (M/MA)

- ✓ At least 1 ounce equivalent (oz eq) of M/MA must be offered for K-5, 6-8, or K-8 age-grade groups each day. At least 2 oz eq of M/MA must be offered for 9-12 age-grade group daily; the flexibility for the maximum oz eq of M/MA allowed per week is extended.
- ✓ The minimum weekly offering varies by age-grade group (refer to the chart above).
- ✓ M/MA oz eq is credited according to the Food Buying Guide, CN Labels, or Manufacturer's Product Formulation Statement.

Fruit

- ✓ At least 1/2 cup of fruits must be planned and offered to for K-5, 6-8, or K-8 age-grade groups each day. At least 1 cup of fruit must be offered for 9-12 age-grade group daily.
- ✓ If fruit juice is offered, it must be 100% juice and may comprise only 50% of the fruit component offerings.
- ✓ Fruits may be fresh, canned, frozen, or dried.

Vegetables

- ✓ At least 3/4 cup of vegetables must be planned and offered to for K-5, 6-8, or K-8 age-grade groups each day. At least 1 cup of vegetable must be offered for 9-12 age-grade group daily.
- ✓ Specific vegetable sub-group requirements must be met over the week.
- ✓ If vegetable juice is offered, it must be 100% juice and may comprise only 50% of the vegetable component offerings.

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- ✓ All vegetable subgroups must be offered on each independent serving line over the week in order to ensure that a student is able to select a reimbursable meal in any line they may choose.
- ✓ Schools can substitute vegetables from the dark green, red/orange, or beans/peas for "other" vegetables if they desire, but they may not substitute starchy vegetables for "other" vegetables.

Fluid Milk

- ✓ Only fat-free (unflavored or flavored) or low-fat (unflavored) milk may be offered.
- ✓ For all age-grade groups, the meal pattern requires at least 1 cup of milk daily.
- ✓ At least two option of milk must be offered from the allowable types.
- ✓ Milk fat and flavor restrictions also apply to meals for children in the 3-4 year-old age group.
- ✓ Non-dairy milk substitutes must continue to meet the nutrition requirements according to USDA Memorandum SP35-2009.

Non-Offer vs. Serve Meals

- Schools must offer 5 food components (milk, fruits, vegetables, grains, meats/meat alternates). A menu planner may split a component into more than one item to meet the daily minimum requirement.
- Students must be served the full planned menu for meals to be reimbursable.
- To meet the weekly requirements for K-5, 6-8, or K-8, more than 1 oz eq of grain and M/MA must be planned and served on some days.

A la carte Offerings

- A la carter offerings at lunch must meet the nutrition standards in Smart Snacks in School rule. Any entrée item offered as part of the NSLP is exempt from all competitive food standards if it is offered as a competitive food on the day of, or the day after, it is served in the NSLP.
- Side dishes offered as part of the NSLP and sold a la carte must always meet the nutrition standards contained in the Smart Snacks in School rule. Side dishes and snacks offered as part of a reimbursable lunch are not exempt from the Smart Snacks nutrition requirements.

Resources:

http://www.fns.usda.gov/school-meals/nutrition-standards-school-meals
http://childnutrition.ncpublicschools.gov/front-page/information-resources/menu-planning-production
http://www.fns.usda.gov/sites/default/files/SY15_Foods_Available_List_3_27_14.pdf
http://www.fns.usda.gov/cnlabeling/authorized-manufacturers-and-labels
https://schools.healthiergeneration.org/resources__tools/
USDA Memorandum SP35-2009
USDA Memorandum SP30-2012
USDA Memorandum SP47-2014

NOTES:

United States Department of Agriculture (USDA) SBP Requirements

A food based menu planning approach must be implemented for three age-grade groups (K-5, 6-8 and 9-12). There is significant overlap in the component requirements between the age-grade groups, which provides further flexibility for schools that serve more than one age-grade group at breakfast (refer to the K-12 column in the chart below).

Schools must plan breakfast meals that meet the calorie ranges, on average, over the course of the week; the calorie limits do not apply on a per-meal or per-student basis. Foods offered must contain zero grams of artificial trans-fat per portion. Saturated fat is limited to less than 10% of total calories. Level 1 sodium restrictions apply. Students are instructed on how much of each component must be selected through meal identification signage. Drinking water must be available without charge to students in the cafeteria during breakfast.

Weekly Breakfast Meal Pattern and Nutrient Specifications

Component	Age-Grade Group K-5	Age-Grade Group 6-8	Age-Grade Group 9-12	Age-Grade Group K-12
Grains	7 oz eq	8 oz eq	9 oz eq	9 oz eq
Fruit	5 cups	5 cups	5 cups	5 cups
Milk	5 cups	5 cups	5 cups	5 cups
Calories	350-500	400-550	450-600	450-500
Sodium	≤ 540 mg	≤ 600 mg	≤ 640 mg	≤ 540 mg
Saturated Fat	Less than 10% of total calories	Less than 10% of total calories	Less than 10% of total calories	Less than 10% of total calories
Artificial trans-fats	0 grams	0 grams	0 grams	0 grams

Food Components

Grains

- ✓ At least 1 ounce equivalent (oz eq) of grains must be offered for all age-grade groups each day.
- ✓ The minimum weekly offering varies by age-grade group (refer to the chart above).
- ✓ All grains offered must be whole grain-rich unless the SFA has an approved waiver to allow service of up to half of the offerings as enriched grains.

Optional Meats/Meat Alternates

- ✓ There is no separate requirement to offer meats/meat alternates in the SBP meal pattern.
- ✓ Meats/meat alternates may be offered in place of part of the grains component *after* the minimum daily grains requirement is included in the planned menu. The planned 1 oz eq serving of meats/meat alternates may credit as 1 oz eq of grains.

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- ✓ Alternately, meats/meat alternates may be planned and offered as *extra* food and not credited towards any component as long as it fits within the nutrient specifications.

Fruit

- ✓ At least 1 cup of fruits (and/or vegetables within restrictions) must be planned and offered to all age-grade groups daily.
- ✓ If fruit or vegetable juice is offered, it must be 100% juice and may comprise only 50% of the fruit component offerings.
- ✓ Vegetables and fruits may be offered interchangeably; however, the first two cups of vegetables offered over the week must be from subgroups *other than* starchy. Alternately, starchy vegetables may be offered as an *extra food and not credited* towards any component as long as it fits within the nutrient specifications. Consistency in menu planning is recommended!

Fluid Milk

- ✓ Only fat-free (unflavored or flavored) or low-fat (unflavored) milk may be offered.
- ✓ For all age-grade groups, the meal pattern requires at least 1 cup of milk daily.
- ✓ At least two option of milk must be offered from the allowable types.
- ✓ Milk fat and flavor restrictions also apply to meals for children in the 3-4 year-old age group.
- ✓ Non-dairy milk substitutes must continue to meet the nutrition requirements according to United States Department of Agriculture Memorandum SP35-2009.

Non-Offer vs. Serve Meals

- At least 1 oz eq grain, 1 cup fruit, and 1 cup milk must be served daily. To meet the weekly grain requirements, more than 1 oz eq of grain must be planned and served on some days.
- Students must be served the full planned menu for meals to be reimbursable.

A la carte Offerings

A la carter offerings at breakfast must meet the nutrition standards in Smart Snacks in School rule. As with NSLP entrée items, any entrée item offered as part of the SBP is exempt from all competitive food standards if it is offered as a competitive food on the day of, or the day after, it is served in the SBP. A school food authority (SFA) is permitted to determine which grain item(s) are the entrée items for breakfasts offered as part of the SBP. For example, if the SFA serves whole-grain rich pancakes as the main dish for the SBP, then they can be considered an entrée and be exempt from the standards on the day of and the day after they are served.

Side dishes offered as part of the SBP and sold a la carte must always meet the nutrition standards contained in the Smart Snacks in School rule. Side dishes and snacks offered as part of a reimbursable breakfast are not exempt from the Smart Snacks nutrition requirements. In the example above, the other items offered as part of

NOTES:

the pancake meal would be considered side dishes and, as such, would not be exempt from the Smart Snacks requirements. Refer to USDA Memorandum SP35-2014 for additional information.

Meal Preparation and Service Observations on-site

- Observe meal preparation
- Ensure all reimbursable meal lines offer all required components
- If multiple age/grade groups, examine how requirements are met for each
- Alert staff to missing components and give opportunity to correct
- Observe meals at point of service on each line at start, middle, end of service
- Determine if meals contain components & quantities for age/grade group
- Ensure students have access to, and know how to select, reimbursable meal

Meal Pattern and Nutritional Quality Violations:

- Missing meal component(s)
- Vegetable subgroup requirements not followed
- Two milk types not offered
- Insufficient meal component quantities
- Whole-grain Rich items not offered

Fiscal action for missing meal components is required. Fiscal action may be assessed for subgroup, milk, insufficient component quantity, and whole grain-rich violations. Repeat violations from a previous review may result in fiscal action in these areas.

Offer versus Serve (OVS)

OVS is a sub-topic of Meal Components and Quantities, and is part of the Performance Standard 2 element under the Critical Areas.
There are two key areas that a reviewer must determine in regards to OVS: menu planning/offering and the determination of reimbursable school meals.

- Make sure the school prepares enough food for students to select reimbursable meals.
- Ensure that students exiting the POS selected enough components to make a reimbursable meal, including the requirement for at least ½ cup of fruits or vegetables.

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Two OVS questions to ask at POS:

1. Did the student select at least ½ cup fruit or vegetable?
2. Did the student select at least 2 additional meal components that meet at least the minimum amount required by the meal pattern for the grade group at lunch or 2 additional items as designated by the menu planner at breakfast?

Offer vs. Serve Breakfast Meals

- At least four items must be offered daily and students must select three items, one of which must be at least ½ cup fruit component.
- The menu planner determines the reimbursable meal structure for the four items.
- The four items include:
  1. Milk
  2. Fruit
  3. Grain
  4. Additional item of grain, M/MA used as substitute for grain, or fruit.

Offer vs. Serve Lunch Meals

- Schools must offer 5 food components (milk, fruits, vegetables, grains, meat/meat alternates). Students are allowed to decline 2 of the 5 required food components, but must select at least ½ cup of either a fruit or vegetable. Students must select the other food components at least equal to or greater than the daily minimum required amounts for the meal pattern for the age/grade group.
- A menu planner may split a component into more than one item to meet the daily minimum requirement.
- Under OVS, the student must take at least the daily minimum required by the meal pattern for the specific grade group. For example, a K-5 school offers 2 ounce equivalents of grains: spaghetti (1 oz eq) with a dinner roll (1 oz eq). Since the minimum daily grains requirement for grades K-5 is only 1 oz eq, the student may take either the dinner roll (1 oz eq) or the spaghetti (1 oz eq) and count as meeting the grains component under OVS. This also applies to the meat/meat alternate component. In grades 9-12, since the daily minimum is 2 oz eq, students must select at least 2 oz eq of grains or meat/meat alternate to count toward these components.

Resources:

http://childnutrition.ncpublicschools.gov/information-resources/monitoring-compliance/monitoring-compliance/information-resources/menu-planning-production
http://www.fns.usda.gov/sites/default/files/SP45-2013a.pdf
http://www.fns.usda.gov/school-meals/nutrition-standards-school-meals

NOTES:

Dietary Specifications

The Dietary Specifications section of the Administrative Review is part of the Performance Standard 2 element under the Critical Areas. The reviewer will determine if the SFA is serving reimbursable meals according to the Dietary Specifications. Calories, Sodium, and Saturated Fat standards are to be met on average over the school week. Calories requirements have a weekly average range; however, the sodium and saturated fat requirements have maximum targets that may not be exceeded. This means that the levels of these nutrients in any one meal could exceed the standard as long as the average number for the week meets the standard. Food products and ingredients used daily must contain zero grams of artificial trans-fat per serving; naturally occurring trans-fats are allowed.

Meal Components and Quantities Review

All sites selected for the review would undergo the meal components and quantities review to make sure that all menus are sufficient.

Meal Compliance Risk Assessment Tool

Prior to the on-site AR, the reviewer and the SFA will complete the Meal Compliance Risk Assessment Tool collaboratively. The assessment questions are intended to target error-prone areas of the meal pattern and will be completed for all selected sites. The results are based on a one-hundred point scale which will rank and score each site to determine the highest score based on answers to the assessment. The one site with the highest risk score will be selected for the targeted menu review and an additional assessment will be completed for that school to determine if a nutrient analysis will be conducted or validated by the SA. During the on-site review of this targeted review school, the assessment results will be validated. In other words, does the off-site risk assessment accurately indicate what is happening in this school?

The nine questions for the risk assessment are:

1. In addition to the National School Lunch Program, which of the following Child Nutrition Programs operate at the site?
    - School Breakfast Program
    - Seamless Summer Option
    - Afterschool Snack Program
    - Fresh Fruit and Vegetable Program
    - Special Milk Program

    SBP (15 pts) SSO (5 pts) ASP (5 pts) FFVP (2.5 pts) SMP (2.5 pts)

NOTES:

2. What are the age/grade groups served in the school?
   - Pre-K
   - K-5 only (or K-1, K-2, K-3, K-4)
   - 6-8 only (or 6-7, 7-8)
   - 9-12 only (or 10-12)
   - K-8
   - 6-12
   - K-12

PK (0) K-5 only (0) 6-8 only (0) 9-12 only (0) K-8 (5 pts) 6-12 (15 pts) K-12 (15 pts)

3. Were Performance Standard 1 or Performance Standard 2 violations identified at the previous administrative review or during follow-up activities?

yes (10 pts) no (0)

4. How many reimbursable meal service lines are in operation? If the site does not have traditional lines, indicate how many different locations students may select from vegetable subgroup offerings.
   - 1
   - 2-3
   - 4+

1 (0) 2-3 (5 pts) 4+ (10 pts)

5. Do students serve themselves foods via food bars, serving stations, and/or salad bars?

yes (10 pts) no (0)

6. Does the site utilize cycle menus?

yes (0) no (10 pts)

7. Are meals served at alternate meal service locations?

yes (5 pts) no (0)

8. Is the school a HealthierUS Challenge award recipient certified January 1, 2010 or later?

Yes, certified Jan 1, 2010 or later (0) no (5 pts)

9. Does the site have a new kitchen manager, cook, or site manager?

yes (5 pts) NO (0)

Resource:
Forms, Tools, and Workbooks from http://www.fns.usda.gov/school-meals/administrative-review-manual

NOTES:

Data Collection Notebook
Once the site is selected for the targeted menu review, the review week is selected. The consultant will notify the SFA of these determinations so that the Data Collection Notebook can be assembled for the specific breakfast and lunch menus for the targeted review site. The notebook template will be provided electronically in time to prepare the notebook for the Nutrition Specialist.

On-site Validation
The data provided for the off -site Dietary Specifications Assessment and information in the Data Collection Notebook will be validated during the on-site review and observations may include food storage areas, food safety plans and practices, production records, and standardized recipes. Questions that would be considered during the on-site review include:

- Is the site in compliance with the meal patterns?
- Are Production Records completed accurately?
- Are Standardized Recipes maintained and utilized correctly?
- Are Nutrition Fact Labels consistent with products used?

Menu Analyses
The nutrient analyses must be included in the Data Collection Notebook for the targeted site. The analyses are weighted based on meals offered for each USDA established age/grade group and menu type offered at lunch and breakfast at the target site. The USDA Nutrient Analysis Protocol must be followed and USDA approved software including the most recent Child Nutrition database release must be used to conduct the analysis.
The accuracy of data submitted in the Data Collection Notebook is vital to the timely completion of the menu analyses of your menus. If recipes are not current, use of them is not validated during the on-site review, production records are not current or accurate, and/or product information is lacking, the analysis process will be hindered and may delay the closing of the review.

Resources:
http://healthymeals.nal.usda.gov/hsmrs/Software/For%20Web/NAPManual.pdf
http://healthymeals.nal.usda.gov/menu-planning/software-approved-usda-administrative-reviews

NOTES:

Non-compliance and Fiscal Action

Immediate TA and CA must occur if Performance Standard 2 violations are identified during the on-site review. These violations may include:

- Missing Meal Components
- Missing Vegetable Subgroups
- Inadequate and/or Excessive Quantities
- Minimum Component Requirements Not Met for Grains and/or Meats/Meat Alternates

Fiscal action (FA) is limited to the review site where the violation is found even if the same cycle menu is being served at other sites. The SA has the discretion to expand FA to the entire review week, review month, or retroactively to beginning of school.

NOTES:

General Program Compliance Areas

NOTES:

The general program areas include:

- Civil Rights
- On-site reviews
- Local wellness policy
- Competitive Foods
- Water
- Food safety
- SBO and SSO Outreach
- Procurement

Civil Rights

No child shall be denied benefits or discriminated against because of race, color, national origin, age, sex, or disability in the operation of School Programs. State agencies and Local Educational Agencies (LEAs) are required to comply with requirements of Title VI (6) of the Civil Rights Act of 1964; Title IX (9) of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Department of Agriculture regulations on nondiscrimination and FNS Instruction 113-1. Indicators of compliance with civil rights requirements include:

- "And Justice for All" posters placed in visible location where students are served
- Children are receiving equal benefits without discrimination at each school during each meal service reviewed
- Program materials contain the correct non-discrimination statement
- Required annual continuing education has occurred and is documented
- Required SFA and Site monitoring has occurred
- Completion and filing of civil rights worksheet
- Compliant procedures are available
- Successful and compliant resolution to any complaints, including notification to the SA

Resource:

http://childnutrition.ncpublicschools.gov/information-resources/monitoring-compliance/monitoring-compliance/information-resources/civil-rights
http://www.fns.usda.gov/cr/civil-rights-policies
http://www.fns.usda.gov/cr/and-justice-all-posters

On-site Review / Self-Assessment

SFAs are required to monitor school nutrition programs and the AR will look at written documentation that shows that the appropriate monitoring and follow up occurred. The SA reviewer will determine if the appropriate form that includes questions/answers to requirements such as monitoring the meal counting and claiming system, accurate eligibility application processing, benefits issuance documents that are updated correctly and are accurate at the POS, daily edit checks, HACCP and food safety, accurate and current production records, etc. has been used.

LEAs must conduct an annual on-Site review for every approved site, no later than February 1st of the school year. All non-public schools, Charter schools and residential child care institutions (RCCIs) are required to conduct bi-annual Self Assessments for every approved site, no later than November 1st and April 1st of the school year. Corrective action and follow-up to any violations must occur within 45 days of the finding.

Resource:

http://childnutrition.ncpublicschools.gov/information-resources/menu-planning-production/menu-planning-production/information-resources/monitoring-compliance

Competitive Foods

During the AR, food and beverage sales will be observed to determine those that are occurring during the school day, to determine that proceeds collected from these sales before the end of lunch are returned to the non-profit CN program, and if all foods and beverages being sold comply with the federal and state regulations.

Competitive foods or beverages are any items sold in competition with the reimbursable NSLP or SBP meals. It is the responsibility of schools that participate in the NSLP and SBP to prohibit the sale of foods or beverages in competition with school meals and the SFA must prohibit the sale of foods that do not comply with federal regulations during meal periods. The current *Smart Snacks Standards for All Foods Sold in Schools* rule is often referred to as the Smart Snacks Rule for short. This rule is an interim final rule which means that it is in effect but has not been published in its final form at this time. However, effective July 1, 2014, schools are expected to implement the requirements. This rule applies to all competitive foods – for example, foods and beverages sold a la carte in the cafeteria, in school stores, at snack bars, from vending machines or any other venues that sell food to students on the school campus during the school day. In other words, these standards apply to all areas of the school campus accessible to students during the school day where competitive foods are sold. This would not include areas for the exclusive use of the faculty and staff, such as teacher's lounges, as long as students do not have access during the school day. SFAs must collect the nutrition labels, ingredient listing, and results of the Smart Snack Calculator review for all competitive foods sold during the school day (in the cafeteria and elsewhere) and make available to the reviewers in an organized manner (folder, notebook, etc.) during the on-site portion of the AR.

NOTES:

In addition to these USDA Smart Snack Standards, North Carolina has existing policies related to competitive food and beverage sales conducted outside of the School Nutrition Program from 12:01 AM until after the end of the last lunch period. No foods or beverages can be sold at elementary schools during the school day. Foods and beverages that meet Smart Snack nutrient standards can be sold only after the end of the last lunch period at middle and high schools.

So what happens in North Carolina after lunch is over? There are 4 options for compliance and each Board of Education makes the decision that is best for local needs:

- Extend the existing NC Competitive Foods rule to 30 minutes after the school day ends. No competitive food sales would be allowed at any time during the day continuing until 30 minutes after school.
- Allow School Nutrition Services to control all food and beverage sales before, during and after lunch is over and receive the proceeds of the sales. All vending and other sales would become the responsibility of School Nutrition Program.
- Purchase qualifying snacks and beverages from School Nutrition and sell after lunch is over. The school would be "purchasing" the expertise of the School Nutrition Administrator in ensuring that all products met the Smart Snack requirements and would keep appropriate labels. The School Nutrition Administrator would determine the appropriate mark-up and procedures for the sales.
- Locally control sales of foods and beverages after the end of the lunch period, keep all required nutrient and sales documentation, and be subject to frequent and unannounced reviews for compliance. This option would not involve School Nutrition Services for product review or record keeping and could become burdensome for the school administration.

The interim Smart Snacks Rule makes a provision for School Food Authorities to request exemptions from the Smart Snack nutrition standards for occasional fundraisers. However, the North Carolina State Board of Education (SBE) has not granted exemptions for fundraisers. This means that there can be no food or beverage fundraising activities during the entire school day unless the sales occur by the school nutrition program. Therefore, all fundraisers that involve the sales of foods and beverages must take place 30 minutes after the school day ends. This also includes the sales of tickets, vouchers, etc. for future delivery of foods and beverages. The rule does not affect Non-food and beverage fundraisers which can take place during school hours if allowed by the school administration.

The State Agency has the authority to reclaim or withhold all federal funds for reimbursable school meals each day the school is in violation of the regulation and/or may withhold federal reimbursement until such time as sustained compliance is obtained. The school will be required to reimburse the CN program for any lost

NOTES:

revenues that are a result of competitive foods sales violations. In addition, competitive Foods sales violations will require a written CAP from the Superintendent or Administrator.

Resources:
North Carolina State Board of Education 16 NCAC 6H.004 (SBE Policy #TCS-S-000)
North Carolina GS 115-264.2
http://www.fns.usda.gov/tags/competitive-foods
http://www.fns.usda.gov/school-meals/smart-snacks-school
http://healthymeals.nal.usda.gov/smartsnacks
http://www.fns.usda.gov/sites/default/files/SP23-2014os.pdf
https://schools.healthiergeneration.org/focus_areas/snacks_and_beverages/smart_snacks/alliance_product_calculator/

Professional Standards

Professional Standards for school nutrition professionals is a key provision of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The rule, published March 2, 2015, requires a minimum amount of annual professional development hours for all school nutrition program directors, managers, and staff. Required professional development topics will vary according to position and job requirements. There are also minimum hiring standards for new state directors of school nutrition programs, state directors of distributing agencies that oversee USDA Foods, and school nutrition program directors.
Resource:
http://www.fns.usda.gov/school-meals/professional-standards

Local Wellness Policy (LWP)
In 2010, the Healthy, Hunger-Free Kids Act (HHFKA) strengthened local wellness policy requirements by adding provisions regarding content, public input, implementation, evaluation and transparency. Essentially, HHFKA changed the policy's content requirements while simultaneously prescribing that LEAs take specific actions regarding their respective policy on a continual basis.
The annual agreement renewal contains LWP responsibilities and has been signed by the superintendent or board chairman indicating his/her understanding of the LWP requirements. The new LWP requirements specify an administrative official be appointed as responsible for the LWP content, goals, activities, and reporting because the goals of the LWP reach far beyond the authority and responsibility of the school nutrition administrator.
The AR evaluates whether the LWP contains the required elements:

- Goals for nutrition education, physical activity, school-based activities
- HHFKA – nutrition promotion goals

NOTES:

- Designated oversight by administrative official
- Nutrition guidelines
- Plan for measuring implementation
- Public availability of policy
- When and how LWP is reviewed and updated
- Who is involved in reviewing and updating the LWP? What is their relationship?

Resources:
http://www.fns.usda.gov/tn/local-school-wellness-policy
http://childnutrition.ncpublicschools.gov/information-resources/civil-rights/civil-rights/information-resources/local-wellness-policies

Water
USDA Memorandum SP 28-2011 requires that schools make drinking water available with meals at no charge. The AR review will assess whether the school makes water available to students participating in the NSLP according to the requirements below:

- At no charge
- In the cafeteria during meal service
- Without restriction

Water can be provided in a variety of ways and students are not required to take water. Reasonable costs to provide potable water (such as paper cups, pitchers, etc.) are allowable costs to the school nutrition program. If multiple service locations are used, water must be available in each. Potable water is encouraged at alternative meal service locations and during After School Snack Program.

If the school site being reviewed is found non-compliant with providing drinking water, CA is required. If corrective action does not take place, or repeated or egregious violation continues to be identified, the SA may consider withholding reimbursement.

Resources:
http://www.fns.usda.gov/water-availability-during-nslp-meal-service
USDA Memorandum SP28-2011

NOTES:

Food Safety and Hazard Analysis Critical Control Point (HACCP)

Under regulations found at 210.18(h)(5), food safety compliance is evaluated during an administrative review as part of the general areas of review. Food safety requirements found at 210.13 and 210.15 are evaluated at each site selected for review and according to the procedures established by the AR guidance manual.

As required by 210.13(c), the SFA must develop a written food safety program for each of its food preparation and service facilities based on HACCP principles. The Healthy, Hunger-Free Kids Act added content requirements to the written food safety plan. The HACCP plan(s) must now cover any facility or part of a facility in which food is stored, prepared, or served for the purposes of the NSLP, SBP, or other FNS programs. For instance, HACCP plans should cover alternative meal service or storage locations such as hallways, classrooms, school buses, or warehouses.

Food safety compliance is assessed in four areas:

- written food safety(HACCP) plan
- food safety inspections
- recordkeeping
- storage practices

The written food safety plan will be reviewed to ensure that it contains the required elements and uses current year forms. Employee continuing education must be current and documented in the food safety plan. If a HACCP plan is developed using other than the NC templates, the plan will be assessed to determine that it contains all required components.

The regulation requiring food safety inspections is found at 210.13(b). Food safety inspection compliance is assessed at each site selected for review and measured against two criteria:

- Each site must receive at least two food safety inspections each school year from the appropriate agency, usually the local environmental health department. If the site did not receive two inspections the SFA or site should have requested two food safety inspections from the responsible agency. Sufficient written documentation could be an email, letter, or fax to the appropriate authority requesting an inspection.
- The more recent of the two inspections must be posted in a publicly visible location.

The food safety compliance assessments for the AR are not equivalent to a health or food safety inspection conducted by the local environmental health agency; the intent of the AR is to ensure that the food safety requirements specified by regulations are being met.

Record keeping is assessed by determining if the HACCP plan templates are fully completed, appropriate monitoring is recorded, required continuing education records are included, and HACCP verification is completed.

NOTES:

Storage practices are observed for refrigerated, freezer, and dry areas and should be in compliance with the NC Food Code.

Each of the four food safety compliance areas must be assessed at each of the sites selected for review. As such, a SFA is compliant with food safety requirements if all the sites selected for review are compliant. Food safety deficiencies identified do not result in fiscal action unless they are repeat violations or are egregious.

Resources:
http://www.fns.usda.gov/food-safety/food-safety
http://childnutrition.ncpublicschools.gov/information-resources/local-wellness-policies/local-wellness-policies/information-resources/haccp-food-safety
http://childnutrition.ncpublicschools.gov/information-resources/haccp-food-safety/commercial-kitchen/commercial-kitchen/employee-health-policy
http://ehs.ncpublichealth.com/faf/docs/foodprot/NC-FoodCodeManual-2009-FINAL.pdf

School Breakfast Program (SBP) and Seamless Summer Option (SSO) Outreach
The AR determines if and how the SFA conducts the required outreach activities in an effort to increase participation in both SBP and SSO programs.

SFA's must inform families of the availability of SBP just prior to or at the beginning of the SY in F&RP packets. Documentation must be provided that demonstrates efforts made by the SFA to remind families about SBP multiple times throughout the year. All outreach activities must be documented in some form that will validate occurrence. These documents could include reminders through public address system, distribution of printed materials such as letters, monthly menus, or flyers, or developing or disseminating electronic material by posting information on a school website. Corrective Action is required if the outreach efforts for SBP cannot be validated.

There must be evidence that can validate the information provided to families about SSO before the end of each school year. Corrective Action is required if the outreach efforts cannot be validated. Realizing that the CA may not be able to be done immediately, it must be included in a Corrective Action Plan and addressed in a timely and adequate manner by the SFA for the next school year.

Resources:
http://www.fns.usda.gov/sbp/school-breakfast-program
http://www.fns.usda.gov/school-meals/opportunity-schools

NOTES:

Resource Management

During the resource management section of the AR, inspection of documents such as balance sheets, invoices, and other records will help determine if the SFA is in compliance with 7 CFR 210.14 and FNS Instructions. The resource management areas that will be reviewed as part of the off-site assessment are maintenance of a nonprofit school food service, which includes net cash resources and allowable costs, paid lunch equity, revenue from non-program foods, indirect costs, and USDA foods.

Non-profit Status

To maintain a nonprofit status, the SFA's annual revenue and expense statement does not have to show a break even or financial loss. However, it is important to ensure that program revenues are used only for authorized purposes such as food, equipment, or labor and not for capital purchases like land & buildings unless approved by FNS.

To determine the nonprofit status, the SFA must follow and document an annual process to identify revenue excess or shortfall. The SA can then check compliance during the administrative review by reviewing the SFA's documentation to verify the nonprofit status.

Maintenance of the Nonprofit School Nutrition account has 3 components:

- SFA financial system for the school nutrition fund is in accordance with the system established by the State Agency
- Net cash resources do not exceed 3 months operating expenses
- Only allowable costs are paid through the school nutrition account

The purpose of monitoring allowable costs is to restrict the use of program funds to expenses that are reasonable, necessary, and otherwise allowable. Federal funds can only be used for the intended purposes as broadly classified in government-wide and program specific rules and regulations. OMB Circulars A-87 and A-133 are examples of government-wide rules that have impact on our programs. The general rules for charging costs to school nutrition programs are detailed in 2 CFR 225 (same as OMB Circular A-87). These rules apply to state agencies and local governments (school districts are considered local governments).

2 CFR Part 225 classifies costs in three categories: allowable, allowable with prior SA approval, or unallowable. Equipment purchases or capital expenditures are examples of allowable costs with prior SA approval. According to the Appendix A allowable costs are:

- Necessary
- Reasonable

NOTES:

- Allocable
- Legal under State and local law
- Conforming with Federal law, regulation, and grant terms
- Consistently treated as direct or indirect
- Determined in accordance with generally accepted accounting principles (GAAP)
- Not included as a cost or matching contribution of any other grant
- Net of applicable credits
- Adequately documented

Unallowable costs include alcoholic beverages, entertainment, costs of general government lobbying, contribution to contingency funds, and bad debts.

Paid Lunch Equity (PLE)

Prior to the passage of Section 205 of the Healthy, Hunger Free Kids Act of 2010, there were no statutory or regulatory requirements for SFAs in establishing prices for paid reimbursable lunches or the amount of revenue to be generated by paid lunches. The intent of PLE was to ensure that SFAs charge paid lunch prices sufficient to cover the costs of paid meals or otherwise provide enough funds to support paid meal costs.

Some examples of situations that will require corrective actions include incorrect PLE tool calculations, utilizing unallowable non-Federal sources of revenue, and not increasing the paid lunch price(s), if required.

NOTES:

Non-program Foods

Prior to the passage of Section 206 of the Healthy, Hunger Free Kids Act of 2010, there were no statutory or regulatory requirements concerning the revenue that must be generated by the sale of non-program foods. "Non-program foods" are defined as those foods and beverages sold in a participating school that are purchased using funds from the nonprofit school food service account. These foods effectively "compete" with the reimbursable meals. They include a la carte items, adult meals, items purchased with nonprofit school nutrition account funds for vending machines, and for catered and vended meals.

The Healthy, Hunger-Free Kids Act requires that the proportion of total school food service revenue provided by the sale of non-program foods to the total revenue of the school food service account shall be equal to or greater than the proportion of total food costs associated with obtaining non-program foods to the total costs associated with obtaining program and non-program foods from the account. The impact of this is to ensure that all food sold in a school and purchased with funds from the nonprofit school food service, other than reimbursable meals provided under the National School Lunch and School Breakfast Programs, generate revenue at least equal to the cost of such foods. The Act also required that all revenues from the sale of non-program foods accrue to the school's nonprofit school food service account.

Breakfasts and lunches served to adults, including teachers and parents, should be priced so that the adult payment in combination with any per-lunch revenue from other sources designated specifically for the support of adult meals, such as state or local fringe benefit or payroll funds or funding from voluntary agencies is sufficient to cover the overall cost of the lunch. The adult prices should include the value of any USDA entitlement and bonus commodities used to prepare the meal.

Resources:

7 CFR 210.14
FNS Instructions
2 CFR Part 225
OMB Circulars A-87 and A-133
FNS Instruction 782-5 REV. 1
Section 206 of the Healthy, Hunger Free Kids Act of 2010

NOTES:

Indirect Costs

One of the major responsibilities of participation in the school meal programs is the management of the nonprofit school nutrition account, which requires funds in those accounts to be spent solely on the school meal programs. SFAs must maintain a nonprofit school food service account to accomplish two goals:

- Ensure that the school nutrition program operates on a nonprofit basis
- Safeguard assets of the school nutrition program and ensure that they are used only for authorized purposes.

The SFA is the steward of the nonprofit school nutrition account. The monitoring goal of the AR is to ensure that the SFA adheres to the Federal regulations and correctly determines whether a cost is allowable, allocable and charged appropriately as a direct or indirect cost in order to safeguard the financial integrity of the nonprofit school nutrition account.

USDA Foods

USDA foods are foods donated, or available for donation, by USDA under 7 CFR Part 250. The goal of monitoring USDA foods is to ensure SFAs have sufficient methods in place to safeguard and fully utilize USDA foods in the production of school meals. The AR will also identify practices that may increase the likelihood that a SFA will be out of compliance with USDA food requirements and recognize opportunities to provide technical assistance to these SFA's. The AR process will examine the SFA's use of USDA foods in the production of school meals, review the SFA's procurement of end products containing USDA foods and determine if the SFA conducts an annual reconciliation to verify the Food Service Management Company has credited the SFA for the full value of USDA foods.

Once the SA learns more about the SFA's USDA foods operation, the reviewer may investigate a sample of contracts, receipts, invoices and other related documents. The goal of evaluating the SFA's records is to ensure the SFA has a system in place to document and receive the discounts, rebates and credits it is entitled to under 7 CFR 250. To ensure the SFA received appropriate credits and rebates, the SA must evaluate processing contracts and other related records in the sample to ensure provision is made for the SFA to receive any appropriate credits or rebates. Additionally, the SA must analyze any related financial records, including receipts and invoices to ensure the credits or rebates were properly attributed to the nonprofit school food service account.

Financial Management deals with monitoring state regulations designed to support the SFA's financial health and ability to adequately serve nutritious meals to enrolled children. The areas of review includes:

Cash Management Procedures

Dual Employees

NOTES:

Interest
Sales Tax Refund
Worker's Compensation Insurance
Adult Meals
Single Audit
Outstanding Charges/ Bad Debts
State Revenue Match
Equipment Disposal

Important points to note:

- The SFA must have written cash management procedures that document how cash will be safe guarded and must abide by the written procedures.
- Salaries and benefit for employees that work in multiple departments must be prorated according to the time worked for each.
- All interest earned on bank/investment accounts must accrue to the non-profit School Nutrition account.
- All eligible sales tax paid by School Nutrition should be included in the Sale and Use Tax Refund document prepared by the LEA and submitted to the NC Department of Revenue. The refund of sales tax must be deposited in the non-profit School Nutrition account for current and prior years
- The amount of premium charged to School Nutrition must reflect the salaries by position type and insurance rate .Discounts and credits must be applied on a prorated basis. Any refunds from prior years must be prorated accordingly and deposited into the non-profit School Nutrition account.
- Breakfasts and lunches served to adults, including teachers and parents, should be priced so that the adult payment in combination with any per-lunch revenue from other sources designated specifically for the support of adult meals, such as state or local fringe benefit or payroll funds or funding from voluntary agencies is sufficient to cover the overall cost of the lunch. The adult prices should include the value of any USDA entitlement and bonus commodities used to prepare the meal. Any shortfall in the price must be repaid by the local board of education.
- Review the single to determine if there were any financial exceptions noted by the independent auditor in cited question cost, unallowable use of funds, or adult meal charges.

NOTES:

- Review financial reports to determine if there were outstanding charges or bad debt s from students or adults or non-sufficient funds checks. All outstanding balances must be repaid by June 30th, but no later than September 30th. All outstanding charges will require corrective action and funds to be repaid by the LEA.
- If applicable, review the financial reports to determine if the LEA has met the state revenue match requirement.
- Federal regulations require that disposition or disposal of any equipment purchased with School Nutrition funds with a current value of $5,000 or more must receive prior approval from the State Agency. Proceeds from the sale of any equipment must be deposited into the non-profit School Nutrition account.

NOTES:

Procurement

The AR process will assess procurement activities for the SFA by evaluating the SFA's written Board of Education-approved School Nutrition procurement plan, invitation for bid or request for quote/proposal documents, bid specifications, bid terms and conditions, etc. along with listing of to whom bids were issued, copies of advertisements, pre-bid meeting information, public bid openings, evaluation procedures to determine who was lowest, responsible bidder, award decisions and reason for the decision, award and denial notification letters. Contracts for catering and other service, and roll-over bids, including the original and each subsequent roll-over bid period will be evaluated to determine that proper procurement procedures have been followed. Competition must be sought for all purchases, including services, made with school nutrition funds, regardless of the dollar amount. The SFA's purchasing threshold determines what form the procurement process must take -- i.e. formal vs. informal procurements. Competition must be free and open to allow any/all vendors to participate in the procurement bid/quote process.

Resources:

http://childnutrition.ncpublicschools.gov/front-page/information-resources/procurement

Other Federal Program Reviews

The After School Snack Programs, Seamless Summer Options, and the Fresh Fruit and Vegetable Programs are also reviewed as part of the AR.

NOTES:

After School Snack Program (ASSP)

The Afterschool Snack Program is operated under the National School Lunch Program (NSLP). Schools should continue to follow existing meal patterns for ASSP. Schools are encouraged to adopt aspects of the new meal pattern, such as increasing whole grain-rich foods, but there is no requirement. However, when offering milk as an afterschool snack component, schools must offer only fat-free and low-fat milk. If low fat milk is offered it must be unflavored as is required in the NSLP. For operational ease, milk variety is not required in the Afterschool Snack service. It is recommended to offer water in the ASSP to the extent that is practical.
The AR will ensure that the SFA retains final *administrative* and *management* responsibility for meeting all afterschool snack requirements by interviewing SFA staff and examining documentation related to:

- Eligibility
- Accountability/Meal Counting and Claiming
- Meal Pattern/Production Records
- Monitoring
- General Areas

A review of afterschool snack documentation for each school selected for the administrative review that operates the snack program will be conducted. The review aims to ensure that students are served a nutritionally-balanced snack, appropriate enrichment activities are offered, site eligibility is determined accurately, and the program is well-managed.

Below are some common findings when reviewing the AASP:

- Checklist for Qualifying an After School Snack Program is not available for each site and completed prior to startup of snack service
- Two AASSP on-site reviews not conducted, one within the first 4 weeks of operation
- Production Record indicates inadequate serving sizes for meal components
- Meal counts not taken at the point of service

Afterschool snack site eligibility concerns, counting/claiming problems, and inappropriate/inadequate/missing components would result in violations. If a violation is identified, technical assistance is provided and immediate corrective action is required. A required corrective action plan should explain what action(s) were taken to correct the violation and procedures the SFA/school will implement to ensure such violations do not occur in the future. Fiscal actions will be taken if appropriate.

Resources:
http://childnutrition.ncpublicschools.gov/programs/assp
http://childnutrition.ncpublicschools.gov/information-resources/menu-planning-production/menu-planning-production/mealpattrn-assp.pdf
http://www.fns.usda.gov/school-meals/afterschool-snacks

Seamless Summer Option (SSO)
The AR will assess the operation of at least one SSO site. If there are no SSO sites in operation at the schools selected for Administrative Review, but other schools in the SFA have a SSO operation, a school that is outside the pool of schools selected for Administrative Review will be reviewed. The SSO program assessment will:

- Evaluate site eligibility
- Assess menus and production records to ensure that the site offers required meal components
- Review meal counting and claiming procedures and eligibility rosters
- Examine food safety records and practices
- Assess whether the SFA performs required self-monitoring activities (Review all sites once/year during operation)
- Determine how SFAs plan/prepare meals for, and differentiate between, age/grade groups
- Observe community participation at the site and determine whether the site advertises meals as described in its application
- Review advertisements (SFA are required to make reasonable efforts to advertise open sites to community, and advertisements have non-discrimination statement)

NOTES:

- Review documentation for the days children consume non congregate meals If approved for Extreme Heat Demonstration Project

Technical assistance and corrective actions must be provided for all problems identified to bring the SSO operation into compliance. Effective technical assistance includes helping the site manager identify deficiencies and necessary corrections to ensure the site does not repeat errors.

NOTES:

The same corrective action and technical assistance procedures for all findings that apply to the NSLP and SBP apply to the SSO. The SA must provide technical assistance and require immediate corrective action for any missing meal components found during on-site observation for the day of review and review period. Any missing meal component must be immediately added before any additional meals are claimed for reimbursement on the day of review, or on future days in which the cycle menu is served. The SFA may also be required to submit a corrective action plan to ensure such violations do not occur in the future.

Unlike missing meal components identified during the on-site observation, for missing meal component violations identified from the review of production records, the SA may allow the SFA to provide documentation – such as invoices, food inventory tracking -- to support that the missing meal component was actually offered. If the SFA cannot provide, or the SA chooses not to accept, such documentation, the SA must evaluate the number of meals found in error and assess fiscal action, and require a corrective action plan. The corrective action plan must detail the steps the SFA will take to ensure violations do not occur in the future.
Civil Rights violations will require the SA to submit these violations to the SERO.

Resources:

http://www.fns.usda.gov/school-meals/opportunity-schools
http://childnutrition.ncpublicschools.gov/programs/summer-nutrition-opportunities/seamless-summer-option-sso-program

Fresh Fruit and Vegetable Program (FFVP)

As set forth in FNS Policy Memo 12-2013, the FFVP, as applicable, will be reviewed during the AR. Much like the review of the NSLP and the SBP, the FFVP is evaluated by assessing compliance at a sample of participating sites within the SFA. The assessment includes:

- Review of a pre-established number of FFVP schools
- Claim validation
- FFVP meal service observation

USDA has provided guidance on school selection depending on the number of schools selected for the AR that operate the FFVP according to the chart below.

Number of Schools Selected for AR that operate FFVP	Minimum Number of FFVP Schools to be Reviewed
0-5	1
6-10	2
11-20	3
21-40	4
41-60	6
61-80	8
81-100	10
101 or more	12 plus 5% of the number of schools over 100 rounded to the nearest whole number

To complete the claim validation, the school's cost documentation for the selected review month will be compared to the costs claimed for reimbursement. School cost documentation may include but is not limited to purchase orders, invoices, timesheets, and other documentation. Furthermore, the school's cost documentation must show that it is for allowable Program charges. The claim will only be considered validated if the costs claimed for reimbursement are the same as the costs established by the supporting documentation and all such costs are allowable. If the claim cannot be validated for either one of these reasons, corrective action is required.

An on-site review will also be conducted to ensure compliance of the following: :

- FFVP snack is offered within the instructional school day, but outside the meal service times of the NSLP and SBP.
- Frozen, canned, dried and other types of processed fruits are not allowable expenses.
- The following products are not allowed: fruit/vegetable juice (not even 100% juice), nuts, cottage cheese, trail mix, fruit or vegetable pizza, smoothies, fruit strips, drops or leather. (See the FNS FFVP Handbook for a more exhaustive list.)
- Fresh fruits and vegetables are not provided to adults except for teachers who are in the classroom providing educational instruction during the FFVP meal service
- Storage of the fresh fruits and vegetables for FFVP snacks
- Observation of the preparation of the FFVP snack of the day
- Documentation of FFVP menus
- Procedure for leftovers for the FFVP snack of the day

NOTES:

Corrective Action must be used to address all FFVP violations. The Corrective Action prescribed must bring the participating school and/or SFA into compliance with Program requirements. Violations uncovered through the claim validation process must be addressed through Fiscal Action. The SA would recover payment made to the SFA that is inconsistent with FFVP requirements.

Resources:
http://www.fns.usda.gov/ffvp
http://www.fns.usda.gov/sites/default/files/handbook.pdf
http://childnutrition.ncpublicschools.gov/programs/ffvp

Concluding the AR

At the end of the AR, the lead consultant will conduct an exit conference and will provide a written, preliminary report of findings for your signature acknowledging receipt and understanding.

Following the on-site AR, a final report will be consolidated from input from all team members. The final report will be sent to the Compliance Consultant and Section Chief for additional examination. Once the report is finalized, an exit letter, final report of findings, and commendations and recommendations report will be sent to the SFA. The AR will be closed when successful, documented CAP has been submitted and approved.

Corrective Action are improvements that will eliminate causes of non-conformities and prevent recurrence of the same undesirable situations.
Here are some best practice tips for submitting corrective actions:

- Contact the Administrative Review Specialists with questions about the required corrective action for each finding.
- Develop a plan to address areas of corrective action. These may include continuing education or written procedures.
- Begin working on the corrective actions immediately.
- Organize and submit electronically or by traceable mail.

Once the required corrective actions have been submitted and can be verified as sustainable in the SFA, the AR closure letter will be issued.

NOTES:

USDA Non-discrimination Statement

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, religious creed, disability, age, political beliefs, 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, audiotape, 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: 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. This institution is an equal opportunity provider.

Retrieved May 16, 2016 from:

http://www.fns.usda.gov/fns-nondiscrimination-statement

1

THE ADMINISTRATIVE REVIEW PROCESS

An approach to collaborative compliance

June 13-14, 2016

PUBLIC SCHOOLS OF NORTH CAROLINA
State Board of Education
Department of Public Instruction

2

Administrative Review (AR) Performance Standards

- Critical Areas
  - Performance Standard 1
  - Performance Standard 2
- General Areas
  - Resource Management
  - Procurement
  - Financial Management
  - General Program Compliance

3

Review Period

The Review Period is defined as the most recent month for claim submission prior the onsite AR

- Must include > 10 operating days
- Special provisions for
  - Reviews early in school year
  - Year round, multi-track, & provision schools

✓ Example: The AR is being conducted on February 13, 2017, the review month would be January 2017.

4

Day of Review Period

The day of review period is defined as the month the AR is conducted on site at the School Food Authority.

✓ Example: The review is conducted on February 13, 2017, the day of the review period is the month of February. The AR Lead Specialist will have to wait until the February claim is submitted in March to complete some of the AR forms.

5

Administrative Review Structure

5 Monitoring Areas

1. Access and Reimbursement
2. Nutritional Quality/Meal Pattern
3. Resource Management
4. General Program Compliance
5. Other Federal Program Reviews

6

Review Frequency & Schedule

- **Review Frequency**
  - 3 year Cycle began in 2013-2014
  - NC has been granted a 5-year cycle waiver this year
- **Review Schedule**
  - SA discretion
  - New SFAs

7

Data for Site Selection

- Data for site selection from October claim (or most recent claim for ARs scheduled prior to October) :
- Site type
- Number of serving days
- Number eligible for free meals
- Number of free meals claimed

8

Minimum Number of Review Sites

SFA sites	Review sites
1 to 5	1
6 to 10	2
11 to 20	3
21 to 40	4
41 to 60	6
61 to 80	8
81 to 100	10
101 or More	12*
*12 plus 5 percent of the number of sites over 100	

- Review all sites with free ADP of 100 and free participation factor of ≥ 100% (except RCCI)

9

Selection Criteria for Additional Sites

- Additional NSLP sites:
  - Elementary sites with ≥ 100 free ADP and ≥ 97% free participation
  - Combination sites with ≥ 100 free ADP and ≥ 87% free participation
  - Secondary sites with ≥ 100 free ADP and ≥ 77% free participation
- State Agency criteria

10

State Agency Criteria

- Results of Dietary Specifications risk based assessments
- High or Excessively Low Student Participation
- Low Performing Schools
- School Breakfast Program
- Schools with previous AR or TA non-compliance findings

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Administrative Review Process

- Entrance Conference
- Review at School Nutrition office and sites
- Exit Conference and Preliminary Findings
- 1st, 2nd and 3rd Party Reviews
- Exit Letters, Report of Findings, Commendations, Recommendations
- Corrective Action Plan
- Closure Letter

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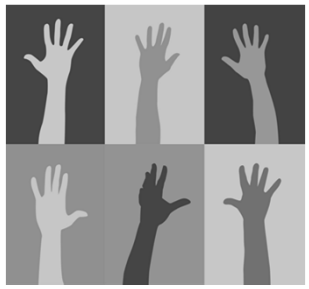
Questions?



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ACCESS AND REIMBURSEMENT

Eligibility Determination
Benefit Issuance
Direct Certification
Verification
Meal Counting, Claiming and Reimbursement

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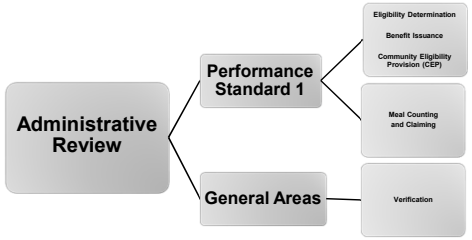
Access and Reimbursement Overview



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The Administrative Review Process

Off-Site Assessment Tool

Evaluation Questions

On-Site Review

Validation Questions

16

Access and Reimbursement

SFA Level
- Certification of Eligibility
- Benefit Issuance
- Eligibility Determination
- Direct Certification
- Community Eligibility Provision (CEP)
- Verification

SFA & Site Level
- Meal Counting and Claiming
  - Site level (actual)
  - SFA level (consolidation)

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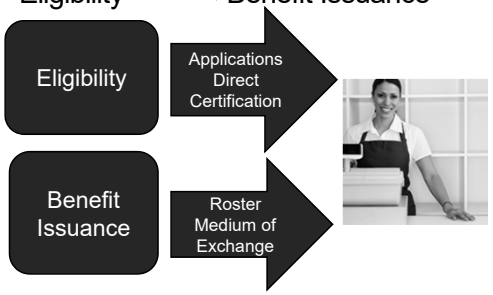
Eligibility → Benefit Issuance



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Why review benefits and eligibility?

- Ensure program integrity
- Validate SFA regulatory compliance

19

Eligibility and Benefits Issuance

- Determining official
- Access to applications
- Frequency of updates to the POS

20

Eligibility and Benefits Issuance

Need information about:

- How student was certified for benefits
- Issuance of benefits
- Updates to System
- Transfer of benefits
- Back-up system

21

Eligibility

- Other items that will be assessed:
  - Conversion factors and income guidelines
  - Carryover/Roll-over from previous year
  - Length of time for application processing
  - Household notification

22

Benefit Issuance

SFA-wide Benefit Issuance List must include:

- Free and reduced-price eligible students
- Name, School Name, Certification Method, Verification
- Point of Service List

23

Selecting Applications for Review

- Upload consolidated list of eligible students via a secure portal
- Instructions provided prior to review

24

Validating Student Eligibility

Reviewer must examine:

- Student Application
- Notification Documentation
- Verification Documentation

25

Validating Benefit Issuance

Eligibility Status

- The correct eligibility status for each student
- SFA Count of Reviewed Students vs. SA Count of Reviewed Students

Benefit Issuance

- Prevention of Overt Identification
- POS Benefit Issuance Document
- Benefit Issuance Updates
- Wrong categories = Errors

26

Independent Review of Applications

- Required by HHFKA 2010
- Must conduct in 2016-2017
- Procedures
- Record keeping

27

Reviewing Denied Applications

- Minimum of 10 and up to 100%
- Notification of denial
  - Reason
  - Appeal Rights and Instructions
  - Family may reapply

28

Eligibility and Benefits Issuance: Common Findings

FINDING: Reimbursement claimed for free or reduced-priced student meals when there is no approved application on file.

29

Eligibility and Benefits Issuance: Common Findings

FINDING: Data entry error results in incorrect eligibility status.

30

Eligibility and Benefits Issuance: Common Findings

FINDING: Application processed as an income application but required information is missing.

31

Eligibility and Benefits Issuance: Common Findings

FINDING: Application is processed as an Income Application, but incorrect income is used to determine eligibility.

32

Eligibility and Benefits Issuance: Common Findings

FINDING: Confidential eligibility information is released for unauthorized purposes or without prior consent.

33

Eligibility and Benefits Issuance: Common Findings

FINDING: Student eligibility status is not updated in Point Of Sale (POS) or roster.

34

Eligibility and Benefits Issuance: Corrective Action

- Required for Findings/Errors
- Must be applied SFA system-wide
- Formal response required from SFA

35

Eligibility and Benefits Issuance: Fiscal Action

Why?

- Applications missing information
- Incorrect eligibility determinations or status
- Benefit Issuance errors
- Failure to update verified applications

How far back?

- Potentially to original date of eligibility

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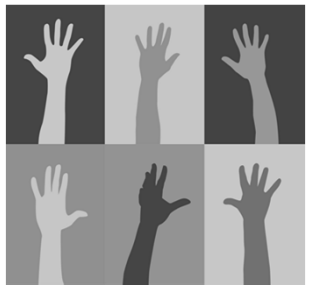
Questions?



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Verification

- Confirmation of eligibility for free and reduced-price meals
- Required when eligibility is determined by application

38

Verification: Why review?

- Ensure program integrity
- Validate SFA regulatory compliance

39

Verification: Evaluation

- Evaluation of Verification Summary Report (FNS 742 Report)
- Sample Size
- Reporting accuracy

40

Verification: Reviewer Needs

- Verification position titles
- Description of verification process
- Continuing education documentation
- Electronic system access

41

Verification: Determining Compliance

- Number of verified applications
- Accurately calculated sample size
- Verified correct number of applications
- Replaced applications accurately
- Confirmation reviews were conducted correctly

42

Verification: Determining Compliance

Reviewer selects all verified applications for additional review.

43

Verification: Additional Evaluation

- Notification letters met FNS requirements
- Household follow-up attempts were made
- Notice of adverse action met FNS requirements
- Eligibility status changes were timely
- Verification process completed by November15

44

Verification: For Cause Responses

- Included in the non-response rate
- May impact verification method for upcoming year.

45

Verification

- Technical Assistance
- Corrective Action
- Fiscal Action required only if errors in:
  - Initial eligibility determination
  - Post verification

46

Common Findings

- Verification process did not begin on October 1.
- Verification process did not end by November 15.
- Verification did not take place at all.

47

Common Findings

- Application selected for DC student
- Incorrect verification method used
- Misunderstanding of the sample size
- Verification software language inconsistent with USDA resulting in selection of incorrect method

48

Common Findings

- Sample pool number not rounded up
- Inadequate applications verified

Remember: the exact number selected be verified. For example, if the verification selection pool is 25.01 applications, the SFA must select 26 applications to be verified.

49

Common Findings

- Applications selected for verification were not confirmed as correct before sending letters to the selected households.

50

Common Verification Errors

- Only one attempt made to collect the verification information.
- Documentation was not maintained for the second attempt.
- A student withdraws during the verification process and the process cannot be completed, the SFA must select another "similar" application in its place.

51

Common Verification Errors

- After the verification process has ended, households that re-apply which were originally found eligible for free or reduced-price meal benefits, did not provide another application with current income or proof of FNS.

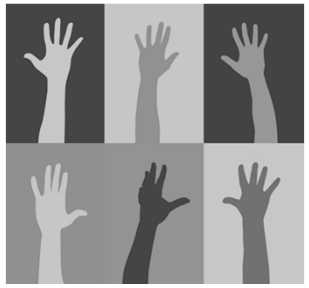
52

Common Verification Errors

- Updated software, which may include verification updates, is not obtained or installed.

53

Questions?



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Meal Counting, Claiming, & Reimbursement

- Meal counts and claims accurate by category
- Meals counted, consolidated, and recorded correctly
- Meals accurately reported and claimed for reimbursement

55

Meal Counting, Claiming, & Reimbursement

- Electronic vs. Manual System
- Standard Operating Procedures
- Point of Service
- Back-up System
- Continuing Education

56

Meal Counting, Claiming, & Reimbursement

Considerations during the review:

- Attendance Adjusted Eligibles
- Electronic Meal Counting System
- Alternative Points of Service
- Duplicative Meals

57

Meal Counting, Claiming, & Reimbursement

- Accurate daily count of reimbursable meals at POS
- Count by category
- Without overt identification

58

Meal Counting, Claiming, & Reimbursement

Edit Checks:

- Required by USDA
- Conducted daily at site level
- Conducted monthly at SFA level
- Resolve discrepancies before filing reimbursement claim

59

Meal Counting, Claiming, & Reimbursement

Observations for Review Period:

- Procedures for totaling meal counts
- Process for consolidation and reimbursement

60

Meal Counting, Claiming, & Reimbursement

Confirmation for:

- Compliance with the SA/SFA Annual Agreement
- Accurate claim consolidation

61

Meal Counting, Claiming, & Reimbursement

Site level validation:

- No overt Identification
- Accurate meal count by
- No excessive overrides

62

Meal Counting, Claiming, & Reimbursement

Site level validation:

- Meal count comparison to review period
- Meal count comparison to approved number by category
- Meal count comparison to attendance adjusted eligible
- Questionable patterns
- School meal counts comparison to SFA reimbursement claim
- Determination of need for fiscal action

63

Common Findings

- Each service line does not provide an accurate count by eligibility category at the POS.
- Meal counts are incorrectly combined and consolidated or not done daily.
- There are patterns in the meal counts for the review period which appear questionable.
- Effective edit checks are not conducted as required.

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Errors: Two Types

Systemic

Non-Systemic

65

Meal Counting and Claiming Errors

Systemic

- Errors will result in fiscal action
- CA is required
- Follow up from SA is required

Non-Systemic

- Errors may result in fiscal action
- CA may be required
- Follow up from SA is optional

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Errors Requiring Fiscal Action

Meal Count Combining Errors

- Difference between incorrect and correct meals

Counting Errors

- Meal counts do not equal number of eligible meals
- Meal counts by category exceed number eligible
- Second and/or ineligible meals were counted

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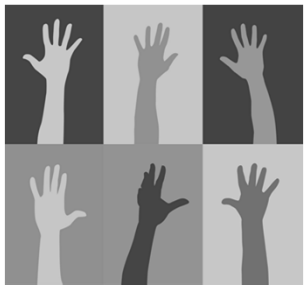
Questions?



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STATE POLICIES

Accountability

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Cash Management Procedures

- Written cash management procedures available at each site
- Meals recorded when they are served
- Money recorded when it is received
- Cashier counts their receipts
- Receipts verified by another person
- Receipts deposited daily

70

Charge Policy

- Written charge policy approved by BOE
- Local decision
- Notify parents and students
- Communication is crucial

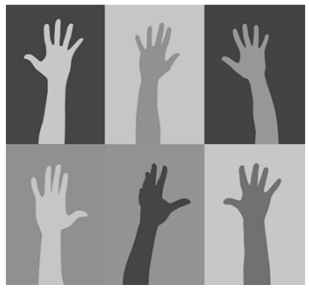
71

Common Findings

- Cash receipts not counted and verified by two people
- Unacceptable receipting method used when money changes hands
- Cash receipts and participation records not maintained by separate people
- Written cash management policies not available and not used by employees
- Written charge policy not available and not followed

72

Questions?



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MEAL PATTERN & NUTRITIONAL QUALITY

Meal components and quantities
Offer vs. serve
Dietary specifications and nutrient analysis

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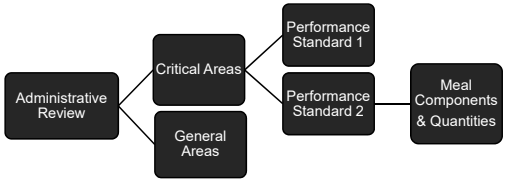
Meal Components and Quantities: Performance Standard 2



Meal Components and Quantities

- Purpose is to determine if menus are in compliance with the meal pattern
  - Daily and weekly minimums per age/grade group
  - whole grains
  - vegetable subgroups
  - fruit (juice)
  - milk
- Scope of the review includes:
  - Review period (off-site)
  - Day of Review (on-site)

Meal Components and Quantities

- Compliance will be verified by:
  - Meal Component and Quantity Worksheets
  - Visual observation of on-site meal preparation and service
  - Evaluation of production records, recipes, purchase invoices, and other documentation showing proof of reimbursable meal service from the day of review and review period

77

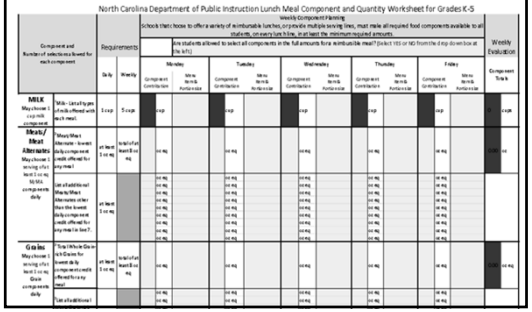
Meal Component and Quantity Worksheet (MCQW)

- All sites selected for the AR will received a meal component and quantity review
- SFA will complete the MCQW for each distinct menu
- Reviewer will assess whether each menu:
  - Offers students the required meal components in the required quantities for specific age/grade groups
  - Gives students access to select required meal components on all reimbursable meal service lines

Meal Component and Quantity Worksheet (MCQW)

- Step 1: The nutrition specialist on the review will contact the SND 12 weeks prior to the review.
- Step 2: Together the specialist and SND will select a week from the review period and identify all distinct menus served.
- Step 3: The SND will complete the MCQW's for all distinct menus and turn them into the nutrition specialist no later than 8 weeks prior to the review.
- Step 4: The nutrition specialist will review the MCQW's and issue approval to move ahead with the Data Collection notebook or issue immediate corrective action as required.

NC version of the MCQW


North Carolina Department of Public Instruction Lunch Meal Component and Quantity Worksheet for Grades K-5

Component and Number of selections allowed for each component		Requirements		Weekly Component Planning: Schools that choose to offer a variety of reimbursable lunches, or provide multiple serving lines, must make all required food components available to all students, on every lunch line, in at least the minimum required amounts. Are students allowed to select all components in the full amounts for a reimbursable meal? (select YES or NO from the drop down box at the left)												Weekly Evaluation
		Daily	Weekly	Monday		Tuesday		Wednesday		Thursday		Friday				
				Component Contribution	Menu Item & Portion size	Component Contribution	Menu Item & Portion size	Component Contribution	Menu Item & Portion size	Component Contribution	Menu Item & Portion size	Component Contribution	Menu Item & Portion size			Component Totals
MILK May choose 1 cup milk component	*Milk - List all types of milk offered with each meal.	1 cup	5 cups	cup		cup		cup		cup		cup				cups
Meats/ Meat Alternates May choose 1 serving of at least 1 oz eq M/MA components daily	*Meats/Meat Alternates - lowest daily component credit offered for any meal	at least 1 oz eq	total of at least 8 oz eq	oz eq		oz eq		oz eq		oz eq		oz eq				oz eq
	List all additional Meats/Meat Alternates other than the lowest daily component credit offered for any meal in line 7.	at least 1 oz eq		oz eq oz eq oz eq oz eq oz eq oz eq oz eq oz eq		oz eq oz eq oz eq oz eq oz eq oz eq oz eq oz eq		oz eq oz eq oz eq oz eq oz eq oz eq oz eq oz eq		oz eq oz eq oz eq oz eq oz eq oz eq oz eq oz eq		oz eq oz eq oz eq oz eq oz eq oz eq oz eq oz eq				
Grains May choose 1 serving of at least 1 oz eq Grain component daily	*Total Whole Grains - lowest daily component credit offered for any meal	at least 1 oz eq	total of at least 8 oz eq	oz eq		oz eq		oz eq		oz eq		oz eq				oz eq
	List all additional Grains			oz eq oz eq		oz eq oz eq		oz eq oz eq		oz eq oz eq		oz eq oz eq				

NC Version of the MCQW

- The MCQW templates can be found on the NCDPI website under Menu Planning and Production or at the link below:

  http://childnutrition.ncpublicschools.gov/information-resources/menu-planning-production/mcqw_worksheets

Best Practice

Use the Meal Component and Quantities Worksheet throughout the year to evaluate menu plans and determine component compliance before menus are served.

Helpful Hints for MCQW's

- Gather, review, and update all specification sheets, recipes and production records prior to beginning work on the MCQW's
  - Improves accuracy
  - Ensures correct portion size and crediting data are used
  - Eliminates conflicting data when the reviewer compares the MCQW with the specification sheets, recipes, and production records

Specification Sheets/Recipes

- Contact vendors or use the procurement alliance database to obtain updated specification sheets
- Must have CN Labels or a PFS
  - Request missing CN crediting information with a Product Formulation Statement
  - http://www.fns.usda.gov/cnlabeling/food-manufacturersindustry
- Use the updated specification sheets to update your ingredients and recipe component crediting

Standardized Recipe Checklist

- Complete for each recipe!!
- Reminder: Standardized recipes are tested to provide an established yield and quantity
- Standardized Recipe Resources:
  - http://childnutrition.ncpublicschools.gov/information-resources/menu-planning-production/information-resources/menu-planning-production
- Great opportunity to add allergen information to recipes!!

85

Production Records

- Maintained completely and accurately on-site daily for each meal service
- Documents that all meal components are offered in quantities appropriate for age/grade groups served
- Fiscal Action taken for missing documents

86

Production Record Resources

- NCDPI Website:
  - http://childnutrition.ncpublicschools.gov/information-resources/menu-planning-production/meal-production-records
- Fuel Up to Win the Race to the Top
  - http://childnutrition.ncpublicschools.gov/continuing-education/fuel_up

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Meal Pattern Requirements

- Specific to age/grade group
- Specific requirements for
  - whole grains
  - vegetable subgroups
  - fruit (juice)
  - milk

88

Whole Grain-Rich Requirements

- All grains offered in SBP and NSLP must be whole grain-rich unless waiver granted
- Must meet minimum amounts required by meal pattern
- No maximum limits as long as dietary standards are met
- Refer to the USDA Whole Grains Resource Manual

89

Vegetable Subgroup Requirements

Offer required quantities weekly

- Dark green
- Red/orange
- Beans/peas
- Starchy
- Other

Fruit Requirements

- 100% fruit juice is allowable
  - Only 50% of the fruit component offerings may be 100% fruit juice
  - If ½ cup of juice is offered daily, then ½ cup of fruit must also be offered daily and the student must be allowed to select both items

91

Milk Requirements

At least two varieties of fluid milk

- Fat-free, flavored or unflavored
- Low-fat, unflavored

Violations require fiscal action

92

Meal Preparation Observation

Prior to Meal Service

- Observe meal preparation
- Ensure all reimbursable meal lines offer all required components
- If multiple age/grade groups, examine how requirements are met for each
- Alert staff to missing/insufficient components and give opportunity to correct

93

Meal Service Observation

During the Meal Service

- Observe significant meals at point of service on each line
- Determine if meals contain components & quantities for age/grade group
- Assess cashiers understanding of a reimbursable meal
- Ensure students have access to, and know how to select, a reimbursable meal

94

Alternate Meal Service Locations

- Alternate meal service areas observed day of review or during review period: field trips, classroom, kiosks, buses, etc.
- If violations observed, check all other alternate meal sites
- OVS not required in alternate locations, but ≥ 2 milk varieties are required
- OVS may be waived for field trips, but menus must still meet daily and weekly component requirements

95

Menu Substitutions

- Must be recorded on Production Record
- "Like" substitutions strongly encouraged
- Assess whether daily/weekly requirements are met
- Meals compliant if requirements met

96

Fiscal Action

- Missing Meal Components
- Repeat violations for
  - Quantities
  - Whole grain-rich
  - Vegetable Subgroup
  - Milk Type

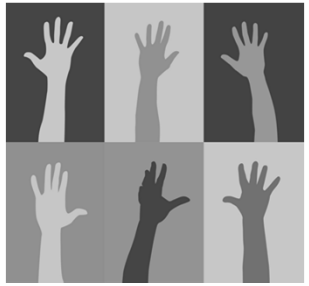
97

Fiscal Action: Repeat Violation

- Any repeated finding at the SFA level
- any findings at a subsequent AR
- a repeat violation of any of the same meal component requirements or quantities

98

Questions?



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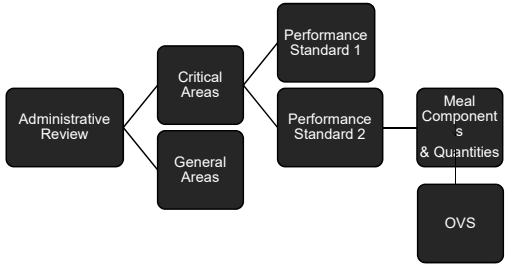
Offer vs. Serve: Performance Standard 2



100

Offer vs. Serve (OVS)

- All components sufficiently offered
- Students select adequate components for reimbursable meal

101

Offer vs. Serve: Questions to ask…

- Is clear, easy to understand signage posted?
- Is the school offering enough food on <u>all</u> reimbursable meal service lines?
- Are students selecting components/items to make a reimbursable meal?
- Are staff at the POS taught to recognize a reimbursable meal?

102

Meal Signs

- Signage posted **at or near the beginning** of serving line
- Identifies the **minimum** that must be taken to constitute a reimbursable meal
- Identifies the **maximum** that may be taken as part of reimbursable meal
- Indicates the **required fruit/vegetable component quantity**

103

Meal Service Observation

Reviewer will determine:

- if meals selected by students contain minimum of 3 food *components* (NSLP) or *food items* (SBP)
- if each reimbursable breakfast or lunch contains at least ½ cup fruit or vegetable
- if CN staff understand OVS and can accurately judge quantities on the tray
- if students understand OVS and are aware of all options

104

Food Component or Food Item?

Food Component

- One of five food groups for reimbursable meals
  - Fruits
  - Grains
  - Milk
  - Vegetables
  - Meat/Meat Alternates

Food Item

- A specific food offered within the food components
  - Banana or Fruit Juice
  - Waffle or Muffin
  - Skim Chocolate Milk
  - Carrots or Corn
  - Beef Patty or Chicken Breast

OVS at Lunch: Offer 5 components

1. Milk
2. Meats/Meat Alternates
3. Grain
4. Fruit
5. Vegetable

OVS at Lunch

- Students are allowed to decline 2 of the 5 required food components
- Students must select at least ½ cup of either a fruit or vegetable
- Other selections must be of minimum amounts required by the meal pattern

107

OVS: Lunch K-8 Example

Salisbury Steak	**Mashed Potatoes**
Roll	**Green Beans**
Milk	**Peaches**

- Steak, roll and milk ≠ reimbursable lunch
- Reimbursable → must take ½ c. mashed potatoes OR ½ cup green beans OR ½ cup Peaches AND two additional selections in the full component amount required by the daily meal pattern.

108

OVS: Lunch 9-12 Example

Salisbury Steak	**Mashed Potatoes**
Roll	**Green Beans**
Rice Pilaf	**Peaches**
Milk	**Banana**

- Steak, roll and milk ≠ reimbursable lunch
- Reimbursable → must take ½ c. mashed potatoes OR ½ cup green beans OR ½ cup Peaches OR Banana AND two additional selections in the full component amount required by the meal pattern.

OVS at Breakfast

- Must offer 4 food items if *using* OVS
  - Milk
  - Fruit/Vegetable/Juice
  - Grain
  - Additional item (i.e. Grain, Fruit, M/MA as substitute for grain)

110

OVS at Breakfast

- OVS is optional at breakfast
- 4 food items for OVS versus 3 components for non-OVS
- Students may decline 1 item at breakfast (under OVS only)
- Students must select ½ cup fruit component

111

OVS at Alternate Locations

- Alternate Meal Service Locations
  - May waive OVS at lunch
  - Must meet meal pattern
  - Milk choices must be offered

112

OVS Fiscal Action

- Missing Meal Components on tray at POS (including no fruit/vegetable at lunch)
  - Fiscal action required
- Insufficient fruit/vegetable quantity on tray at lunch is considered incomplete meal
  - Fiscal action may occur for repeat violations
- Corrective Action required

113

Quiz Show

Reimbursable or
Not Reimbursable?

That is the Question

114

Questions to ask at POS

1. Did the student select at least ½ cup fruit or vegetable?
2. Did the student select at least 2 additional meal components that meet at least the minimum amount required by the meal pattern for the grade group at lunch or 2 additional items as designated by the menu planner at breakfast?

115

Not Reimbursable

No Fruit or Vegetable selected

116

Grades K-8

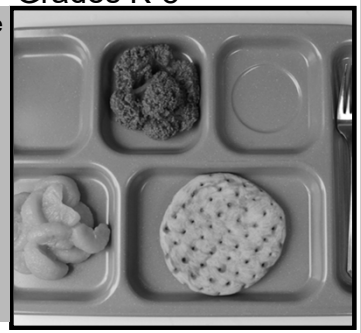
Reimbursable At

K-5

6-8

Or

K-8



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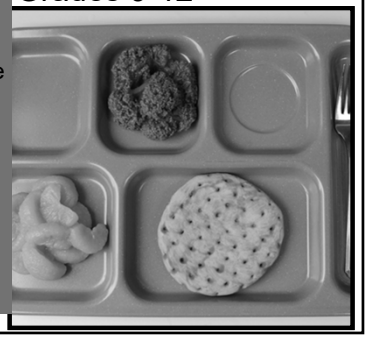
Grades 9-12

Not Reimbursable At

9-12



118

Not Reimbursable

½ cup Fruit or Vegetable not selected

119

Not Reimbursable

Does not contain ½ cup Fruit or Vegetable

120

Reimbursable At

K-5

6-8

K-8

and

9-12

121

Not Reimbursable

No Fruit or Vegetable selected

122

Reimbursable

½ cup fruit

And

2 items selected

123

Not Reimbursable

No Fruit or Vegetable selected

124

Additional Resources

http://childnutrition.ncpublicschools.gov/information-resources/menu-planning-production

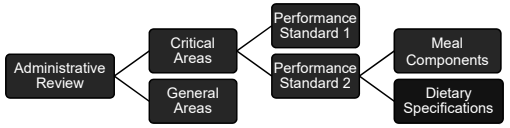
http://ncsnel.org/

125

Questions?

126

Dietary Specifications & Nutrient Analysis: Performance Standard 2



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Dietary Specifications & Nutrient Analysis

- Reviewer will determine if reimbursable meals meeting Dietary Specifications are offered
  - Calories (weekly average range)
  - Saturated Fat (weekly maximum)
  - Sodium (weekly maximum)
  - *Trans* Fat (daily restriction)

128

Calorie Ranges: Minimum and maximum

GRADES	LUNCH (kcal)	BREAKFAST (kcal)
Grades K-5	550-650	350-500
Grades 6-8	600-700	400-550
Grades 9-12	750-850	450-600

129

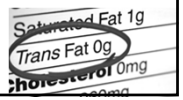
Saturated Fat

- Limited to <10% of total calories at breakfast and lunch
- Weekly average
- Same as previous regulatory standard
- No total fat standard

130

Trans-fats

- Nutrition labels or manufacturer's specs must specify zero grams of *trans* fat per serving (less than 0.5 gram per serving)
- Naturally-occurring *trans* fat excluded
  e.g., beef, lamb, dairy products



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Sodium: Gradual Reduction

Target 1
Effective SY 2014-2015

GRADES	LUNCH (mg)	BREAKFAST (mg)
Grades K-5	≤ 1,230	≤ 540
Grades 6-8	≤ 1,360	≤ 600
Grades 9-12	≤ 1,420	≤ 640

Daily Amount Based on the Average for a 5-Day Week

132

Selecting a Review Site for Nutritional Assessment

- All selected sites – Imported Data: Meal Compliance Risk Assessment
- 9 Questions targeting error-prone areas of the meal pattern
- Highest Score will indicate Nutrition Review School

133

Review week for Assessment and Analysis

- Reviewer will notify SFA of site selection, review week, and other details
- At least 3 consecutive days for review week
- Complete Data Collection Notebook for designated week for the site selected for Nutritional Assessment

134

Dietary Specifications Assessment

- Completed for Breakfast and Lunch for the 1 Nutrition Review School
- Contains 26 questions
- Results will be validated on-site
- This will determine if a full Nutritional Analysis will be performed or validated by the SA.

135

Data Collection Notebook

- Complete Data Collection Notebook for Breakfast and Lunch menus at target site
- Due the day the on-site review begins
- PR data for foods as offered

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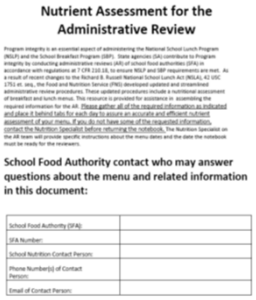
Data Collection Notebook



Nutrient Assessment for the Administrative Review

Program integrity is an essential aspect of administering the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). State agencies (SA) contribute to Program integrity by conducting administrative reviews (AR) of school food authorities (SFA) in accordance with regulations at 7 CFR 210.18, to ensure NSLP and SBP requirements are met. As a result of recent changes to the Richard B. Russell National School Lunch Act (NSLA), 42 USC 1751 et. seq., the Food and Nutrition Service (FNS) developed updated and streamlined administrative review procedures. These updated procedures include a nutritional assessment of breakfast and lunch menus. This resource is provided for assistance in assembling the required information for the AR. Please gather all of the required information as indicated and place it behind tabs for each day to assure an accurate and efficient nutrient assessment of your menu. If you do not have some of the requested information, contact the Nutrition Specialist before returning the notebook. The Nutrition Specialist on the AR team will provide specific instructions about the menu dates and the date the notebook must be ready for the reviewers.

School Food Authority contact who may answer questions about the menu and related information in this document:

School Food Authority (SFA):	
SFA Number:	
School Nutrition Contact Person:	
Phone Number(s) of Contact Person:	
Email of Contact Person:	

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Data Collection Notebook School Information

School Name/Number:	
School Address:	
School Phone Number:	
Manager's Name:	
Principal's Name:	

Place a check next to the meal pattern option and age/grade grouping(s) used to plan menus for the district menu submitted for certification. Refer to your agreement with NCDPI to be sure you are making the correct selection. Remember, if the school serves meals using more than one age/grade grouping, the production record(s) must indicate information for each group.

Breakfast Meal Pattern

Check the grade group(s) below that you use to PLAN and SERVE the breakfast menus for this school.

- ☐ Grades K-12 using overlapping nutrient levels for all grade groups
- ☐ Grades K-5
- ☐ Grades 6-8
- ☐ Grades 9-12

Lunch Meal Pattern

Check the grade group(s) below that you use to PLAN and SERVE the lunch menus for this school.

- ☐ Grades K-5
- ☐ Grades 6-8
- ☐ Grades K-8 using overlapping nutrient levels for K-5 and 6-8
- ☐ Grades 9-12

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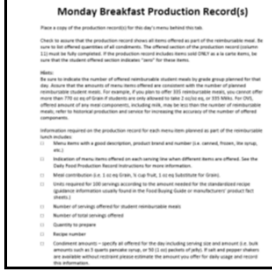
Data Collection Notebook Daily Production Records



Monday Breakfast Production Record(s)

Place a copy of the production record(s) for this day's menu behind this tab.

Check to assure that the production record shows all items offered as part of the reimbursable meal. Be sure to list offered quantities of all condiments. The offered section of the production record (column 11) must be fully completed. If the production record includes items sold ONLY as a la carte items, be sure that the student offered section indicates "zero" for these items.

Hints:
Be sure to indicate the number of offered reimbursable student meals by grade group planned for that day. Assure that the amounts of menu items offered are consistent with the number of planned reimbursable meals. For example, if the school serves 100 students in grades 6-8 and must offer more than 770 oz eq of Grain if students are only allowed to take 1 cycle eq, or 555 MMa. For OVS, offered amount of any meal components, including milk, may be less than the number of reimbursable meals; refer to historical production and service for increasing the accuracy of the number of offered components.

Information required on the production record for each menu item planned as part of the reimbursable lunch includes:

- ☐ Menu items with a good description, product brand and number (i.e. canned, frozen, the syrup, etc.)
- ☐ Indication of menu items offered on each serving line when different items are offered. See the Daily Food Production Record Instructions for more information.
- ☐ Meal contribution (i.e. 1 oz eq Grain, ½ cup fruit, 1 oz eq Substitute for Grain).
- ☐ Units required for 100 servings according to the amount needed for the standardized recipe (guidance information usually found in the Food Buying Guide or manufacturers' product fact sheets.)
- ☐ Number of servings offered for student reimbursable meals
- ☐ Number of total servings offered
- ☐ Quantity to prepare
- ☐ Recipe number
- ☐ Condiment amounts – specify all offered for the day including serving size and amount (i.e. bulk amounts such as 5 quarts pancake syrup, or 50 (1 oz) packets of jelly). If salt and pepper shakers are available without restraint please estimate the amount you offer for daily usage and record this information.

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Data Collection Notebook Ingredients and Recipes

Monday Breakfast Recipes and Nutrition Information

Place a copy of all recipes for this day's menu behind this page. If some recipes are used on more than one day of the week, you may include them only once. Indicate the recipe number on the production record each time and we will refer to the day that the recipe was first used.

Place clearly readable photocopies of all nutrition information behind each corresponding recipe. If the same ingredients are used in more than one recipe, you may include them only for the recipe in which the ingredient was first used.
Include information for single menu items (i.e. frozen biscuit) and condiments as well as ingredients used in the recipes used to prepare the menu items. Refer to examples provided earlier for acceptable nutrition information sheets.

Hints:
You must provide a recipe for all menu items. Check to assure that each recipe is complete. The recipe must contain the following information:

- ☐ Recipe name
- ☐ Recipe number
- ☐ Portion size (cup, each, ounces, fl ounces, etc.); the amount you expect to see on a tray/plate; remember portion size may be different from meal pattern contribution.
- ☐ Number of portions the recipe yields
- ☐ Contribution to the meal pattern
- ☐ All ingredients (include the ingredient form, i.e. dehydrated, fresh, frozen, canned)
- ☐ Accurate scale weight or volume measure of each ingredient
- ☐ Preparation procedures (i.e. streamed, boiled, baked or fried; if fried, specify type of fat used; instructions for how to make and serve the item.)
- ☐ HACCP category

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Preparing for Nutrient Analysis

- Comply with the meal pattern for breakfast and lunch
- Accurate menu information in the Data Collection Notebook to verify on-site:
  - ➢Production Records accurate and complete?
  - ➢Standardized Recipes maintained and used?
  - ➢Nutrition Fact Labels available?

141

Weighted Nutrient Analysis

- Distinct menus offered
- Each age/grade group
- Breakfast and lunch

142

On-site Review Procedures: validate risk assessment

- Observe meal preparation and service
- Review food storage areas/product inventory
- Review food safety/HACCP plans and practices
- Evaluate menus, productions records, recipes, purchase invoices, and meal service documentation

143

PS2 Violations Identified On-site

Severe Noncompliance

- Missing Meal Components
- Missing Vegetable Subgroups
- Inadequate and/or Excessive Quantities
- Minimum component not met for grains and/or meats/meat alternates

144

Validating Existing Nutrient Analysis

- Weighted analysis of distinct breakfast and lunch for each age/grade group
  - ➢Site specific – aggregated analyses not acceptable
  - ➢Minimum 3 consecutive days
- USDA approved Nutrient Analysis Software
- USDA Nutrient Analysis Protocols
- Prepare Data Collection Notebook for review
- Analysis results meets Dietary Specifications

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Fiscal Action: Dietary Specifications

- Limited to the violation at review site
- May expand to the entire review week, review month, or to beginning of school year
- Corrective Action Plan required

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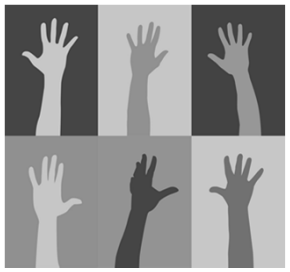
Questions?



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THE ADMINISTRATIVE REVIEW PROCESS DAY 2

Questions and Answers from Day 1

148

GENERAL AREAS

General Program Compliance
Resource Management
Procurement
Financial Management

149

GENERAL PROGRAM COMPLIANCE

Civil Rights	Local Wellness Policy
On-site reviews	Water
Competitive Foods	Food Safety
Professional Standards	SBP and SSO Outreach

150

Civil Rights

Protected categories for School Nutrition Programs:

- Race
- Color
- National origin
- Age
- Sex
- Disability

151

Civil Rights Review

- "And Justice for All" poster placed in visible location (New Posters 2016)
- Receipt of equal benefits without discrimination at each school during each meal service reviewed
- Correct non-discrimination statement on all program materials

152

Civil Rights Review

- Annual continuing education provided
- SFA and Site monitoring occurred
- Monitoring and education documentation is maintained

153

Civil Rights: Compliance Worksheet

- Required
- Central Office
- Each school site
- Complete by December 15 each year
- Kept on file

154

Civil Rights: Review

- What are the SFA's complaint procedures?
- Have there been allegations of discrimination?

155

Civil Rights: Corrective Action/Fiscal Action

- Deficiencies addressed with corrective action
- Funds withheld if corrective action plan not submitted or not implemented

156

Questions?

157

On-Site Review or Self Assessment

- LEAs
  - Annual On-Site review for every site
  - By February 1st
- RCCIs, Non-public, Charter schools
  - Bi-annual Self Assessments for every site
  - By November 1st and April 1st
- Corrective Action and Follow-up within 45 days of any finding

158

On-Site Review or Self Assessment

SA will request:

- Copy of On-Site Review or Self Assessments
- Written documentation of follow-up reviews
- Written documentation to verify Corrective Action has occurred for initial review findings

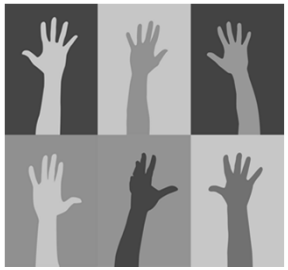
159

On-Site Review or Self Assessment

- Evaluated at the site and SFA level
- No Fiscal Action unless repeated or egregious
- Corrective Action Plan is required for errors

160

Questions?



161

Competitive foods

All food and beverages sold to students on the school campus during the school day, other than reimbursable meals

~Reference: 7 CFR 210 and 220

162

Competitive Foods

Includes:

- *A la Carte* items
- Vending machines
- School Stores
- Fund-raisers
- Student sales
- Other food or beverage sales or activities

163

Competitive Foods

Healthy, Hunger-Free Kids Act 2010

- Provided authority to establish nutrition standards for all foods and beverages sold outside of School Nutrition programs
- Specified nutrition standards for all foods sold:
  - outside the school meal programs
  - on the school campus
  - at any time during the school day

164

Competitive Foods

- Standards must be consistent with most recent Dietary Guidelines for Americans
- Standards represent minimum requirements
- Local standards may be more restrictive

165

Competitive Foods: Smart Snacks Rule

- A la carte foods sold in the cafeteria
- School stores
- Snack bars
- Vending machines
- Any other venues

166

Competitive Foods: School Day

From midnight to 30 minutes after the end of the official school day.

167

Competitive Foods

Schools that participate in the NSLP and SBP must prohibit sale of:

- foods or beverages in competition with school meals during designated meal periods
- foods of minimal nutritional value, i.e. soft drinks, gum and candies during meal periods

168

Competitive Foods: NC Rules

- No food or beverage may be sold to students on campus in competition with the school nutrition program between 12:01 AM and the cafeteria closing
- Sales must accrue to the school's nonprofit meal programs and income used only for these programs

~*16 NCAC 6H.004* (SBE Pol. #TCS-S-000)

Competitive Foods: Bottom Line in NC

- All revenues from the sale of foods and/or beverages sold to students *until the established lunch period ends* must accrue to the non-profit School Nutrition Program
- Failure to comply means loss of federal School Nutrition funds

Competitive Foods: What happens after lunch?

1. Extend the existing NC Competitive Foods Rule to 30 minutes after the school day ends.
2. Allow School Nutrition Services to control all food and beverage sales
3. Purchase qualifying snacks and beverages from School Nutrition
4. Control their own sales of foods and beverages after the lunch period

171

Competitive Foods Review

Observations to determine:

- If food and beverage sales occurring during the school day are conducted by the School Nutrition Program
- If all receipts of food and beverage sales are returned to the School Nutrition Program
- If Foods of Minimal Nutritional Value are being sold by the School Nutrition program.

172

Competitive Foods: Corrective Action

- Competitive food sales will be evaluated at the site level.
- Sites in violation must reimburse the School Nutrition Program
- Violations require a written Corrective Action Plan from the LEA's Superintendent or the SFA's Administrator

Competitive Foods: Fiscal Action

The State Agency has the authority to reclaim or withhold all Federal funds for reimbursable school meals each day the school is in violation of the SBE Policy and/or may withhold federal reimbursement until compliance is sustained.

174

Questions?

PROFESSIONAL STANDARDS

What is required for the Administrative Review?

Final Rule

- Implementation began July 1, 2015
- Establishes minimum:
  - Hiring standards for new SFA directors
  - Annual continuing education standards for ALL employees
- http://professionalstandards.nal.usda.gov/

Required Annual Continuing Education Standards

SFA Director	12 hours
Manager	10 hours
Full-time Staff	6 hours
Part-time staff (working < 20 hours/week)	4 hours
Jan. 1 or later hire	½ of required hours

Key Learning Topics and Objectives

- 1000 Nutrition
- 2000 Operations
- 3000 Administration
- 4000 Communications/Marketing

Sources of Continuing Education

- Variety of formats
  - Virtual/web-based and in-person
  - Credited in 15 minute increments
- Variety of sources
  - FNS- Team Nutrition
  - Institute of Child Nutrition (formerly NFSMI)
  - Professional Associations and organizations-SNA
  - Within the SFA
  - State Agency-DPI
  - Commercial vendors

Hiring Standards for Directors

Based on 3 LEA size categories:

- 2,499 or less student enrollment
- 2,500-9,999 student enrollment
- 10,000 or more student enrollment

- Educational requirements for all size categories reflect the knowledge and expertise required to perform duties successfully

Hiring Standards for Small LEAs

Very small LEAs (<500 students):

- State Agency has discretion to approve the hiring of a director that has a high school diploma but less than 3 years of experience

≤ 2,499 students:

- Bachelor's degree with specific major
- Associate's degree with specific major with 1 year of experience
- High school diploma with 3 years of experience

Hiring Standards for Mid-Size LEAs

2,500 - 9,999 students:

- Bachelor's degree with specific major
- Bachelor's degree in any academic major and at least 2 years of Program experience
- Associate's degree with a specific major and at least 2 years of Program experience

Hiring Standards for Large LEAs

10,000 or more students:

- Bachelor's degree with specific major
- Bachelor's degree in any academic major and at least 5 years of experience in management of school nutrition programs

Hiring Standards for all Categories

Food Safety Certification Required

- Food safety certification achieved within 5 years prior to the starting date
- Completed within 30 days of the starting date
- Food safety certification for all current Directors is an expectation

SFA Oversight

- Document compliance with the hiring standards for Director
- Document continuing education standards for all
- Documentation of compliance must be available for the Administrative Review

Off-Site Review Question 1200

What is the LEA Student Enrollment?

a) 2499 or less

b) 2500 – 9,999

c) 10,000 or more

Off-Site Review Question 1201

List the employee count for each of the following:

- Directors/Managers
- Full Time Nutrition Staff
- Part Time Nutrition Staff
- Staff hired after January 1 of the School Year being reviewed

Off-Site Review Question 1202

a. Has the SFA hired any new directors on or after July 1, 2015? If no. proceed to 1203.

YES NO

b. If a new School Nutrition Program Director has been hired, did they meet the hiring standard requirements?

YES NO

Off-Site Review Question 1203

a. If a new School Nutrition Program Director has been hired, did they complete food safety training within 30 days of being hired? If yes, proceed to question 1204.

b. If no, was previous food safety certification obtained in the last 5 years? If yes, list date of certification comments.

Off-Site Review Question 1204

a. Did the School Nutrition Program Director meet the training requirement?

Yes No

b. If not, after review of the scheduled/planned trainings for the remainder of the school year is the School Nutrition Program Director expected to meet annual training requirements?

Yes No

Off-Site Review Question 1205

a. Did the School Nutrition Program Manager, if applicable, meet the training requirements?

Yes No

b. If not, after review of scheduled/planned trainings for the remainder of the school year, is the School Nutrition Program Manager expected to meet annual training requirements?

Yes No

List completed training hours and expected or planned training hours in the comments.

Off-Site Review Question 1206

a. Did school nutrition staff meet the training requirements?

Yes No

b. If not, after review of scheduled/planned trainings for the remainder of the school year, are School Nutrition staff expected to meet annual training requirements?

Yes No

List completed training hours and expected or planned training hours in the comments.

Off-Site Review Question 1207

a. Does the State Agency allow the SFA flexibility to allow for training requirements to be met across 2 years?

Yes No

b. If yes, list in the comments section the first school year to which the flexibility was applied.

Off-Site Review Question 1208

Is the SFA tracking training hours on an annual basis? If not, please describe how training hours are being tracked.

Yes No

Off-Site Review Questions 1209

a. Are there any employees that were hired on or after January 1 of the current school year? If no, proceed to 1210.

Yes No

b. If yes, did they meet the annual training requirements? If no, after review of scheduled/planned trainings for the remainder of the school year, are they expected to meet the annual training requirements?

Yes No

List completed training hours and expected or planned training hours in the comments.

Off-Site Review Question 1211

a. Did Part-time staff meet the training requirements?

Yes No

b. If not, explain in comments below.

On-site Review Questions 1212 to 1221

Validates the information about professional standards entered in the off site review questions.

On-Site Review Question 1212

a. Does the LEA's enrollment match the enrollment level described on the off-site assessment tool? i.e., 2,499 or less, 2,500-9,999, or 10,000 or more.

Yes No

On-Site Review Question 1213

Review an employee list for the day of the review and verify the SFAs information for each of the following positions matches the current (day of review) employee list:

- Directors/Managers
  - SFA Count Off-site Form
  - SA Count Day of Review
- Full-Time Nutrition Staff
  - SFA Count Off-site Form
  - SA Count Day of Review
- Part-Time Nutrition Staff
  - SFA Count Off-site Form
  - SA Count Day of Review
- Non-school Nutrition Staff that have responsibilities that include duties related to the program
  - SFA Count Off-site Form
  - SA Count Day of Review
- Personnel hired after January 1 of the school year being reviewed, if applicable. Otherwise list NA.
  - SFA Count Off-site Form
  - SA Count Day of Review

On-Site Review Question 1214

a. After review of documentation, if the SFA hired any new directors on or after July 1, 2015, were hiring requirements met? If no new directors were hired write NA in the comments and proceed to question 1214.

   Yes No

b. If yes, validate that the SFA has documentation from the SA on file? If no, for LEAs with student enrollment less than 500 students, did the SFA receive approval prior to hiring? For LEAs with more than 500 students explain in the comments section.

On-Site Review Question 1215

Verify the SFA's response to Q1203 on the Off-site Assessment Tool.

Validate that a previous food safety certification was obtained in the last 5 years or that the School Nutrition Program Director completed food safety training at the same time of the on-site review. If yes, list date of certification in the comments.

Yes No

On-Site Review Question 1216

Validate the SFA's response to Question 1204 on the Off-site Assessment Tool.

If the School Nutrition Program Director has not met the training requirements, review documentation of the scheduled/planned trainings for the remainder of the school year and determine if the School Nutrition Program Director is expected to meet annual training requirements.

Yes No

List current completed training hours and expected/planned training hours in the comments.

On-Site Review Question 1217

Validate the SFA's response to Question 1205 on the Off-site Assessment Tool, if applicable.

If the School Nutrition Program Manager has not met the training requirements, review documentation of the scheduled/planned trainings for the remainder of the school year and determine if the School Nutrition Program Manager is expected to meet annual training requirements.

Yes No

List current completed training hours and expected/planned training hours in the comments.

On-Site Review Question 1218

Validate the SFA's response to Question 1206 on the Off-site Assessment Tool, if applicable.

If the School Nutrition Program Manager has not met the training requirements, review documentation of the scheduled/planned trainings for the remainder of the school year and determine if the School Nutrition Program Manager is expected to meet annual training requirements.

Yes No

List current completed training hours and expected/planned training hours in the comments.

On-Site Review Question 1219

a. Please describe the frequency (i.e., annually, quarterly, monthly etc.) in which training hours are being tracked (i.e., entered into a tracking mechanism).
b. Does the SFA use the USDA Professional Standards Training Tracking Tool? If not, please describe in the comments section what is being used and if the SFA's process clearly documents that required fields listed in the Professional Standards Module.

Yes No

On-Site Review Question 1220

a. Are there any employees that were hired in the time between completion of the Off-site and On-site Assessment Tools?

Yes No

b. If yes, did they meet the training requirements?

Yes No

If no, explain in comments below. Please list non-compliant employees names, title/position and training hours completed.

On-Site Review Question 1221

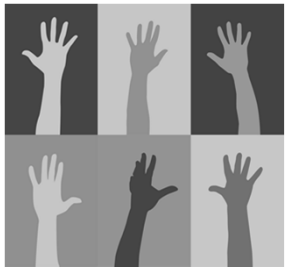
Validate that there are no additional employees outside of the school nutrition program whose responsibilities include duties related to the operation of the school nutrition program who have not yet received applicable training.

Yes No

If applicable, list personnel and respective duties in the comments.

208

Questions?



209

Local Wellness Policy (LWP)

- Part of the General Program area of Review
- HHFKA added new provisions
  - Changed content requirements
  - Required LEA's take additional actions
- NC agreement indicates LWP responsibilities

http://www.fns.usda.gov/tn/local-school-wellness-policy

210

Local Wellness Policy

- Responsibility for LWP extends beyond the School Food Authority level
- LWP is the responsibility of facility Administration
- Applies similarly to LEA, RCCI, non-public schools, charter schools

211

LWP Required Elements

Goals for:

- Nutrition education
- Physical activity
- School-based activities that promote student wellness
- Nutrition promotion

212

Other LWP Required Elements……

- Nutrition Guidelines to promote student health and reduce childhood obesity for all foods available on school campus
- Expansion of team who develop and implement the LWP to include broad based group of school & community stakeholders
- Designation of one or more LEA officials or school officials to ensure compliance

213

LWP - AR questions ask……

- Are the required elements present?
- How does public know about LWP?
- When, how, and who reviews/updates LWP?
- What is their relationship with the LEA?
- How do stakeholders know they can be involved?

214

Local Wellness Policy: Assessment

HHFKA provision requires assessment for:

- Schools' compliance with the LWP
- How the LWP compares to a model LWP
- Schools' progress toward LWP goals

How does the public know about the results of the most recent assessment on the implementation of the LWP?

- Documentation needed for this

215

LWP Corrective Action and Fiscal Action

Corrective Action

- Required if LWP is not available
- Must address all missing elements in LWP

Fiscal Action

- May withhold funds for repeated or egregious violations

216

Questions?

217

Water

- Potable water available to all students at no charge
- In the area where meals are served
- Must be available without restriction
- Not a part of reimbursable meal

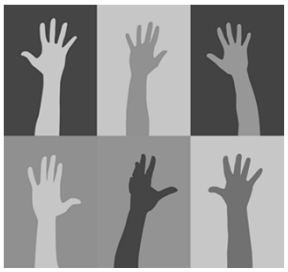
218

Water

- May be provided in a variety of ways
- Students are not required to take water
- Reasonable costs to SFA are allowable
- Multiple service locations would require water made available for each
- Must be available for ASSP
- Corrective Action required if non-compliant

219

Questions?



220

Food Safety

- General Area of Review
- Require assessment at each site selected for review
- Includes: Written plan (HACCP), food safety inspections, recordkeeping, and storage practices
- Food safety requirements must be met but the review is not a food safety inspection

221

Food Safety: HACCP Plan

- Based on USDA guidance & HACCP principles
- Current year Food Safety plan available and accessible
- HACCP forms must be in place and updated
- HACCP Plan templates and checklists are available on website

222

Food Safety: HHFKA Changes

- Added content requirements
- Must cover all facilities that store, prepare or serve food for FNS programs
- Includes hallways, classrooms, buses, warehouse, etc.

223

Food Safety: Review

Observations at each review site

- HACCP Plan is current and complete with required elements & proper implementation
- Recordkeeping and monitoring
- Compliant storage practices
- Food safety inspections reports
- Includes Central Warehouse

224

Food Safety: Inspections

- Assessed at each selected site
- Two food safety inspections per school year
- Current grade in a publicly visible location
- Written documentation needed for insufficient number of inspections

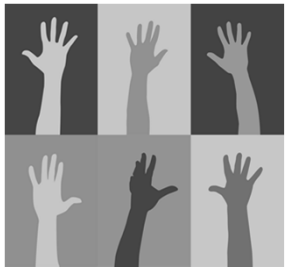
225

Food Safety: Corrective Action

- Each area is assessed at the site level
- If all sites compliant, SFA is compliant
- Food safety deficiencies do not result in Fiscal Action (unless repeated or egregious), but Corrective Action is required.

226

Questions?



227

Outreach: School Breakfast Program and Seamless Summer Option

SFA must inform eligible families of the availability of reimbursable Breakfast in SBP and meals in SSO programs.

228

Outreach: SBP

- Inform about availability of SBP at beginning of the SY in F&RP packets
- Send reminders about SBP multiple times throughout the SY
- May provide reminders:
  - through public address system
  - by providing printed or electronic material
  - By posting menus on website

229

Outreach: SSO

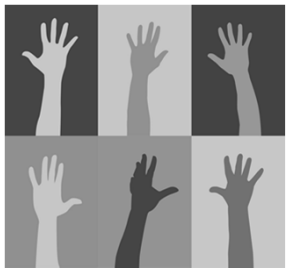
- USDA requires schools to conduct SSO outreach before the end of the school year

Outreach: Corrective Action

- If the outreach requirements are not met, Corrective Action is required in a timely and adequate manner.

230

Questions?



231

RESOURCE MANAGEMENT

Overview
Maintenance of the Non-profit School Nutrition Account
Allowable Costs
Paid Lunch Equity
Revenue from Non-Program Foods
Indirect Costs

232

Importance of Monitoring Resource Management

- Ensure SFAs account for all revenues and expenditures of nonprofit School Nutrition account
- Ensure effective and consistent management of program resources

233

Resource Management: 5 Areas

1. Maintenance of the Non-profit School Nutrition Account
2. Allowable Costs
3. Paid Lunch Equity
4. Revenue from Non-program Foods
5. Indirect Costs

234

Resource Management Review

- Documentation for all Resource Management areas
- Technical Assistance provided
- Corrective Action required
- Fiscal Action for non-compliance with the Resource Management requirements may include withholding funds

235

Non-Profit School Nutrition Account

- Break-even or loss not required for non-profit status
- Comply with regulatory limitations on the use of nonprofit School Nutrition revenue
- Identify revenue excess or shortfall

236

Components of the Non-Profit School Nutrition Account

- SFA accounting system
- Net cash resources

237

Accounting System

- Complies with the system established by the State Agency

238

Net Cash Resources

- Cash available above and beyond three (3) months operating balance

239

Review of Net Cash Resources

- Calculate by following guidance in the SA's financial management system
- Ensure SFA compliance with approval of net cash resources in excess of three (3) months
- Provide technical assistance to SFAs spend down plan in expeditious and prudent manner

240

Allowable Costs

- Expenses must meet the requirements of 2 CFR 200.403 - 409 being reasonable, necessary, and allowable
- Use Federal funds only for the intended program purposes
- Ensure compliance with government-wide and specific rules and regulations

241

Review of Allowable Costs

- Test actual expenses for compliance with allowable cost requirements
- Identify unallowable costs
- Ensure costs are adequately documented and consistently treated

242

Classification of costs and examples

Allowable	Allowable with prior SA Approval	Unallowable
Salaries/Benefits Travel Continuing Ed Conferences Printing Food Supplies	Capital expenditures (equipment purchases, etc.)	Gifts Entertainment Lobbying Construction Bad debts/ Charges

243

Paid Lunch Equity

- Included in the Healthy, Hunger-Free Kids Act (Section 205)
- Ensure that SFAs charge paid lunch prices sufficient to cover the costs of paid meals or provide enough local funds to support paid meal costs

244

Revenue from Non-program Foods

- Included in the HHFKA (Section 206)
- Intent: With the exception of reimbursable meals, all food sold in a school and purchased with funds from the nonprofit school food service must generate revenue at least equal to the cost of such food

245

Revenue from Non-program Foods

- Foods and beverages purchased using funds from the nonprofit School Nutrition account
- Sold in a school participating in the federally assisted School Meal Programs
- Includes a la carte items, adult meals, vending machine items, fundraisers, school stores, and for catered and vended meals

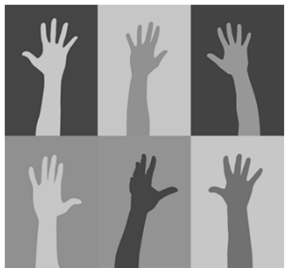
246

Indirect Cost

- Determine if costs are allowable, allocable and appropriately charged as a direct or indirect cost
- Ensure application of correct indirect cost rate to the allowable expense codes
- Ensure assessment of indirect cost according to SA agreement

247

Questions?



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FINANCIAL MANAGEMENT

249

Cash Management Procedures

- SFA must have written cash management procedures
- SFA must abide by approved procedures

250

Dual Employees

- Salaries and benefit for employees that work in multiple departments must be prorated according to the time worked for each
- Areas of review include:
  - Salary
  - Annual/medical leave
  - Hospitalization Insurance
  - Other (Longevity, bonus leave and supplements)

251

Interest

- All interest earned on bank/investment accounts must accrue to the Non-Profit School Nutrition Account.

252

Sales Tax Refund

- All eligible sales tax paid by School Nutrition should be included in the Sale and Use Tax Refund document prepared by the LEA and submitted to the NC Department of Revenue
- The refund of sales tax must be deposited in the Non-Profit School Nutrition Account for current and prior years

253

Worker's Compensation Insurance

- The amount of premium charged to School Nutrition must reflect the salaries by position type and insurance rate
- Discounts and credits must be applied to School Nutrition on a prorated basis
- Any refunds from prior years must be prorated accordingly and deposited into the Non-Profit School Nutrition account

254

Adult Meal Prices

- FNS Instruction 782-5 REV. 1
- Include the value of any USDA entitlement and bonus donated foods used to prepare

255

Single Audit

- Review the single to determine if there were any financial exceptions noted by the independent auditor in the following areas:
  - Cited Question Cost
  - Unallowable Use of Funds
  - Adult Meal Charges

256

Outstanding Charges/Bad Debts

- Review financial reports to determine if there were outstanding charge/bad debt (Students/Adults) or NSF checks
- All outstanding balances must be repaid by June 30th, but no later than September 30th

257

State Revenue Match

- If applicable, review the financial reports to determine if the LEA has met the state revenue match requirement

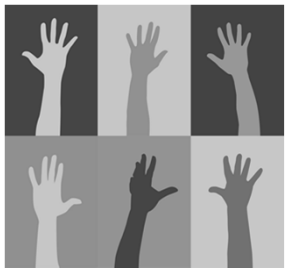
258

Disposition of Equipment

- Federal regulations require that disposition/disposal of any equipment purchased with School Nutrition funds with a current value of $5,000 or more must receive prior approval from the State Agency
- Proceeds from the sale of any equipment must be deposited into the Non-Profit School Nutrition account

259

Questions?



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PROCUREMENT

Overview
Procurement Methods
Procurement Plan
Procurement Review

261

Procurement

Full, Free and Open Competition is required for all purchases made with School Nutrition funds.

262

Procurement: Methods

Purchasing Thresholds

- Formal (Large Purchases)
  - $150,000 – Federal
  - $90,000 – State
  - Local Thresholds
- Informal (Small Purchases)

263

Procurement: Methods

- Request for Quote (RFQ)
- Invitation for Bid (IFB)
- Request for Proposal (RFP)
- Non-Competitive Negotiation

264

Procurement: Bid Specifications

- Clearly written, detailed product specifications *(approved brand or equal)*
- Quantity
- Quality
- Packaging
- Pricing (unit and extended)
- Substitutions and/or derivations

265

Procurement: Terms and Conditions

- Include in all bid documents
- Sample template available at: http://childnutrition.ncpublicschools.gov/front-page/information-resources/procurement

266

Procurement: Written Plan

- Written description of how all goods and services will be purchased
- Approved by Board of Education
- Procurement Plan and the procurement documents must correspond

267

Procurement: Review

- Evaluation of Procurement documents for which CN Funds were used – i.e.:
  - IFB, RFP, RFG, etc.
  - Bidders
  - Advertisements
  - Bid openings
  - Award decision
  - Award letters
- Hint: Use the Procurement Checklist that contains required elements to conduct self-assessment of all procurement activities

268

Procurement: Corrective Action

- Assessed primarily at the SFA level for compliance
- Fiscal Action required for improper or unallowable expenditures
- Corrective Action Plan required for non-compliance

269

Questions?

270

OFF SITE DATA ENTRY

271

POST REVIEW

Procedures after the Administrative Review

272

Post Review

- Administrative Review Exit Conference
- Preliminary Findings signed by SFA and reviewer
- Second party review
- Exit Letter and Review Results
- Corrective Action submitted and approved

273

Post Review: Exit Conference

- Purpose
- Report of Preliminary Findings
- Required Corrective Action
- Preliminary Fiscal Action
  - Compilation of all review areas

274

Post Review: Exit Letter and Review Results

- Review Findings
- Required Corrective Action
- Timeframes
- Fiscal Action
- Appeals Process

275

Post Review: Corrective Action

- Submit written Corrective Action Plan
- Remedy non-compliance
- Must be sustainable
- Adhere to timeframes

276

Corrective Action – What do I do now?

- Upon receiving the report review the information, including the Report of Findings.
- Contact the Administrative Review Specialists with questions about the required corrective action
- Develop a plan to address areas of corrective action
- Begin immediately on Corrective Actions

277

Corrective Action – Report of Findings

- **Continuing Education** – Read the requirements of the required continuing education….Written procedures, Agenda, Sign in Rosters, etc.
- **Written Assurances** – On district letterhead, dated, and signed
- **Financial Repayments** – Copies of a check or journal entry.
- **Procurement** – Approved Board Procurement Plan or addendum to Invitation for Bid (IFB).
- **Production Records –** Does it say submit one week of breakfast or lunch production records.
- **Recipes –** Copies of Recipes

278

Corrective Action – Submitting to Administrative Review Specialist

- Submit Corrective Action by email (zip file) or traceable mail.
- Organize the information – If in a email, submit documentation for each identified area in a file. If by mail, use a cover sheet or folders to separate information.
- The Administrative Review Specialist will acknowledge receipt
- You will be notified if additional information is needed

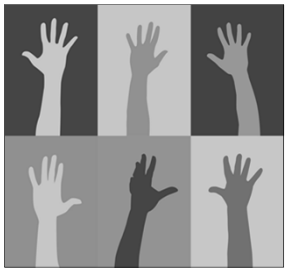
279

Post Review: Closure

- Corrective Action Plans meets program compliance
- Closure letter issued

280

Questions?



281

OTHER FEDERAL PROGRAM REVIEWS

Afterschool Snack Program
Seamless Summer Option
Fresh Fruit & Vegetable Program

282

Afterschool Snack Program (ASSP)

- Operated under the NSLP
- Supervised
- Organized activities
- Educational or enrichment
- After the end of the school day

283

ASSP: Meal Pattern

- Snack Meal Pattern has not been updated to most recent Dietary Guidelines
- Encouraged to provide healthy snacks
  - Increase whole grain-rich foods
  - Decrease fats
- Must offer only fat-free (flavored/unflavored) and low-fat milk (unflavored only)
- Milk variety (offering ≥ 2 milk types) not required

284

ASSP: Evaluating Compliance

- Determine if SFA retains administrative and management responsibility for meeting requirements
- Assess compliance in the following areas:
  - Eligibility
  - Accountability/Meal Counting and Claiming
  - Meal Pattern/Production Records
  - Monitoring
  - General Areas

285

ASSP: Eligibility

- Qualifying Checklist - completed prior to start
- Education or Enrichment Activities
- Area Eligible – all meals free
  - Free/Reduced-Price 50% or more
- Non-Area Eligible
  - Documentation of Free/Reduced-Price eligibility required
- Expanded Learning Time
  - SP 04-2011
- Age Eligibility
- Snack Pricing

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ASSP: Accountability

- Attendance/Sign-in Sheets
- Point of Service Roster
- Counting/Claiming Procedures
- Supporting Documentation
  - Snack Orders
  - Delivery Records
  - Production Records
  - Adult Snacks
- Record Keeping

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ASSP: Meal Pattern & Production Records

- One snack per child
- Production Records completed daily
- Menu compliant with Meal Pattern
- Counting and Claiming at POS

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ASSP: Self Assessment

- Self-Reviews completed on site for each ASSP
  - 1st – during first 4 weeks of operation
  - 2nd – prior to end of SY
- Records kept for 3 years

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ASSP: General Areas

- Civil Rights
- Health Inspection Records
- Food Safety
  - HACCP
  - Temperature Logs

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ASSP: Review

- Snack contains required components and adequate portion
- One snack per child claimed
- Snacks are served at the appropriate time
- Counting and claiming is accurate

291

ASSP: Corrective Action/Fiscal Action

EXAMPLES

- Site Eligibility Concerns
- Counting/Claiming Violations
- Inappropriate Food Components
- Insufficient Quantities
- Missing Components

Review Process

TA

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Immediate CA required

↓

Corrective Action Plan

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ASSP: Common Findings

- ASSP checklist not completed prior to startup of snack service and/or not available
- Two After School Snack Program On-Site Reviews not conducted, one within the first 4 weeks of operation.
- ASSP Production Record indicating inadequate portion sizes for meal components
- ASSP Production Records are incomplete
- Meal Counts not taken at the point of service

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Seamless Summer Option (SSO)

- Review at least one SSO site
- Site eligibility

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SSO: Compliance

- Assess menus and production records
- Review meal counting and claiming procedures
- Examine food safety records and practices
- Evaluate performance of self-monitoring
- Determine differentiation between age/grade groups
- Observe community participation/site advertisement

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SSO: Advertisement & On-Site Review

- Advertisement
  - SFA makes reasonable effort to advertise to community
  - Advertisements have non-discrimination statement
- SFA On-Site Review
  - SFA reviews all sites once/year during operation

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SSO: Meal Counting & Claiming

- Count complete meals at POS
- Compare POS meal counts to:
  - Meal counts from last full week from review period
  - Benefits issuance roster
- Camps: Ensure only meals served to F/RP eligible children are claimed for reimbursement

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SSO: Menu Planning & Meal Service

- Review menus, meal component and Quantity worksheets, and production records
- Assess how site provides meals to varying age/grade groups, if applicable
- Ensure children eat meals on-site during approved meal service times

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SSO: Menu Planning & Meal Service

- Ensure eligible children get one meal before seconds are served
- Verify food safety measures
- Validate alternate arrangements for inclement weather

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SSO: Corrective Action

- Missing meal components for day of review
  - Immediate corrective action required before any meals claimed
  - Include on Corrective Action Plan
- Documentation Review
  - Give opportunity to provide documentation to show component was actually offered
  - Evaluate erroneous meals to assess fiscal action
  - Require Corrective Action Plan

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SSO: Corrective Action

- Findings for Vegetable Subgroups, Milk Types, Whole Grain-rich foods, Quantities
  - Provide technical assistance
  - Include on Corrective Action Plan
- Production Records Missing/Incomplete
  - Provide technical assistance
  - Ensure site manager understands how to complete production records to prevent future problems

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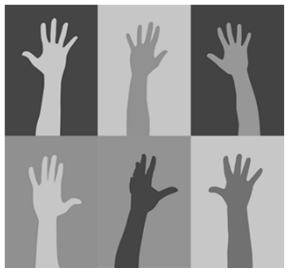
Questions?



302

FRESH FRUIT AND VEGETABLE PROGRAM (FF&VP)

303

FF&VP Review: 3 components

- NCDPI determines which FF&VP school(s) will be reviewed
- FF&VP school(s) reviewed on site for FF&VP operation
- SN Admin Office reviewed for FF&VP financial records & documents

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FF&VP Review School Selection

Number of Schools Selected for AR that operate FF&VP	Minimum Number of FF&VP Schools to be Reviewed
0-5	1
6-10	2
11-20	3
21-40	4
41-60	6
61-80	8
81-100	10
101 or more	12 plus 5% of the number of schools over 100 rounded to the nearest whole number

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FF&VP School Reviewed On Site for Program Operation

- FF&VP menu/days operated weekly
- Marketing
- Storage of produce
- Preparation and distribution of snacks
- FF&VP service (observe at least one classroom)
- Unused FF&VP snacks
- Nutrition education efforts
- Supporting partnerships

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SN Admin Office Financial Records & Documents

- Addendum/School Proposal
- Advertisement at selected school(s)
- Budget implementation/status
- Procurement plan/practices
- Claim for review month (and other months?)
  - Paid FF&VP invoices for food/non-food expenses
  - Time & Activity Report to justify FF&VP labor claimed
  - Status of FF&VP 10% Administrative funds/expenses
  - Confirm NC E-Pay Remittance for FF&VP claim (direct deposit notification)

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Corrective and Fiscal Actions

- Corrective Action will address all FF&VP non-compliance
- Fiscal Action will be used to recover any payments inconsistent with FF&VP requirement

If you don't know or need a gentle reminder…Contact Zoe

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919-961-0608

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Questions?