ADMINISTRATIVE REVIEW FOR THE NATIONAL SCHOOL LUNCH PROGRAM

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Goals of Administrative Review

- Consolidate the review process
- Incorporate school breakfast, the new meal pattern/dietary specifications, and the 6-cent performance based reimbursement
- Implement a 3-year review cycle
- Provide for effective training and ongoing technical assistance

Administrative Review Areas

<table>
<thead>
<tr>
<th>Meal Access &amp; Reimbursement</th>
<th>Meal Pattern &amp; Nutritional Quality</th>
<th>Resource Management</th>
<th>General Program Compliance</th>
<th>Other Federal Program Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Certification &amp; Benefit Issue • Verification • Meal Counting &amp; Claiming</td>
<td>• Meal Components &amp; Quantities • Offer versus Serve • Dietary Spec &amp; Nutrient Analysis</td>
<td>• Risk Assessment • Nonprofit School Food Service Account • Food Lunch Equity • Revenue from Non-program Foods • Indirect Costs • USDA Foods</td>
<td>• Civil Rights • FAFOn-line Monitoring • Local Wellness Policy • Competitive Foods • Water • Food Safety • SBP &amp; SFSP Outreach</td>
<td>• After-school Snacks • Seamless Summer Option • Fresh Fruit &amp; Vegetable Program • Special ME Program</td>
</tr>
</tbody>
</table>
Off-Site Assessment Tool

- Series of questions to be completed off-site ahead of the scheduled site visit.
- MDE staff in collaboration with school staff will complete the tool.
- Purpose/Goal
  - Decrease the amount of time needed for the on-site
  - Help the reviewer focus on any areas of non-compliance
  - Target any technical assistance that may be necessary while on-site

Other Pre-Visit Review Items

- Meal Access and Reimbursement
  - Select sites for NSLP and SBP site review
  - Select students for certification and benefit issuance review
- Nutritional Quality and Meal Pattern
  - Meal Compliance Risk Assessment Tool must be completed for each site selected for review
  - Dietary Specifications Assessment Tool must be completed
- Resource Management
  - Resource Management Risk Indicator Tool

NSLP and SBP Site Review Selection

<table>
<thead>
<tr>
<th>Number of Schools in the SFQ</th>
<th>Minimum Number of Schools to Review for NSLP</th>
<th>Number of Schools in the SFQ</th>
<th>Minimum Number of Schools to Review for NSLP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>1</td>
<td>41 to 60</td>
<td>6</td>
</tr>
<tr>
<td>6 to 10</td>
<td>2</td>
<td>62 to 80</td>
<td>.8</td>
</tr>
<tr>
<td>11 to 20</td>
<td>3</td>
<td>82 to 100</td>
<td>.10</td>
</tr>
<tr>
<td>21 to 40</td>
<td>4</td>
<td>100 or More</td>
<td>.33*</td>
</tr>
</tbody>
</table>

* .33 plus 3 percent of the number of schools over 20. Fractions must be rounded to the nearest whole number.
<table>
<thead>
<tr>
<th>Access and Reimbursement</th>
</tr>
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<tbody>
<tr>
<td><strong>Certification and Benefit Issuance</strong></td>
</tr>
<tr>
<td>- Benefit Issuance</td>
</tr>
<tr>
<td>- Select a sample of names from free and reduced price benefit issuance list</td>
</tr>
<tr>
<td>- Request applications and direct certification documentation</td>
</tr>
<tr>
<td>- Denied Applications (10 applications)</td>
</tr>
<tr>
<td>- Community Eligibility Provision (CEP)</td>
</tr>
<tr>
<td>- Verification (sample)</td>
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</tbody>
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<tr>
<td><strong>Counting and Claiming</strong></td>
</tr>
<tr>
<td>- Validate Day of Review and Review Period Meal Counts</td>
</tr>
<tr>
<td>- Breakfast and lunch</td>
</tr>
<tr>
<td>- Accurate point of service</td>
</tr>
<tr>
<td>- Including alternate points of service</td>
</tr>
<tr>
<td>- Adequate internal controls</td>
</tr>
<tr>
<td>- Daily edit checks (electronically or manually)</td>
</tr>
<tr>
<td>- Accuracy of consolidation</td>
</tr>
</tbody>
</table>

<table>
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<th>Meal Pattern and Nutritional Quality</th>
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<tr>
<td><strong>Meal Components</strong></td>
</tr>
<tr>
<td>- Review breakfast and lunch</td>
</tr>
<tr>
<td>- Are daily and weekly requirements for the age/grade groups met?</td>
</tr>
<tr>
<td>- Do portion sizes meet the minimums per the meal pattern requirements?</td>
</tr>
<tr>
<td>- Examine one week in the review period and the day of review</td>
</tr>
<tr>
<td>- Menus, Production Records, Recipes, Labels, CN Labels, Product formulation statements</td>
</tr>
<tr>
<td>- Visual observation during meal service this includes preparation.</td>
</tr>
</tbody>
</table>
Meal Pattern and Nutritional Quality

**Offer versus Serve**
- Is it implemented properly?
  - Not required at breakfast for any age
  - OVS required during lunch for senior high schools
- Have staff been trained?
  - 3 components lunch
  - 3 items breakfast
- Is there proper signage at the beginning of the serving lines?
  - Breakfast and Lunch

**Dietary Specifications**
- Calories, saturated fat, sodium, and trans fat
- One building will be selected
- Meal Compliance Risk Assessment Tool (all sites)
  - Determines which site is at highest risk for non-compliance
  - Nine questions
- Dietary Risk Assessment Tool
  - 26 questions
  - Determine if the selected site is low or high risk
  - High risk = Nutrient Analysis for breakfast and lunch

**Resource Management**

**Off-site Assessment**
- 18 questions required to be completed by all SFAs scheduled for review

**Risk Indicator Tool**
- Completed by MDE staff
- 7 risk indicator categories:
  - Enrollment
  - previous financial findings
  - maintenance of nonprofit school foodservice account
  - paid lunch equity
  - revenue from nonprogram foods
  - indirect costs, and
  - USDA foods
Comprehensive Review

Three Red Flags Out of the Seven Different Focus Areas will result in a Comprehensive Review of the Resource Management Section

Resource Management

Maintenance of Nonprofit School Food Service Account

- Nonprofit School Food Service Account
- Examine Profit/Loss Statement from prior school year
- Net Cash Resources
  - Limit to three months’ average operating costs
- Allowable Costs
  - Necessary, reasonable, and allocable
  - Comprehensive Review = review 10% of costs from prior school year

Resource Management

Paid Lunch Equity (PLE)

- MDE will request to see the PLE tool
- Did prices need to be increased?
- Where prices increased?
- Where non-federal funds used instead of raising prices?
- If you requested a waiver, did you meet all the requirements?
### Resource Management

#### Revenue from Non Program Foods

- Did the school use one of the approved methods of calculating Non-program Foods costs/revenues?
- Is the revenue ratio equal to or greater than the food cost ratio?

\[
\text{Revenue Ratio} = \frac{\text{Non-program Revenue}}{\text{Non-program Revenue} + \text{Program Revenue}}
\]

The above calculated % should be greater than or equal to:

\[
\text{Food Cost Ratio} = \frac{\text{Non-program Food Cost}}{\text{Non-program Food Cost} + \text{Program Food Cost}}
\]

### Resource Management

#### Indirect Costs

- Is the correct indirect cost rate used?
- Is the rate applied consistently?
- Is there documentation to support costs are not billed directly and indirectly?
- Is there documentation to support the indirect costs charged to the school food service account?

### Resource Management

#### USDA Foods

- Review the use of USDA Foods in school meals
- Review the SFA's procurement of end products containing USDA Foods
- Ensure the SFA conducts an annual reconciliation
General Areas of Review

Civil Rights

- Poster
- Correct Non-Discrimination Statement
- Services for Limited English Proficiency (LEP) households
- Procedure for receiving and processing complaints
- Documented training for all staff related to school meals
- Procedure for collecting racial/ethnic data
- All students have equal access

General Areas of Review

School Food Authority Self-Monitoring

- Reviews completed by February 1st
- Follow-up for meal counting and claiming issues must be conducted with in 45 days

Local Wellness Policy

- Copy of your current policy
  - MDE to look at content
  - Public availability
  - Documentation of efforts to review and update
  - Copy of the most recent assessment on implementation

General Areas of Review

Competitive Foods

- School Year 2013-2014= Foods of Minimal Nutritional Value
- School Year 2014-2015= New Smart Snacks Rule

Water

- Free potable water must be made available to students during breakfast and/or lunch without restriction.
**General Areas of Review**

**Food Safety**
- Review food safety plan for compliance with HACCP
- Review for two food safety inspections per site and that the current is posted
- Observe to determine compliance with local and state health standards
- Check for temperature logs
- Examine on-site food storage

**General Areas of Review**

**Reporting and Recording Keeping**
- Reports to MDE are all submitted on time
- Records pertaining to the programs are retained for three years plus the current

**School Breakfast Program and Summer Food Service Program Outreach**
- Breakfast outreach is required throughout the school year
- Summer Food Service Program outreach required at the end of the school year

**Other Federal Programs**

**AfterSchool Snack Program**
- Documentation Review
  - Verify school eligibility
  - Counting and Claiming
  - Snack service and nutritional requirements
  - Self-Monitoring
  - Food Safety and Civil Rights
  - Possible Snack Service Observation

**Special Milk Program**
- Documentation Review
  - Pricing policy
  - Confirmation the operation is the approved option
  - Counting and Claiming
  - Records are retained according the retention policy
  - Possible Milk Service Observation
Other Federal Programs

Fresh Fruit and Vegetable Program

- Documentation review off-site
  - Validate one Claim for Reimbursement
- On-site observation

Review Close-out

- Technical Assistance
- Exit Conference
- Findings Report
- Corrective Action
- Fiscal Action

Appeal Procedures

What can be appealed:
- Denial of reimbursement for a claim.
- Demand for remittance of an overpayment.
- Suspension of payments based on failure to take corrective action.
Michigan Administrative Review System (MARS)
https://mde.state.mi.us/GEMS/
Users need to have a MEIS User Name and Password.

Questions
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