

The Administrative Review Process:

A New Approach for  
Collaborative Compliance



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

2014-15



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>

NOTES:

## 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
- 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
- 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.

NOTES:

- 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

**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

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

NOTES:

- 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 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

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- 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>

<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>

NOTES:

## 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

NOTES:

- Resolve discrepancies before filing claim for reimbursement

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](http://www.schoolnutrition.org/uploadedFiles/School_Nutrition/102_ResourceCenter/RunningYourProgram/FinancialManagement/ChargepolicyandprocedureFINAL(1).pdf)

NOTES:

## Meal Pattern and Nutritional Quality

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 for 2014-15

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.

NOTES:

**Lunch Meal Pattern and Nutrient Specifications**

<b>Meal Pattern</b>	<b>Grades K-5</b>	<b>Grades 6 – 8</b>	<b>Grades K – 8</b>	<b>Grades 9 – 12</b>
<b>Calories</b>	550-650 calories	600 – 700 calories	600-650 calories	750-850 calories
<b>Fruit (cups)</b>	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
<b>Vegetables (cups)</b>	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
<b>Grains (oz eq)</b>	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
<b>Meats/Meat Alternates (oz eq)</b>	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
<b>Fluid Milk (cups)</b>	1 cup per day 5 cups per week			
<b>Sodium</b>	< 1230 mg	< 1360 mg	< 1230 mg	< 1420 mg
<b>Saturated Fat</b>	Less than 10% of total calories			
<b>Artificial trans-fats</b>	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.
- ✓ Grains offered must be whole grain-rich with the exception of some pasta. Refer to United States Department of Agriculture (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 for more information.

### *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.
- ✓ 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.

NOTES:

- ✓ 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/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/](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 for 2014-15**

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 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 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			
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.

*Optional Meats/Meat Alternates*

- ✓ There is no separate requirement to offer meats/meat alternates in the SBP meal pattern.

NOTES:

- ✓ 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.
- ✓ 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.

NOTES:

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 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.

NOTES:

**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 the day the on-site review begins.

### **On-site Validation**

The data provided 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.

### **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

NOTES:

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
- 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, also called “donated 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.

NOTES:

## General Program Compliance Areas

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>

NOTES:

### **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 1<sup>st</sup> 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 1<sup>st</sup> and April 1<sup>st</sup> 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>

### **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
- 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?

NOTES:

**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>

**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.

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.

NOTES:

- 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 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/](https://schools.healthiergeneration.org/focus_areas/snacks_and_beverages/smart_snacks/alliance_product_calculator/)

NOTES:

**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
- During the meal service in the area where meals are served
- 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 must also be available without charge or restriction during afterschool snack service.

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

**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.

NOTES:

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.

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.

NOTES:

**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>

**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.

NOTES:

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.

**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.

NOTES:

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/mealpatrn-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.

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-ss0-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

NOTES:

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.

NOTES:

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Under the Federal Child Nutrition Program and USDA policy, discrimination is prohibited under the basis of race, color, national origin, sex, age or disability.

If you wish to file a Civil Rights complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov). Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish). USDA is an equal opportunity provider and employer."