

# Common Review Findings in School Nutrition Programs

School Year 2016-2017

# Presenters

**Heather Holland, Analyst**

**Aimee Haapala, Financial Analyst**

Michigan Department of Education

School Nutrition Programs

Fiscal and Administrative Services

# Common Findings for Benefit Issuance

## Free and Reduced Application Findings

- Miscalculating household data
- Total household members incorrect
- Missing last 4 digits of the social security number or box not checked indicating no social security number
- Incorrect Food Assistance Program number, must be a 9 digit number that will start with a “1”; for example 132465879
- Direct Certification

## Best Practice

- Double Check your free and reduced applications.
- Call Households to obtain missing information (Initial & Date)
- Use the Eligibility Manual for School Meals as a reference.
  - <https://www.fns.usda.gov/2016-edition-eligibility-manual-school-meals>

# Common Findings for Verification

## Verification Findings

- Not complete by November 15
- Documentation not submitted for all dollar values as indicated on the free and reduced price application
- Correspondence is not kept
- Benefit issuance is not changed based on verification determination

## Best Practice

- Keep a Verification File with copies of all correspondence
- Send out your final determination letter to households by November 5<sup>th</sup> to meet the November 15<sup>th</sup> deadline.
- Refer to the Steps to Conducting Verification:  
[www.michigan.gov/schoolnutrition](http://www.michigan.gov/schoolnutrition)

# Common Findings for Meal Counting & Claiming

## Counting and Claiming Findings

- Unacceptable point of service for Breakfast in the Classroom
- Unacceptable point of service in the serving line
- Second Meals being claimed for reimbursement
- Monthly claims not consolidated correctly

## Best Practice

- Observe serving lines to ensure each meal is claimed at the point of service
- Use POS system or an excel spreadsheet to total monthly meal counts
- Implement a district wide Breakfast in the Classroom procedure, train teachers, and observe service to ensure compliance.

# Common Findings for Meal Patterns

## Meal Pattern Findings

- Insufficient Quantities
- Vegetable subgroups not available at all points of service
- Meal signage not available or does not have correct content

## Best Practice

- Utilize cycle menus
- Analyze cycle menus using the meal component tool to ensure daily and weekly requirements are met.

<https://www.fns.usda.gov/school-meals/certification-compliance>

# Common Findings for Food Safety

## Food Safety Findings

- Inspections not posted in a public location
- Food Safety Plans that were outdated
- Food Safety Plans that were not relevant to current operations

## Best Practice

- Post most current health inspection publicly
- Review and update your food safety plan annually
- Include all aspects of each building's operations

# Common Findings for Community Eligibility Provision (CEP)

## CEP Findings

- Incorrectly recording meals using the CEP count sheet
- Documentation does not support the approved identified student percentage(s) (ISP) and claiming percentages.
- Documentation is not available to support the approved ISP and claiming percentages.

## Best Practice

- Meals must be recorded on the count sheet as received. Each number must be marked.
- Enrollment Rosters, Direct Certification Reports, Extended Eligibility Documentation, and Migrant, Homeless, Runaway, Foster, and HeadStart Eligibility documentation must be retained from the April used to approve your application.

# Buy American Provision

- The National School Lunch Act requires the purchase of domestic agricultural commodities and domestic food products
- The Buy American clause must be included in all product specifications, solicitations, purchase orders, contracts and any other procurement documents
- MDE will monitor contracts for adherence to the provision
- SFAs must maintain documentation required to support any nondomestic purchases
- *Current guidance: USDA SP24-2016*

# Common Findings for Maintenance of the Nonprofit School Food Service Account (NSFSA)

- Unallowable costs
- Financial statements/records not tying out to the FID or SLYER
- Excess fund balances
- No separate financial tracking
- Fund transfers out of the NSFSA to support other operations
- Failure to submit and/or execute a spend down plan and/or submit equipment request(s) to MDE for prior approval
- *New: Failure to have proper written internal control procedures*
- *New: Bad debt carried over each school year*

# Common Findings for Paid Lunch Equity (PLE)

- PLE tool not used to determine proper meal pricing
- PLE tool not completed correctly
- Used PLE tool but did not comply with required price increase
- Did not use a proper funding source to support paid lunch prices (Non-Federal Funds)
- *Current guidance: 17/18 PLE Tool & USDA SP11-2017*

# Common Findings for Revenue from Non-program Foods

- Non-program foods priced too low (ala carte, adult, catering)
- Insufficient process to assess compliance
- Revenue ratio is less than cost ratio for non-program foods
- Not all revenues categories are tracked and reported separately
- Non-program revenue did not accrue to the NSFSA
- *Current guidance: USDA Memo SP20-2016*

# Common Findings for Indirect Costs

- Indirect costs charged improperly
- Indirect costs not treated consistently across all programs
- Indirect costs calculations supporting documentation not available
- Indirect costs charged in excess of approved unrestricted rate
- Indirect costs exceed the maximum allowable
- *Current guidance: USDA SP60-2016*

# QUESTIONS?

# Contact Information

## Heather Holland, Analyst

- [HollandH3@Michigan.gov](mailto:HollandH3@Michigan.gov)
- 517-241-8339

## Aimee Haapala, Financial Analyst

- [HaapalaA1@Michigan.gov](mailto:HaapalaA1@Michigan.gov)
- 517-373-8319

***For program resources:*** [michigan.gov/schoolnutrition](http://michigan.gov/schoolnutrition)