

NH DOE, Bureau of Nutrition Programs and Services  
NSLP/SBP Administrative Review and Procurement Review Report for SAU #44  
(Strafford Elementary School)  
Conducted on December 6-8, 2016

This report addresses areas of the USDA Administrative Review (AR) and Procurement Review (PR) for the **National School Lunch Program (NSLP) and School Breakfast Program (SBP)** that had Findings of noncompliance requiring a Plan of Corrective Action (CA) with potential Fiscal Action (FA) or Technical Assistance (TA) provided to strengthen current systems and understanding of USDA regulations. FA is the recovery of overpayment due to errors in critical review areas associated with federal dollars or repeat Findings. The School Food Authority (SFA) is responsible for overseeing all aspects of the administration of the USDA Child Nutrition Programs. Findings must be corrected system wide (all schools in SAU). At the exit conference held on December 8, 2016, a copy of the Draft Action Summary Plan of the AR/PR outcome was provided to: Dr. Scott Young, Principal, Strafford Elementary School; Marjorie Whitmore, Business Administrator; Eric Gale, Strafford District Food Service Director and Nancy Goedker, Administrative Assistant to the Superintendent.

The 6 cents per lunch meal claimed was found to be in compliance and will be maintained.

### Review Areas:

#### **Meal Access and Reimbursement**

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

###### Observations:

- Requested applications for the selected students were presented in an organized manner - kudos.
- 1 application was incorrectly determined with a Reduced Price meal benefit, based on an error when calculating the household size (N. Kowalski). The student was listed on the form, SFA-1.
- SAU's Direct Certification Official had difficulty in pulling the direct certification information at the beginning of the school year.

###### Technical Assistance:

- ✓ The Eligibility Manual for School Meals, July 2016 ([http://education.nh.gov/program/nutrition/documents/2016\\_eligibility\\_manual\\_school\\_meals.pdf](http://education.nh.gov/program/nutrition/documents/2016_eligibility_manual_school_meals.pdf)) is the resource for Certification and Benefit Issuance.
- ✓ State Agency assisted the Direct Certification Official with how to upload an enrollment list to receive direct certification information at the beginning of the school year.

###### Findings:

- The State Agency discussed the SFA-1 document (Eligibility Certification and Benefit Issuance Error Worksheet) and left the form for correction. *There may be a fiscal action for errors associated with eligibility status.*

**Corrective Action:** By February 3, 2017, please submit: **Plan for Corrective Action** that will ensure that the SFA-1 was acted upon and returned to the SA with completed dates of correction.

#### **Verification**

##### Observations:

- None of the applications selected for verification were signed by the Confirmation Official.
- Supportive documentation was kept at the district level, rather than in one file at the SAU level.
- Verification files did not include all supportive documentation.
- The SAU selected more than the number of household applications needed to meet the Verification requirements.

### **Technical Assistance:**

- ✓ The Confirmation Official is to review each selected application to verify that the original determination was accurate. This is to be done prior to the notifying the household of selection. The Confirmation Official is to sign the application in the Verification file.
- ✓ The Verification Process is done at the SAU level. All communication to the households should come from the SAU and the SAU should maintain the files for three, plus the current, years.
- ✓ Each selected application should be maintained with the appropriate supportive documentation, which includes copies of the 2 sided application with the Confirmation Reviewer's signature, selection notice to the household, one required follow-up attempt by phone or email, household's response to the letter, appeal documentation, letter of results to the household and any other additional correspondence.
- ✓ Each school/district must report to the Verification Official the number of approved applications as of October 1<sup>st</sup>. The number reported is not to include students receiving benefits due to direct certification or who are currently in the 30-day carry-over from the previous year. They must, also, provide the number of applications that are "error-prone." (The income on the applications is within \$100/month or \$1200/year of the next income guideline.) The Verification Official determines the number of applications to be selected by finding 3% of the approved applications (not approved students). They will make the random selection for Verification from the "error-prone" applications first.
- ✓ The Eligibility Manual for School Meals, July 2016 ([http://education.nh.gov/program/nutrition/documents/2016\\_eligibility\\_manual\\_school\\_meals.pdf](http://education.nh.gov/program/nutrition/documents/2016_eligibility_manual_school_meals.pdf)) is the resource for Verification.

### **Findings:**

- Errors occurred in the existing Verification process.

**Corrective Action:** By February 3, 2017, please submit: **Plan for Corrective Action** that will ensure that the Verification Process will be handled per regulations in the future.

## **Meal Counting and Claiming**

### **Observations:**

- Review month's claim reported 30 Free applications, yet some days during the month showed that more than 30 Free meals were served. (Upon research, 35 Free students were eligible to receive Free meals at the start of the review month. The reported 30 Free applications was a snapshot of information as of the end of the review month.)
- Discussion was held regarding the use of students' accounts and how to deal with balances upon graduation.

### **Technical Assistance:**

- ✓ When entering the claim, the number of applications applicable to each meal status should reflect the highest number in the category during the course of the month, rather than using an end of month snapshot.
- ✓ Student accounts should be used by the associated student only. Visiting adults or siblings should not use the money that is on the student's account. The account should maintain its integrity.
- ✓ If a student graduates from the school and has a positive balance on their account, written guidance from the household should be obtained before the balance is moved to any other student's account.

## **Meal Pattern and Nutritional Quality**

### **Meal Components and Quantities**

### **Menu and Meal Pattern**

#### **Observations:**

- Acceptable supportive documentation for crediting of food components was not initially available for all Grain products; *Repeat Finding*.

- Yogurt meal did not include a Grain. (One was added before the meal was served.)
- Item documentation did not support the proper crediting of food components.
- After editing the Menu Worksheet by using the menu, Production Records and available supportive documentation for food items, the State Agency has determined that the minimum weekly offering of Grain was not met.

**Technical Assistance:**

- ✓ Ensure that menu reflects all food components that are offered.
- ✓ Ensure that all meals offered contain all required food components.
- ✓ Ensure that all products used are credited appropriately. (*Note: Prior to the end of the on-site, the Food Service Director started researching other available Grain products that will better comply with the regulations.*)
- ✓ Ensure that meals offered, including condiments, meet dietary specifications regarding fat, sodium and calories; copy of Dietary Specifications Assessment tool with “yellow” flags was reviewed with Eric Gale.
- ✓ The State Agency reviewer suggests that the Menu Worksheet tool be used to confirm that each week of the cycle menu complies with USDA regulations.
- ✓ Final Rule Nutrition Standards in the National School Lunch and School Breakfast Programs – Jan. 2012 <http://www.fns.usda.gov/cnd/Governance/Legislation/dietaryspecs.pdf>

**Production Records (PRs)**

**Observations:**

- Servings Used was unclear. (ex, amount used was recorded as “303 slices” rather than translated into a serving size.)
- Production Record expanded on what was listed on the menu.

**Technical Assistance:**

- ✓ Production Records are a federal requirement. Proper documentation on Production Records validates the meal pattern, reflects all food items served, including milk types and condiments, and supports menus and claims.
- ✓ Production Records must match the menu, with any changes noted.
- ✓ Market your menu. Identify all the food items being offered to the students. Identify how the Vegetables sub-groups are being met each week. (*Note: Prior to the end of the on-site, the Food Service Director started to revise the menus to show all that is available to the students. The menus are attractive and eye-catching. They provide a great deal of guidance to the households and students.*)
- ✓ Production Records should clearly show what is offered to the students, the serving size, the number of servings taken and the number of servings left unused.
- ✓ Sample food item production record from Connecticut: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2626&q=320672>

**OVS (Offer vs Serve) No Findings**

**Resource Management**

**Maintenance of the Nonprofit School Food Service Account**

**Observations:**

- Per the FY2015 audit available to the State Agency reviewer, the district showed an overage in the allowed fund balance of \$1,586.
- Upon questioning about how the overage was being used within the meals program, it was discovered that the entire positive balance in the fund was transferred to the General Fund. The transfer included both the allowed 3-month average expenditure balance plus the overage.

### **Technical Assistance:**

- ✓ Per 7 CFR 210.14(a), "School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service."
- ✓ Per 7 CFR 210.14(b), "The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with §210.19(a)."
- ✓ Per 7 CFR 210.19(a)(1), "In the event that net cash resources exceed 3 months' average expenditures for the school food authority's nonprofit school food service or such other amount as may be approved in accordance with this paragraph, the State agency may require the school food authority to reduce the price children are charged for lunches, in a manner that is consistent with the paid lunch equity provision in §210.14(e) and corresponding FNS guidance, improve food quality or take other action designed to improve the nonprofit school food service."
- ✓ All funds received in the USDA meals program (federal, state, local, other) must be treated as federal funds (following federal guidance regarding allowable and unallowable costs). (See 2 CFR 200)
- ✓ Link to 7 CFR 210 [http://www.ecfr.gov/cgi-bin/text-idx?SID=4c211a738d6109939c6054a6286ac109&mc=true&node=pt7.4.210&rgn=div5#se7.4.210\\_119](http://www.ecfr.gov/cgi-bin/text-idx?SID=4c211a738d6109939c6054a6286ac109&mc=true&node=pt7.4.210&rgn=div5#se7.4.210_119)
- ✓ Link to 2 CFR 200 <http://www.ecfr.gov/cgi-bin/text-idx?SID=9583738803799650d98a13f3de81d739&mc=true&node=pt2.1.200&rgn=div5>

### **Finding:**

- All food service funds that were previously transferred to the General Funds must be transferred back to the food service account.

**Corrective Action:** By February 3, 2017, please submit: **Plan for Corrective Action** that will ensure that the previously transferred funds were transferred back to the food service account. A copy of the transfer is to be provided to the State Agency.

### **Revenue from Non-Program Foods**

#### **Observation:**

- SAU had difficulty in completing the Revenue from Non-Program Foods tool.

#### **Technical Assistance:**

- ✓ Regulation 7 CFR 210.14(f) and FNS Instruction 782-5 REV.1
- ✓ Revenues from the sale of non-program foods must generate at least the same proportion of total school food service account revenues that expenditures from the purchase of non-program foods contribute to total school food service account costs.
- ✓ This tool is to be completed at the SAU level, rather than at the school/district level.
- ✓ Non-Program Food should be clearly identified on the invoices so that it can be tracked throughout the year. (*Note: Prior to the end of the on-site, the Food Service Director and the Business Administrative had discussed how invoices will be marked and a new account code will be created to capture this information. Training will be provided to the other food service directors to help meet this requirement.*)

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## **General Program Compliance**

### **Civil Rights**

#### **Observations:**

- The complaint procedure in place does not include USDA's meal program.
- The current procedure lists the Director of Diversity and Equity as the investigator of complaints.

- The current procedure lists an incorrect contact as the AD/Title IX Coordinator at the State of New Hampshire Department of Education.
- Most current nondiscrimination statement is not being used on all pertinent documents referencing the Child Nutrition Programs.
- Non-Food Service staff working within the meals' programs have not received annual Civil Rights training.

**Technical Assistance:**

- ✓ Food Service should either be added to the existing district complaint procedure or a separate one specifically for Food Service should be created.
- ✓ Any contact listed in the procedure should receive training on the USDA meals' programs.
- ✓ Civil Rights Training for all staff is required annually, including any non-food service staff who work with students, Point of Service, applications, etc. and documentation of training must be maintained.
- ✓ If names are to be listed within the procedure, the procedure must be kept current as employees change.
- ✓ All pertinent documents that reference the Child Nutrition Programs must be updated with the most current non-discrimination statement.

**Findings:**

- All pertinent documents that reference the Child Nutrition Programs must be updated with the most current non-discrimination statement.
- Civil Rights Training for all staff is required annually, including any non-food service staff who work with students, Point of Service, applications, etc. and documentation of training must be maintained.
- Food Service should either be added to the existing district complaint procedure or a separate one specifically for Food Service should be created.

**Corrective Action:** By February 3, 2017, please submit a **Plan of Corrective Action** that will address how SAU #44 will ensure that: 1) there is a written complaint procedure for Food Service; 2) most current nondiscrimination statement is used on all pertinent documents referencing Child Nutrition Programs; 3) All staff, both food service and non-food service working within the meals' programs, receive annual Civil Rights training and that appropriate documentation is maintained.

**On-site Monitoring (formerly Accuclaim)**

**Observation:**

- Initial monitoring was completed by the deadline, but the final monitoring was not.

**Technical Assistance:**

- ✓ A SAU with more than one school must conduct an onsite review of the lunch meal counting and claiming system at each school and 50% of schools operating the breakfast program under its jurisdiction and act upon any Corrective Actions required, by **February 1** of each year. Best practice is to ensure that Corrective Actions address identified issues.
- ✓ School Food Authority (SFA) On-site Review Checklists  
<http://education.nh.gov/program/nutrition/accuclaim.htm>

**School Wellness Policy (LWP)**

**Observations:**

- The Wellness Team is in the process of meeting and assessing policy.
- Policy should include standards for foods offered to students outside the meals' programs.

**Technical Assistance:**

- ✓ Only foods and beverages that meet Smart Snacks nutrition standards may be marketed and advertised.
- ✓ Each local educational agency that participates in the National School Lunch Program or other federal Child Nutrition programs is required by federal law to establish a local school wellness policy for all schools under its jurisdiction.
- ✓ <http://www.fns.usda.gov/tn/local-school-wellness-policy-outreach-toolkit>
- ✓ Please note additional requirements have been added to Local School Wellness Policy Implementation. This information is located on our website:  
[http://www.education.nh.gov/program/nutrition/school\\_lunch.htm](http://www.education.nh.gov/program/nutrition/school_lunch.htm) under Local Wellness Policy Toolkit and related resources. This includes:

- Review and update the Wellness Policy to set goals, document meetings/activities and track progress toward attaining objectives.
- ✓ The LEA should be moving towards strengthening local wellness policies, by
  1. Making efforts to include teachers of physical education, school health professionals, and school administrators in the development, implementation and periodic review and update of the policy
  2. Expand the scope of the local wellness policy to include nutrition promotion; and
  3. Required steps regarding implementation, transparency, public input and assessment available to the public.

## **Smart Snacks** No Findings

### **Professional Standards**

#### **Observations:**

- Certificates and training sign-in sheets are kept on file.
- Training for all food service staff is logged appropriately, with training topic, date of training and number of hours earned.

#### **Technical Assistance:**

- ✓ NSLP Policy Memo: SP 38-2016, Questions and Answers on the Final Rule “Professional Standards for State and Local School Nutrition Programs Personnel as Required by the Healthy, Hunger-Free Kids Act of 2010”
- ✓ <http://www.fns.usda.gov/school-meals/professional-standards>

### **Food Safety and Buy American**

#### **Observations:**

- Kitchen and dry storage areas were clean and well organized.
- Refrigerator and Freezer showed Meat/Meat Alternatives stored over Grain, Fruit or Vegetable food items.
- Documentation was not available for non-domestic product: Broccoli (China).
- Hand Washing and Glove Use Standard Operating Procedures (SOP) should be revisited.
- Unwrapped food item taken by a child, which was put back after arriving at the register, per the instructions of the parent, was re-served.
- Food that fell outside the serving pan was brushed back into the pan to be re-served.
- Many items in inventory are identified as “distributed by...” This designation does not meet the Buy American provisions.

#### **Technical Assistance:**

- ✓ The SOPs should be followed as implemented. Employees should be observed in following the SOPs and retrained as applicable.
- ✓ Food must be handled safely. Any food that falls outside a serving pan must be discarded. Any unwrapped food taken by a child and then put back must be discarded and not re-served.
- ✓ Schools participating in NSLP and/or SBP are required to implement a Food Safety Plan based on HACCP principles. This became a requirement in the school year beginning July 1, 2005. Section 111 of the Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265) amended section 9(h) of the Richard B. Russell National School Lunch Act.
- ✓ USDA HACCP Guidance <http://www.nfsmi.org/documentlibraryfiles/PDF/20080220092722.pdf>
- ✓ National Food Service Management Institute (NFSMI) Developing a School Food Safety Plan resources <http://www.nfsmi.org/ResourceOverview.aspx?ID=57>
- ✓ NFSMI SOPs [http://sop.nfsmi.org/sop\\_list.php](http://sop.nfsmi.org/sop_list.php)
- ✓ If a non-domestic product is used in Child Nutrition Programs, documentation must be kept supporting the exception.
- ✓ Policy Memo SP-24-2016; Compliance with, and Enforcement, of the Buy American Provision in the National School Lunch Program.
- ✓ State Agency reviewer suggests that the review of product origin be added to the “Receiving Deliveries” SOP. The revised SOP would be implemented once all staff were trained to it.

- ✓ If an item is identified as only “distributed by,” contact the distributor and ask for documentation that supports where the item was produced.

**Findings:**

- Food storage areas should be arranged so that Meat/Meat Alternative food items are not stored above other food items, such as Grains, Fruits or Vegetables.
- SOPs regarding Hand Washing, Glove Use and Serving of Food must be followed.

**Corrective Action:** By February 3, 2017, please provide a **Plan of Corrective Action** for addressing 1) storage rearrangement and 2) following SOPs.

**Reporting and Recordkeeping** No Findings

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**Other Federal Program Reviews**

**School Breakfast Program**

**Observation:**

- Non-reimbursable snacks are sold during break time.

**Technical Assistance:**

- Consider serving a Second Chance Breakfast during break time, rather than offering only non-reimbursable snacks.

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*Remember: There are no appeals for the identification of Findings requiring plans of Corrective Action. However, if this review includes a financial finding you may appeal the financial amount, 7 CFR 210.18(q). Financial findings will be determined upon receipt of all plans of Corrective Action.*

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**Procurement Review**

**Code of Conduct** No Findings

**Procurement Procedures**

**Technical Assistance:**

- ✓ State Agency reviewer provided Procurement training resources to the Business Administrator.
- ✓ Micro-Purchases [less than \$3,500], do not need quotes or bids, but multiple purchases throughout the year must be spread equitably among available responsive and responsible vendors.
- ✓ Small Purchases [between \$3,500 and the applicable Small Purchase Threshold] require written specifications, vendor information, evaluations of bids/quotes, with documentation that supports each step in the procurement process.
- ✓ Formal Purchases [greater than the applicable Small Purchase Threshold] require the 5 steps of Proper Procurement to be followed: 1) Plan/Forecast the purchase, 2) Write Specifications, 3) Advertise the Solicitation, 4) Award the Contract/Purchase Order, and, 5) Manage the Contract/Purchase Order. Proper documentation must be kept for each step in the procurement process.

**Findings:**

- Procurement Procedures must be written, trained to and followed.
- The written Procurement Procedures must include how all types of procurement will be handled (Micro-purchases Small Purchases, Formal Purchases, Food Service Management Company Contracts and Surplus Food Processing Contracts, as applicable).

**Technical Assistance with Action:**

- Written Procurement Procedures must be developed that are applicable to Food Service.

State Agency Reviewer: Kathryn G.M. Hodges

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1400 Independence Avenue, SW  
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- (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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