

ADMINISTRATIVE REVIEW TRAINING 2014

School Nutrition Programs
Michigan Department of Education



FOLDER ITEMS

- ▶ **Agenda for the day**
- ▶ **Notes page**
- ▶ **Administrative Review Off-Site Assessment tool**
- ▶ **Administrative Review training feedback**

SCHOOL NUTRITION PROGRAMS WEBSITE

► www.michigan.gov/schoolnutrition

Michigan Department of Education

MDE > MDE PROGRAMS > SCHOOL NUTRITION PROGRAMS

School Nutrition Programs

The School Nutrition Programs (SNP) Unit administers United States Department of Agriculture (USDA) Child Nutrition Programs and Grants in the State of Michigan. School Nutrition Programs staff monitor regulatory compliance and provide training and technical assistance for the National School Lunch Program, School Breakfast Program, AfterSchool Snack Program, Special Milk Program, Fresh Fruit and Vegetable Program, Summer Food Service Program, Summer Camp Special Milk Program, and Team Nutrition.

[School Nutrition Programs Contact List](#)

[School Lunch, Breakfast, AfterSchool Snack Meals Served/Payments Fact Sheet](#)

[School Nutrition Programs Calendar of Events](#)

Jump to a category...

What's New

- [Whole Grain Pasta Waiver Request Form](#)
- [USDA Guidance on Whole Grain Pasta](#) PDF

Left Sidebar Navigation:

- State Board of Education
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- Early Learners and Care
- Educator Certification
- Grants
- MDE Offices
- MDE Programs
- Child and Adult Care Food Program (CACFP)

ADMINISTRATIVE REVIEW

- ▶ **The Healthy, Hunger-Free Kids Act = more effective & efficient review process:**
 - ▶ Consolidate the processes
 - ▶ Incorporate breakfast, meal pattern and dietary specifications, & performance-based reimbursement
 - ▶ 3-year review cycle
 - ▶ Off-site monitoring approaches
 - ▶ Provide effective training & ongoing technical assistance
- ▶ **Regulatory authority:**
 - ▶ 7 CFR 210.14
 - ▶ 2 CFR 225

OVERVIEW OF THE ADMINISTRATIVE REVIEW PROCESS 2014-2015

- ▶ **Email with tools & checklists**
- ▶ **Complete & return required information per dates specified in email**
 - ▶ Your program analyst will review material, call as necessary to understand your operation, and request additional documents if needed
 - ▶ **On-Site monitoring visit**
 - ▶ Entrance conference
 - ▶ Monitoring, completion of on-site forms, and technical assistance on site
 - ▶ Exit conference
- ▶ **Follow up as necessary**
 - ▶ Corrective Action Report and Technical Assistance Summary

WHEN CAN I EXPECT A REVIEW?

- ▶ **Timeline for reviews**

- ▶ **Between October 2014 and May 2015**

- ▶ CEP sponsors fall of 2014

- ▶ Northern lower Michigan and Upper Peninsula sponsors spring of 2015



TIMEFRAMES COVERED BY THE REVIEW

- ▶ At a minimum, the review period and day of review
 - ▶ Review period
 - ▶ Most recent month with submitted Claim for Reimbursement
 - ▶ Must have at least 10 operating days
 - ▶ Day of review
 - ▶ The day(s) on which the on-site review of the individual sites occurs



SCOPE OF THE ADMINISTRATIVE REVIEW

- ▶ Focus on 2 primary review components
 - ▶ Critical areas of review
 - ▶ General areas of review
- ▶ Critical Areas of Review
 - ▶ Performance Standard 1
 - ▶ Certification and benefit issuance process
 - ▶ Accuracy of meal counting and claiming
 - ▶ Performance Standard 2
 - ▶ Meals claimed for reimbursement meet meal pattern & dietary specifications requirements



SCOPE OF THE ADMINISTRATIVE REVIEW

▶ General Areas of the Review

▶ Resource Management

- ▶ Maintenance of the non-profit school food service account
- ▶ Paid Lunch Equity (PLE)
- ▶ Revenue from non-program foods
- ▶ Indirect costs

▶ General Program Compliance

- ▶ Civil Rights
- ▶ SFA On-Site Monitoring
- ▶ Local School Wellness Policy
- ▶ Smart Snacks
- ▶ School Meal Environment
- ▶ Water
- ▶ Food Safety
- ▶ Reporting and Recordkeeping
- ▶ SBP and SFSP Outreach

Conducted separately

IF APPLICABLE

- ▶ **Other Federal Program Reviews (Critical and General Areas)**
 - ▶ Afterschool Snacks
 - ▶ Fresh Fruit and Vegetable Program
 - ▶ Special Milk Program



OFF-SITE ASSESSMENT TOOL PURPOSE

- ▶ Learn the SFA's procedures and processes
 - ▶ Certification, Benefit Issuance, & Counting and Claiming
- ▶ Evaluate compliance in areas which do not require on-site activities
 - ▶ LWP
 - ▶ Civil Rights (some aspects)
 - ▶ SBP and SFSP Outreach



OFF-SITE ASSESSMENT TOOL BENEFITS

- ▶ Promotes collaboration between MDE and SFA
- ▶ Allows for advance preparation
- ▶ Removes the "Gotcha" perception
- ▶ Enables tailoring the On-site Review



OFF-SITE ASSESSMENT TOOL

- Series of questions to be completed off-site ahead of the scheduled site visit
- ▶ Sections covered in the tool:
 - ▶ Meal Access and Reimbursement
 - ▶ Nutritional Quality and Meal Pattern
 - ▶ General Program Compliance
 - ▶ Other Federal Programs



OTHER PRE-VISIT REVIEW ACTIVITIES

- 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
 - Meal component tool

CONDUCTING SCHOOL SELECTION

- ▶ SFA review sites are selected for the Administrative Review (7 CFR 210.18 (e)(2))
- ▶ Information required for the review month selected
 - ▶ Names & types of all NSLP school buildings in the SFA
 - ▶ Number of serving days for each school
 - ▶ Highest number of free eligible for each school building
 - ▶ Number of free lunches claimed

NSLP AND SBP SITE REVIEW SELECTION

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

ON-SITE ASSESSMENT TOOL

- ▶ Used by MDE staff on-site
- ▶ Captures information on the entire review
- ▶ Two levels of questions:
 - ▶ SFA
 - ▶ School level
- ▶ Off-Site Assessment Tool noncompliance verified using On-site Assessment Tool



ON-SITE ASSESSMENT TOOL PURPOSE

- ▶ Records evaluation
- ▶ Catalog On-site observations
- ▶ Face-to-face communications



WHAT'S GOING TO HAPPEN ON-SITE?

- ▶ Entrance Conference
- ▶ Documentation review
- ▶ Staff interviews
- ▶ On-site meal observations
- ▶ Exit Conference



WHAT IS PERFORMANCE STANDARD 1?

- ▶ All free, reduced-price, and paid meals claimed for reimbursement are served only to children eligible for free, reduced-priced, and paid meals, respectively, and are counted, recorded, consolidated and reported through a system that consistently yields correct claims
 - ▶ Meal Access and Reimbursement
 - ▶ Certification and benefit issuance process
 - ▶ Accuracy of meal counting and claiming

MISSION CRITICAL

MEAL ACCESS AND REIMBURSEMENT REVIEW AREAS

- ▶ **School Food Authority (SFA) Level Review**
 - ▶ Certification and Benefit Issuance
 - ▶ Applications
 - ▶ Direct Certification
 - ▶ Verification
- ▶ **SFA and Site Level Review**
 - ▶ Meal Counting and Claiming



INTENT/SCOPE OF MONITORING CERTIFICATION & BENEFIT ISSUANCE

▶ Covers:

- ▶ SFA's certification of eligibility for free or reduced-price meals
- ▶ The link to the SFA's meal counting and claiming system

▶ Essential to ensure

- ▶ Eligible children receive meals to which they are entitled
- ▶ That Claims for Reimbursement are valid

MDE ASSESSES PROCEDURES FOR PROCESSING APPLICATIONS

- ▶ MDE must insure the SFA is in compliance with 7 CFR 245.6(a)
- ▶ Areas of review include (but are not limited to):
 - ▶ The use of proper income conversion factors & income guidelines
 - ▶ The carryover of prior year eligibility
 - ▶ Compliance with required timeframes for household notification(s)
 - ▶ Compliance with the independent review of applications, if applicable

COMMON FREE AND REDUCED PRICE APPLICATION ERRORS

▶ Applications Missing Information:

- ▶ Signature of an adult household member
- ▶ Last four digits of SSN or the "none" box
- ▶ Income amount, income source and/or income frequency
- ▶ ALL HOUSEHOLD MEMBERS LISTED MUST REPORT AN INCOME OR ENTER "ZERO"
- ▶ Names of all household members - including children who are requesting benefits

▶ Applications with Incorrect Information:

- ▶ Invalid SNAP, TANF or FDPIR case numbers

REVIEWING DENIED APPLICATIONS

- ▶ MDE must review at least 10 denied applications on file for all schools under the SFA
- ▶ MDE must determine whether denied households were notified of:
 - ▶ Reason for denial of benefits
 - ▶ Right to appeal
 - ▶ Instructions on how to appeal
 - ▶ Statement that family may re-apply for free and reduced-price benefits at any time during the school year

MDE ASSESSES PROCEDURES FOR DIRECT CERTIFICATION

- ▶ MDE must ensure the SFA is in compliance with 7 CFR 245.6(b)
- ▶ Areas of review include (but are not limited to):
 - ▶ Direct certification list came from the appropriate agency
 - ▶ Contained all required elements
 - ▶ Direct certification was performed the appropriate number of times

BENEFIT ISSUANCE DOCUMENT

- ▶ The consolidated benefit issuance list in electronic (Excel) format must have the following:
 - ▶ All students eligible for free and reduced-price meals at all schools within the SFA
 - ▶ Do not include students that are "paid" status
 - ▶ For each student:
 - ▶ Name
 - ▶ Grade
 - ▶ School name
 - ▶ Benefit status
 - ▶ Method of certification (application, direct cert, etc.)
 - ▶ Date of certification
 - ▶ Total number of eligible students in SFA
 - ▶ Code utilized to identify status
 - ▶ A way to identify students who were selected for verification (if possible)

BENEFIT ISSUANCE DOCUMENT

- ▶ **The list should:**
 - ▶ Come from the point of service system used in each of the schools (electronic POS, roster, ticket system, etc.)
 - ▶ Not include duplicate names
- ▶ Names can be listed in any order, just not grouped by benefit status
- ▶ Submit list(s) for each school under the jurisdiction of the SFA
- ▶ The list of students may be from any day during the review period

HOW MDE CHOOSES BENEFIT ISSUANCE SAMPLES FOR REVIEW

- ▶ **Less than 100 free and reduced price students**
 - ▶ MDE reviews applications/benefit documentation for 100% of the names on the benefit issuance list
- ▶ **Over 100 free and reduced price students**
 - ▶ MDE uses USDA methodology to select a statistically valid sample
- ▶ **This list should include students approved for free and reduced based on paper applications, direct certification, and other categorical eligibility**

SUPPORTING DOCUMENTATION

Supporting documentation may include:

- ▶ Direct certification lists
- ▶ Free and Reduced Price School Meals Family applications
- ▶ Electronic list generated from POS system
- ▶ Rosters
- ▶ Student identification cards
- ▶ Any other means used by the school to identify the eligibility categories of students

MOST COMMON BENEFIT ISSUANCE ERRORS

- ▶ Student is incorrectly listed on the benefit issuance list
- ▶ Student is given free or reduced eligible status without current direct certification or an approved application on file
 - ▶ *If a student is listed on the benefit issuance as free or reduced-price there must be supporting documentation for that benefit designation

FISCAL ACTION FOR BENEFIT ISSUANCE

- ▶ Fiscal action is taken for errors resulting from the following:
 - ▶ Miscategorized certifications
 - ▶ Benefit issuance errors
 - ▶ Failure to update a change in status resulting from verification

INTENT/SCOPE OF MONITORING VERIFICATION

- ▶ Process to confirm eligibility for free and reduced-price meals in the NSLP and SBP
- ▶ Only required for a sample of students whose eligibility is certified using:
 - ▶ Household application with:
 - ▶ Income information
 - ▶ SNAP case number
 - ▶ Food Distribution Program on Indian Reservation (FDPIR)
 - ▶ Temporary Assistance for Needy Families (TANF)
- ▶ General area of review
- ▶ Steps to Complete Verification located under *Guidance* at www.michigan.gov/schoolnutrition

VERIFICATION: SAMPLE OF APPLICATIONS

- ▶ If total number of verified applications is less than 3, MDE will look at all
- ▶ The maximum number MDE is required to review is 30

Number of Verified Applications on File at the SFA:	Number of Verified Applications Required for Review*
1-2	All
3-30	3 applications
31-300	10% of applications
301 or more	30 applications

*Use normal rounding procedures to the nearest whole number to determine the required number of verified applications to review.

DETERMINING COMPLIANCE WITH VERIFICATION REQUIREMENTS

- ▶ **MDE must**
 - ▶ Request SFA gather all verified applications
 - ▶ Confirm the same number of applications were verified as on the SFA-VCR
 - ▶ Confirm the SFA verified the required number of applications (7 CFR 245.6a)
 - ▶ Confirm the SFA selected the correct number of applications
 - ▶ Verify the SFA replaced no more than 5% of the applications

HOW MDE MUST COMPLETE THE VERIFICATION REVIEW

Review is Scheduled For...	How MDE must complete Verification Review
Prior to the completion of verification and submission of the Verification Collection Report for the current school year	Use previous year's Verification Collection Report and verified applications
Timeframe that falls <u>before</u> the Verification Collection Report has been submitted but verification has been completed	Use previous year's Verification Collection Report but use current year's verified applications for review
After the current school year Verification Collection Report has been submitted for the current school year	Use current year's Verification Collection Report and verified applications

USING THE SELECTED VERIFIED APPLICATIONS...

- ▶ **MDE must verify SFA compliance with:**
 - ▶ Confirmation reviews
 - ▶ Verification notification letter
 - ▶ Follow-up with nonresponsive households
 - ▶ Notice of adverse action containing required information
 - ▶ Changes in eligibility status due to verification
 - ▶ Completing the verification process by November 15
 - ▶ Making sure applications were verified correctly, and the resulting eligibility status was determined accurately

MOST COMMON FINDINGS 13-14

- ▶ Applications approved incorrectly
- ▶ Verification completed incorrectly
- ▶ Direct certification not conducted
- ▶ Verification not complete by November 15
- ▶ Not conducting verification
- ▶ Verification collection report not submitted
- ▶ Verification notification letter is incomplete
- ▶ Verification training not conducted
- ▶ Confirming official is listed as determining official
- ▶ Utilizing the wrong conversion factors

INTENT/SCOPE OF MONITORING MEAL COUNTING AND CLAIMING

- ▶ Performance Standard 1
- ▶ Must have a meal counting & claiming system that (by category):
 - ▶ Accurately counts
 - ▶ Records
 - ▶ Consolidates
 - ▶ Reports the number of reimbursable meals claimed
- ▶ Must include a mechanism for counting meals & consolidating meal totals at each school
- ▶ Must include an internal control system that validates the total meal counts prior to the submission of the Claim for Reimbursement

VALIDATING THE COUNTING & CLAIMING PROCESS

- ▶ MDE must review procedures for
 - ▶ SBP and NSLP
 - ▶ School and SFA level
 - ▶ Day of review and review period
- ▶ MDE must also document all identified findings and require corrective action
- ▶ Fiscal action must be assessed for inaccurate meal counting and claiming
 - ▶ For the day of review or review period
 - ▶ Occurring at the school and/or SFA level

AT SCHOOL LEVEL, MDE MUST

- ▶ Interview staff to assure building procedures reflect SFA procedures
- ▶ Observe meal service at POS
 - ▶ Ensure accurate count
 - ▶ System prevents overt identification of students receiving benefits
- ▶ Review meal count documentation for day of review and review period

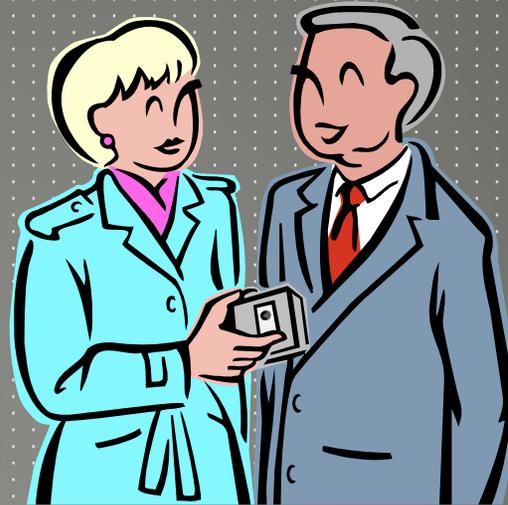
POINTS OF SERVICE (POS)

- ▶ What are acceptable and unacceptable POS?
- ▶ Alternative POS need prior MDE approval



AT SFA LEVEL, MDE MUST

- ▶ Interview staff to verify Off-Site Assessment Tool
- ▶ Review the meal counts for the review period to assure consolidated and claimed correctly



INTERNAL CONTROLS

- ▶ Daily meal count edit checks must be done
- ▶ How is the SFA doing them?



MOST COMMON FINDINGS 13-14

- ▶ Inaccurate MEGS+ application information
- ▶ Inaccurate counting of reimbursable meals
- ▶ Roster counts do not match claim
- ▶ Meal counts not correctly consolidated and claimed
- ▶ Claiming Adult Meals
- ▶ POS by teachers in classroom prior to students going to cafeteria
- ▶ Overt identification of f/r status
- ▶ Snack totals incorrect
- ▶ Attendance factor utilized incorrectly for claims
- ▶ Cashiers must be trained annually on meal counting and claiming
- ▶ Second meals are allowed but not counted/claimed

The meal pattern is the foundation of the federal school nutrition programs, and MDE must ensure SFAs are offering reimbursable meals at breakfast and lunch according to the regulations

MISSION CRITICAL

MEAL PATTERN & NUTRITIONAL QUALITY REVIEW AREAS

1. Meal components & quantities

- Including Offer vs. Serve (OVS), if applicable

2. Dietary specifications

- ▶ Calories
- ▶ Saturated fat
- ▶ Sodium
- ▶ Trans fat

MISSION CRITICAL

INTENT/SCOPE OF MONITORING MEAL COMPONENTS & QUANTITIES

- ▶ Meals claimed for reimbursement must contain the appropriate components & quantities
- ▶ SFAs must prepare, offer, & serve meals that meet the meal pattern requirements for
 - ▶ appropriate age/grade groups
 - ▶ on all reimbursable meal service lines
- ▶ MDE must ensure the service line(s) meet the daily & weekly meal pattern requirements

MEAL PATTERN REFRESHER

▶ Milk

- ▶ Two varieties of fluid milk must be offered from these options:
 - ▶ Fat-free, unflavored or flavored
 - ▶ Low-fat, unflavored
- ▶ Non-Dairy substitutes for non-disabilities must meet nutrition requirements



MEAL PATTERN REFRESHER

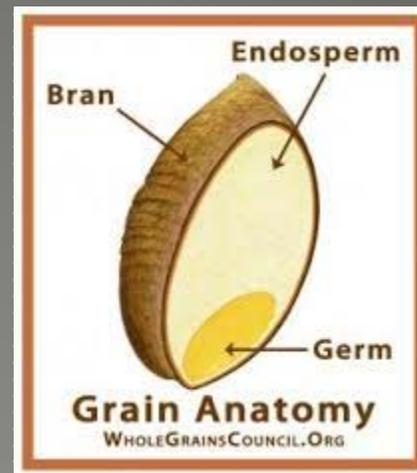
▶ Vegetables

- ▶ All 5 subgroups must be offered in appropriate quantities across week for each age-grade group:
 - ▶ Dark green
 - ▶ Red/orange
 - ▶ Dried peas/beans/legumes
 - ▶ Starchy
 - ▶ Other



MEAL PATTERN REFRESHER

- ▶ **Whole grain-rich (WGR) requirements:**
 - ▶ Daily and weekly minimum requirements must be met and allowable types offered
 - ▶ July 1, 2014: All items must be WGR
 - ▶ See memo SP-30-2012



MEAL PATTERN REFRESHER

▶ Fruits

- ▶ Daily and weekly requirements must be met and allowable types offered
- ▶ Breakfast requirement (new)



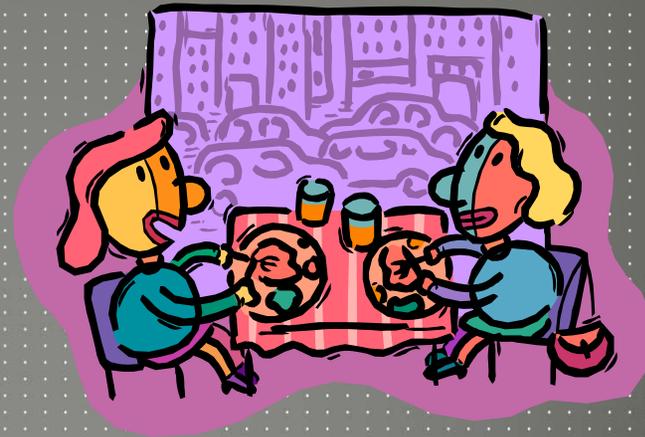
MEAL PATTERN REFRESHER

- ▶ **Meat/Meat Alternative**
 - ▶ Daily and weekly minimum requirements must be met and allowable types offered



RULE REFRESHER

- ▶ **Family-style meal service**
 - ▶ Follow guidance of SP-35-2011 and Instruction 783-9, rev 2
 - ▶ Students should be initially offered full required portion
- ▶ **Field trips: Occasional field trips should try to meet daily and weekly requirements, though OVS not required**

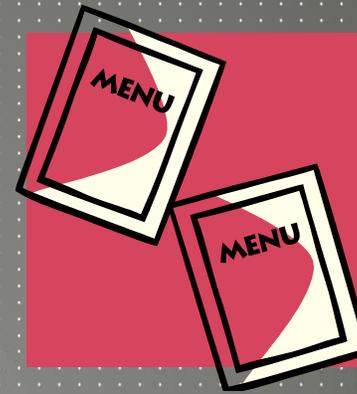


PRE-VISIT: DOCUMENTATION REVIEW

- ▶ Review breakfast and lunch documentation to assess meal pattern compliance
 - ▶ 1 week from Review Period
 - ▶ Menus/production records
 - ▶ All schools selected for review
- ▶ Complete Menu Worksheet in Menu Planning Tool for Certification for Performance Based Reimbursement

WHAT ABOUT THE OFF-SITE ASSESSMENT TOOL?

- ▶ Unlike other modules, no off-site assessment tool questions
- ▶ Instead, MDE is required to obtain the following prior to the on-site visit:
 - ▶ Menus
 - ▶ Production Records
 - ▶ USDA Foods Fact Sheets
 - ▶ CN Labels
 - ▶ Standardized Recipes
 - ▶ Product Formulations Statements
 - ▶ Nutrition Facts Labels



PRE-VISIT: DOCUMENTATION REVIEW

- ▶ **Production Records**
 - ▶ By meal service line and age/grade group served
 - ▶ Support claims
 - ▶ Document what was served and leftovers
 - ▶ Food is creditable for portions served
 - ▶ Document that daily and weekly meal component requirements are met
 - ▶ Consistent with standardized recipes

PRODUCTION RECORDS

- ▶ **MDE must evaluate for:**
 - ▶ Includes all information necessary to support the claim
 - ▶ Used for proper planning (consumption/leftovers)
 - ▶ Documents food prepared is creditable
 - ▶ Documents a la carte, adult, and/or other non-reimbursable meals, including number of portions for each food item
 - ▶ Documents that milk, whole grain rich, and vegetable sub-group requirements are met
 - ▶ Documents weekly quantity requirements for grains, meat/meat alternates, vegetables, fruit, and milk
 - ▶ Aligns with standardized recipe

MEAL PATTERN & MENU DOCUMENTATION REQUIREMENTS

- ▶ Site must be in compliance with the meal pattern for both lunch and breakfast
- ▶ Lunch and breakfast menu documentation must be accurate and verified on-site
 - ▶ Are Production Records completed accurately?
 - ▶ Are Properly Standardized recipes credible, utilized, and maintained?
 - ▶ Are Nutrition Fact Labels available?

ON-SITE: MEAL SERVICE OBSERVATION

- ▶ **Prior to Meal Service**
 - ▶ Ensure all reimbursable meal lines offer all required components
 - ▶ Observe meal preparation
 - ▶ Examine how each age/grade group's requirements are met (if applicable)
 - ▶ Alert staff to missing components and give opportunity to correct

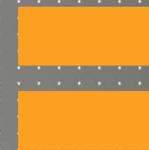


ON-SITE: MEAL SERVICE OBSERVATION

- ▶ **During the Meal Service**
 - ▶ 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 – signage present near front of service line
 - ▶ If multiple lines have same menu: review one line, spot check others

ON-SITE: MENU SUBSTITUTIONS

- ▶ “Like” substitutions strongly encouraged
- ▶ Assess whether daily/weekly requirements are met
- ▶ Meals compliant if requirements met



ON-SITE: TECHNICAL ASSISTANCE & CORRECTIVE ACTION

- ▶ **Missing Meal Components**
 - ▶ Day of Review
 - ▶ Immediate corrective action required before any meals claimed
 - ▶ Include in Corrective Action Plan
- ▶ **Documentation Review**
 - ▶ May accept SFA documentation to show component was actually offered
- ▶ **Require Corrective Action**
- ▶ **Assess fiscal action**

FISCAL ACTION

- ▶ **Missing Production Records**
 - ▶ MDE may accept other documentation
 - ▶ Fiscal action required if other documentation insufficient
- ▶ **Missing Meal Components**
 - ▶ Immediate fiscal action required
- ▶ **Vegetable Subgroup & Milk Type**
 - ▶ Fiscal action required for repeated violations
- ▶ **Quantities & Whole-grain Rich**
 - ▶ Fiscal action discretionary for repeated violations

CORRECTIVE & FISCAL ACTION

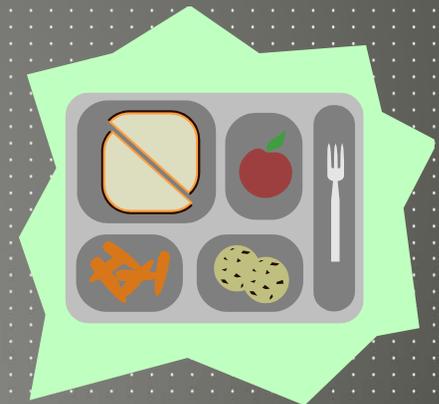
- ▶ When production records are missing or incomplete, MDE is required to give technical assistance
- ▶ “Repeat violations” are only those repeated from one administrative review to another; anything prior to 2013-2014 will not be considered (follow-ups included)

CORRECTIVE & FISCAL ACTION

- ▶ **Performance-Based Certification (6 Cents)**
 - ▶ Must be turned off unless immediate corrective action occurs
 - ▶ If not corrected immediately, SFA not eligible for 6 cents for month following administrative review
 - ▶ 6 cents can be turned back on for first full month SFA demonstrates corrective action has taken place (resubmitting worksheets not necessary)

INTENT/SCOPE OF MONITORING OFFER VERSUS SERVE (OVS)

- ▶ OVS is a provision that allows students to decline some food components/items offered
- ▶ Goals are to:
 - ▶ Reduce food waste
 - ▶ Permit students to decline food they do not intend to eat
- ▶ Part of Performance Standard 2
- ▶ Optional in the SBP



OFFER VS. SERVE OVERVIEW

- ▶ **Offer vs. Serve (OVS):**
 - ▶ School prepares enough food
 - ▶ Students select enough components to make reimbursable meal
- ▶ **MDE will monitor whether:**
 - ▶ School is offering enough food on all lines
 - ▶ Signage is posted on the service line
 - ▶ Students are selecting enough components/items
 - ▶ Food service staff are accurately judging quantities on self-serve bars
 - ▶ Food service staff at the POS are trained & can recognize a reimbursable meal

OVS REFRESHER

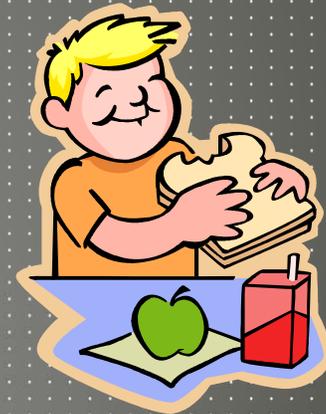
- ▶ **Breakfast:**
 - ▶ OVS optional for all age-grade groups
 - ▶ At least 4 items must be offered
 - ▶ At least 3 items must be chosen
 - ▶ Students must select at least $\frac{1}{2}$ cup of fruit or vegetable (can be made up of two- $\frac{1}{4}$ cups of fruits/veggies)
 - ▶ Guidance in USDA memo SP 28-2013



OVS REFRESHER

▶ Lunch:

- ▶ OVS required in senior high schools
- ▶ Students must select at least $\frac{1}{2}$ cup of fruit or vegetable
- ▶ Students must select at least 3 components
- ▶ If fruits and vegetables make up 2 of 3 components, 1 of the options must be the full portion



MONITORING OVS

- ▶ **MDE must assure**
 - ▶ School offers appropriate food components/items on all lines
 - ▶ Signage is posted on the service line
 - ▶ Students are selecting at least 3 food components/items in the proper quantities
 - ▶ Food service staff members at the POS are trained and accurately recognize a reimbursable meal



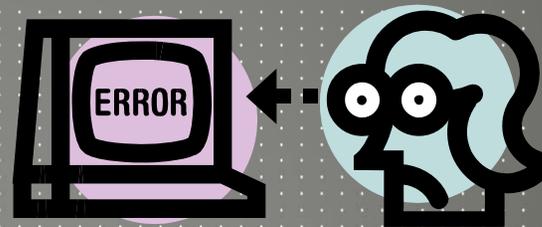
CRITICAL AND GENERAL AREA ERRORS

- ▶ **Critical violations:**
 - ▶ Less than ½ cup of fruits or vegetables
 - ▶ Cashier incorrectly counts a reimbursable meal
- ▶ **General violations:**
 - ▶ Food service staff do not understand OVS



CORRECTIVE & FISCAL ACTION

- ▶ MDE is required to provide technical assistance to bring meals into compliance and ensure SFA claims only reimbursable meals
- ▶ MDE will pay attention to errors suggestive of systemic problems
 - ▶ If an error is systemic, fixing problem must be addressed in Corrective Action Plan



FISCAL ACTION

- ▶ **Missing Meal Components (including no fruit/veg):**
 - ▶ Immediate fiscal action required
- ▶ **Less than ½ cup fruits/vegetables (OVS only):**
 - ▶ Meal not reimbursable
 - ▶ Fiscal action required



TECHNICAL ASSISTANCE & CORRECTIVE ACTION

Possible Findings:

- ▶ Missing Meal Components
- ▶ Less than ½ cup of fruits/vegetables
- ▶ Implementation
- ▶ Staff Training
- ▶ Signage
 - ▶ Provide technical assistance
 - ▶ Include on Corrective Action Plan



MOST COMMON FINDINGS 2013-2014

- ▶ No signage specific to what constitutes a reimbursable meal
- ▶ Low quantities for grains
- ▶ Not meeting weekly vegetable subgroups
- ▶ Incomplete/missing production records
- ▶ OVS annual training not conducted
- ▶ Not meeting minimum vegetable serving size
- ▶ Low quantities M/MA
- ▶ Inaccurate OVS
- ▶ 2 varieties milk not available
- ▶ No standardized recipes available
- ▶ Low quantities for vegetables
- ▶ Not following age/grade groups for meal plan requirements
- ▶ Low quantities for fruit

INTENT/SCOPE OF MONITORING DIETARY SPECIFICATIONS & NUTRIENT ANALYSIS

- ▶ This module is designed to assess whether meals offered to children through the school meal programs are consistent with federal standards for
 - ▶ Calories
 - ▶ Saturated fat
 - ▶ Sodium
 - ▶ *Trans* fat



MDE OPTIONS FOR ASSESSMENT

4 OPTIONS TO ASSESS DIETARY SPECIFICATIONS

OPTION
1

Complete
Dietary
Specifications
Assessment
Tool
(risk-based
approach)

OPTION
2

Validate
Existing
Nutrient
Analysis

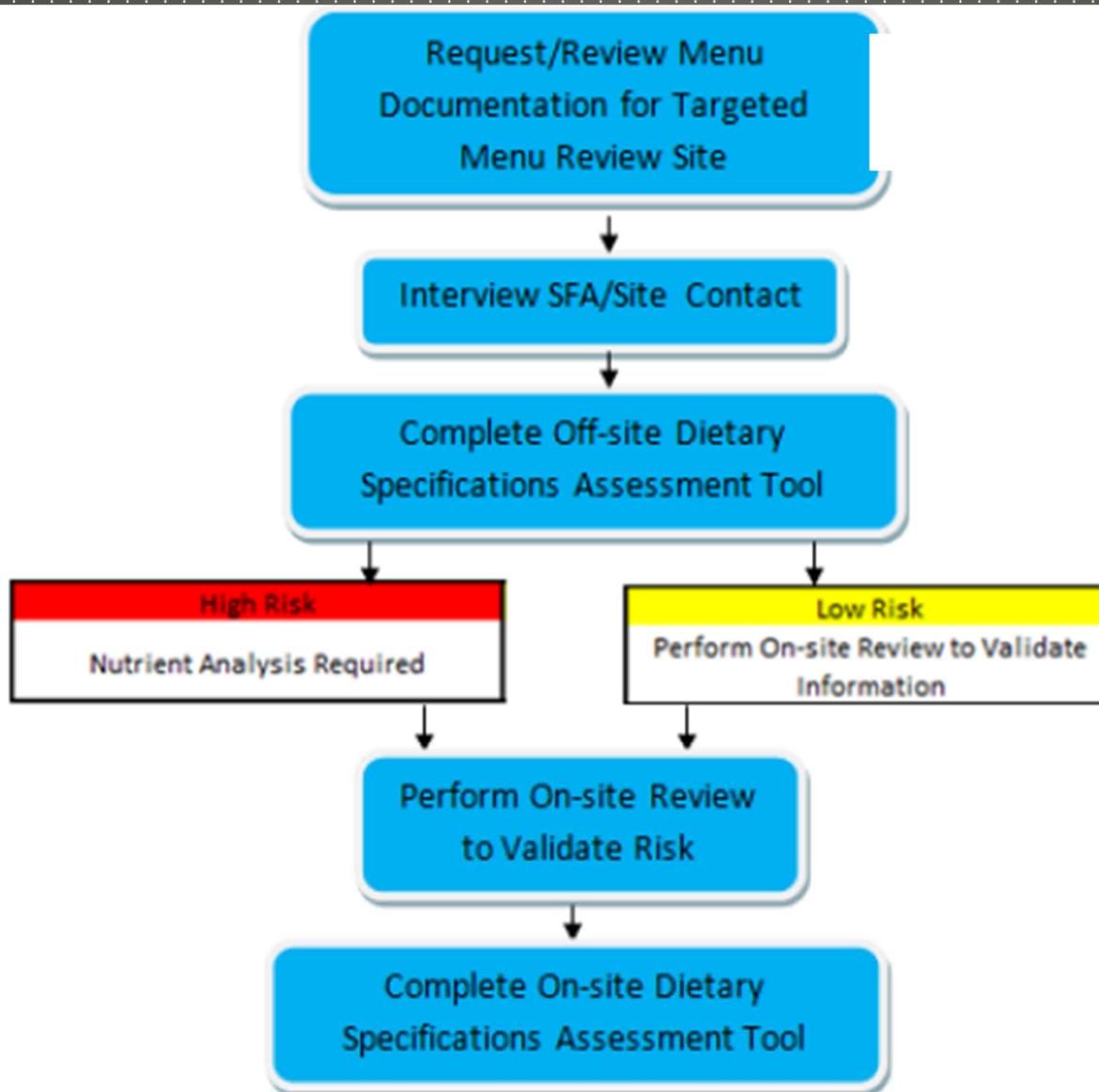
OPTION
3

Conduct
Nutrient
Analysis

OPTION
4

SA
Proposed
Process
using
Approved
6 Cents
Cert. Tool

DSAT REVIEW PROCESS OVERVIEW



COMPLETE THE DSAT OFF-SITE REVIEW PROCEDURES

- ▶ **Menu Documentation Review**
 - ▶ MDE will request a weeks worth:
 - ▶ Breakfast & Lunch Menu
 - ▶ Corresponding Production Records
 - ▶ Corresponding Standardized Recipes
- ▶ **Documentation to MDE well in advance of on-site visit**
 - ▶ Give MDE time to review prior to on-site visit



DIETARY SPECIFICATIONS ASSESSMENT TOOL (DSAT)

- ▶ Analyzes food service practices to determine level of risk for not meeting dietary specifications
- ▶ Covers both breakfast and lunch
- ▶ Indicates low or high risk for non-compliance
- ▶ On-Site, MDE will
 - ▶ Verify off-site DSAT
 - ▶ Include a review of food storage on the day of review to check labels

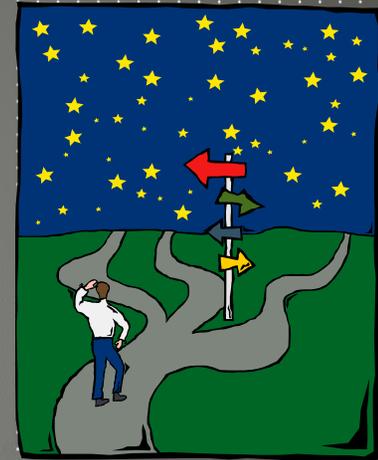
POSSIBLE COMBINATIONS OF DIETARY RISK

DSAT Indicates	On-Site Indicates	MDE Actions
Low-Risk	Low-Risk	No nutrient analysis required
Low-Risk	Low-/High-Risk	Depends on findings during on-site review
Low-Risk	High-Risk	Nutrient analysis required
High-Risk	Low-Risk	SFA likely put corrective action into motion before on-site review; Nutrient analysis still required
High-Risk	High-Risk	Nutrient analysis required

LOW RISK ON-SITE REVIEW PROCEDURES

Validate Information and Low Risk Status

- ▶ MDE will complete on-site portion of the DSAT
 - ▶ Observe meal preparation and meal service
 - ▶ Review food storage
 - ▶ Evaluate menus, productions records, recipes, food receipts



ON-SITE OBSERVATION SUPPORTS LOW-RISK STATUS

Next Steps:

- ▶ Provide Technical Assistance as needed
- ▶ Document on On-site Assessment Tool
- ▶ Request Corrective Action (if applicable)
- ▶ No Nutrient Analysis Required!
- ▶ Menu Review Complete



ON-SITE OBSERVATION DOES NOT SUPPORT LOW RISK STATUS

- ▶ **Follow High Risk On-site Review Procedures**
 - ▶ Proceed to Nutrient Analysis
 - ▶ Provide Technical Assistance
 - ▶ Request Corrective Action as needed
 - ▶ Assess Fiscal Action (i.e., missing meal component)



HIGH RISK: PREPARING FOR NUTRIENT ANALYSIS

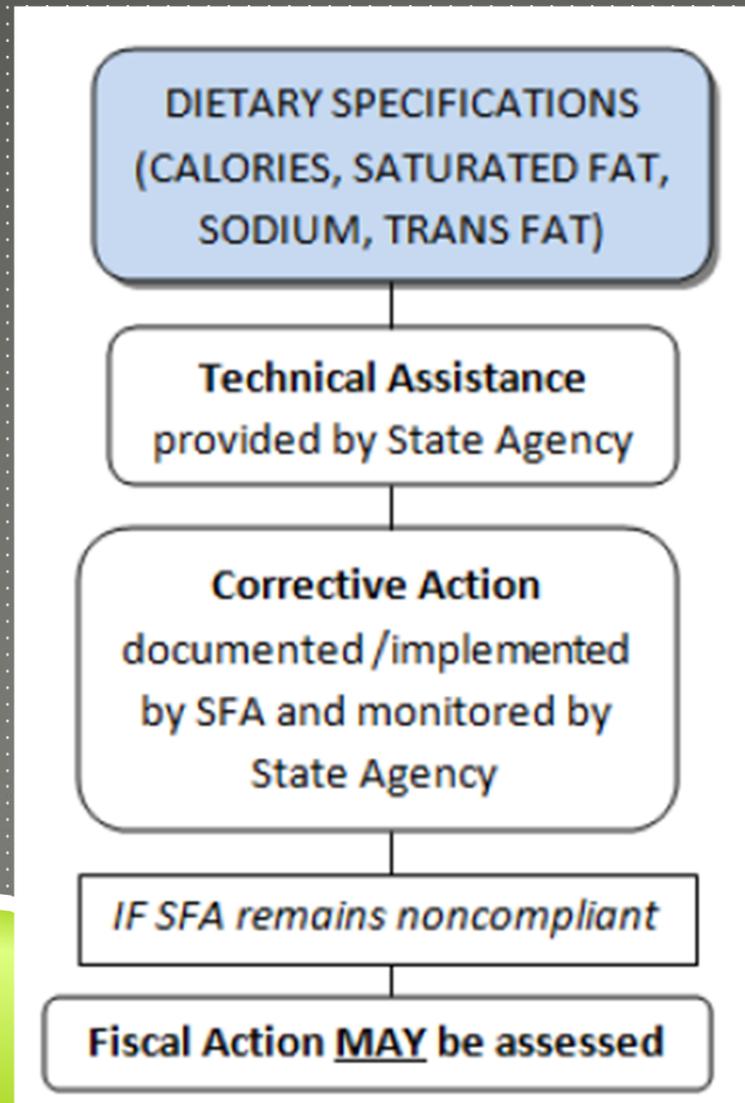
- ▶ Select week of analysis in coordination with MDE
- ▶ Request lunch and breakfast documentation including:
 - ▶ Menus
 - ▶ Production Records
 - ▶ Standardized Recipes
 - ▶ Nutrition Fact Labels
 - ▶ Crediting Documentation
 - ▶ Manufacturer Specification Sheets



SEVERE NONCOMPLIANCE IDENTIFIED DURING ON-SITE VISIT

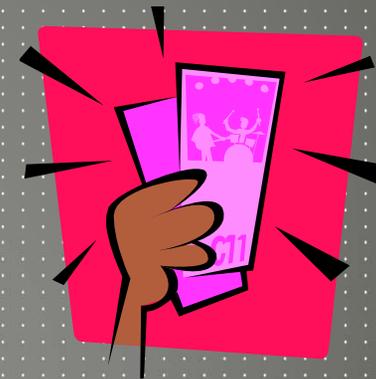
- ▶ **Severe Noncompliance**
 - ▶ Missing Meal Components or
 - ▶ Missing Vegetable Subgroups
 - ▶ Inadequate Quantities
 - ▶ Minimum Requirements Not Met for Grains and/or Meat/Meat Alternates
 - ▶ Meal preparation techniques are not consistent with best practices for being in compliance with meal patterns and dietary specifications
- ▶ **Follow High Risk On-site Review Procedures**
 - ▶ Proceed to Nutrient Analysis
 - ▶ Provide Technical Assistance
 - ▶ Request Corrective Action as needed
 - ▶ Assess Fiscal Action (i.e., missing meal component)

FISCAL ACTION FOR DIETARY SPECIFICATIONS VIOLATIONS



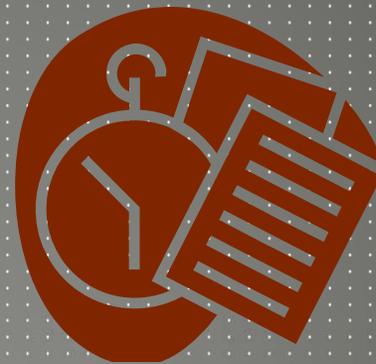
REPEATED FINDINGS: FISCAL ACTION

- ▶ Repeated violations include:
 - ▶ Any finding at the SFA level, meaning that a subsequent similar problem at the same or a different site within a SFA was found in a subsequent Administrative Review;
 - ▶ A repeated violation of any of the dietary specifications (calories, sodium, saturated fat, trans fat), even if the violations were from different dietary specifications.



FISCAL ACTION PARAMETERS

- ▶ Limited to the targeted menu review site
- ▶ Nutrient analysis required as justification
- ▶ MDE can expand fiscal action to the entire review week, review month, or back to the beginning of the school year

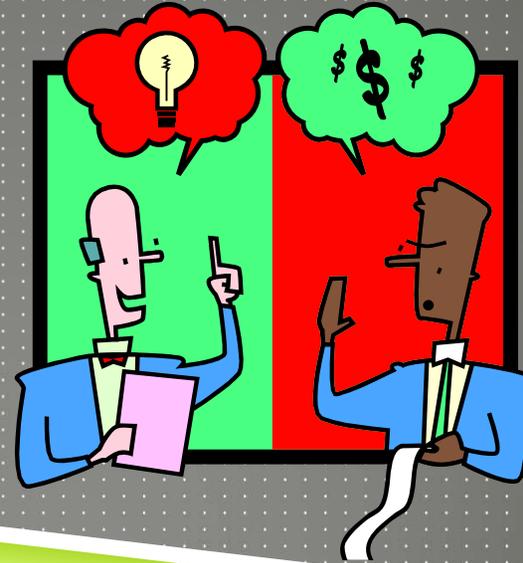


RESOURCE MANAGEMENT

- ▶ MDE will send off-site questions to business official
- ▶ MDE determines high risk or low risk
 - ▶ At least 4 weeks prior to scheduled AR = high risk
- ▶ High Risk = on-site review
- ▶ Low Risk = off-site desk review

OVERVIEW OF THE RESOURCE MANAGEMENT REVIEW AREAS

- ▶ Maintenance of the Nonprofit School Food Service Account
- ▶ Paid Lunch Equity
- ▶ Revenue from Non-Program Foods
- ▶ Indirect Costs



MOST COMMON FINDINGS 13-14

- ▶ PLE tool not used to determine proper meal pricing
- ▶ Adult pricing too low
- ▶ Used PLE tool but did not comply with what tool indicated
- ▶ Did not request a waiver to not follow the PLE tool
- ▶ Indirect cost calculated improperly
- ▶ Indirect costs charged were not consistent
- ▶ Non-program food revenues not being separated from program foods
- ▶ Non-program foods priced too low
- ▶ Did not use non-program revenue tool
- ▶ Unallowable expenses charged to program
- ▶ Varying revenue and expenses between statement of activity, year end report, and FID
- ▶ Net cash resources exceed three month average expenditures

INTENT/SCOPE OF MONITORING CIVIL RIGHTS

- ▶ FNS requires SFAs to administer program services and benefits in accordance with all laws, regulations, instructions, policies, and guidance related to nondiscrimination in program delivery



CIVIL RIGHTS COMPLIANCE

▶ Goals

- ▶ Equal treatment for all applicants and beneficiaries under the law
- ▶ Knowledge of rights & responsibilities
- ▶ Elimination of illegal barriers that prevent or deter people from receiving benefits
- ▶ Dignity and respect for all



CIVIL RIGHTS OFF-SITE REQUIREMENTS

- ▶ **The SFA will need to provide MDE with:**
 - ▶ The non-discrimination statement used for program materials
 - ▶ Services provided for Limited English Proficient (LEP) households
 - ▶ Reference FNS Memo SP 42-2012
 - ▶ SFA's procedure for receiving & processing complaints alleging discrimination within FNS School Meal Programs

The U.S. Department of Agriculture prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at 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, D.C. 20250-9410, by fax (202) 690-7442 or email at 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.

CIVIL RIGHTS COMPLAINT PROCEDURE

1. Civil Rights Complaint Received by Sponsor (Verbal or Written)
2. Civil Rights Complaint Documented in Civil Rights Complaint Log
3. Sponsor gives Complainant Civil Rights Complaint Form and/or Sponsor Completes Civil Rights Complaint Form with Complainant
4. Complainant Returns Civil Rights Complaint Form to Sponsor
5. Sponsor Forwards Civil Rights Complaint Form to MDE within 5 Working Days

Exercise: Pre-visit

SFA's complaint procedures:

- The SFA has a student handbook which states that all complaints are handled by the principal. If the parent disagrees with the outcome, they may forward the complaint next to the assistant superintendent. The final decision will be made by the assistant superintendent.

- Compliant or Noncompliant???



CIVIL RIGHTS OFF-SITE ASSESSMENT

▶ Civil Rights Training

- ▶ When was the SFA's most recent civil rights training for staff & their supervisors?
- ▶ Provide the dates of training
- ▶ Who attended these trainings?
- ▶ Provide attendance/sign in sheet
- ▶ What topics were covered by the training?
- ▶ Provide supporting documentation such as agenda/outline for training

CIVIL RIGHTS OFF-SITE ASSESSMENT

- ▶ **Civil Rights Training Topics**
 - ▶ Collection and Use of Data
 - ▶ Effective Public Notification Systems
 - ▶ Complaint Procedures
 - ▶ Compliance Review Techniques
 - ▶ Resolution of Noncompliance
 - ▶ Requirements for Reasonable Accommodations of persons with disabilities
 - ▶ Requirements for Language Assistance
 - ▶ Conflict Resolution
 - ▶ Customer Service

CIVIL RIGHTS OFF-SITE ASSESSMENT

- ▶ The racial identity and ethnic identity data can be computed from:
 - ▶ Actual information
 - ▶ Visual observation
 - ▶ Applying a percentage from the 4th Friday count to the free & reduced applicants
 - ▶ A combination of two or more of these methods



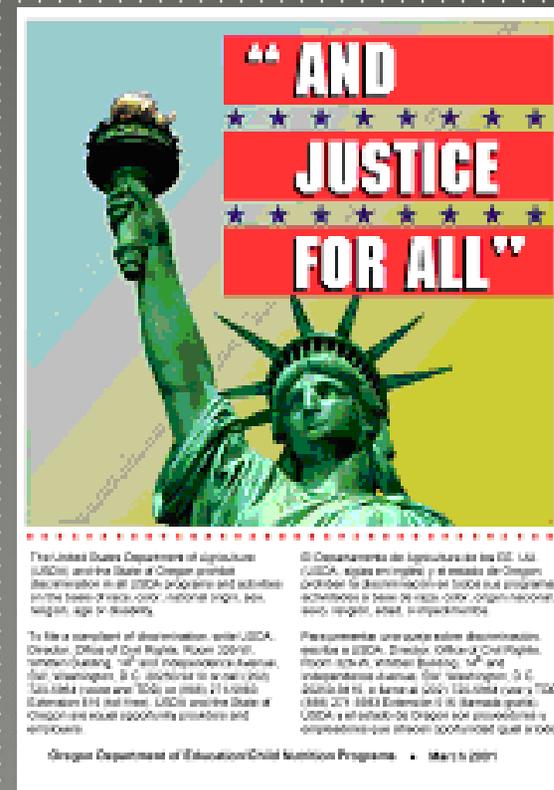
CIVIL RIGHTS - ON-SITE

MDE will observe/determine:

- ▶ Need to validate noncompliance off-site tool
- ▶ "And Justice for All " Poster is displayed
- ▶ All students have equal access to the program without discrimination
- ▶ If program materials have correct non-discrimination statement
- ▶ If denied applications are disproportionately submitted by minority households
- ▶ Procedures accommodating students with special dietary needs

“AND JUSTICE FOR ALL”

- ▶ The poster must be placed in a prominent area where participants and potential participants have ready access



MOST COMMON FINDINGS 13-14

- ▶ No Civil Rights complaint procedure
- ▶ Not using correct nondiscrimination statement
- ▶ Not conducting Civil Rights training
- ▶ Nondiscrimination statement not on all materials
- ▶ And Justice For All not posted in visible location
- ▶ No procedure for documenting and accommodating children with special dietary needs

INTENT/SCOPE OF MONITORING

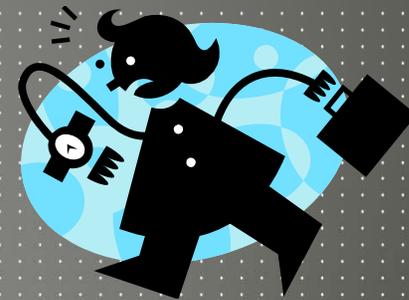
SFA SELF MONITORING

▶ Off-Site Assessment

- ▶ MDE must determine if the SFA Self Monitoring is complete and contains the following:
 - ▶ SFA monitors the lunch counting and claiming system in each site by February 1 of each year
 - ▶ The identified findings have corrective action
 - ▶ The corrective action sufficiently addresses the problem(s) and a follow-up is conducted within 45 days to validate corrective action

▶ On-Site Review

- ▶ Validates off-site assessment



INTENT/SCOPE OF MONITORING LOCAL SCHOOL WELLNESS POLICY

- ▶ To help foster a healthy school environment, each LEA is required to establish a comprehensive Local School Wellness Policy (LWP)
- ▶ MDE is expected to assess LWP compliance off-site



ALL SFAS MUST HAVE A LWP THAT INCLUDES

- ▶ **Goals for**
 - ▶ Nutrition education
 - ▶ Physical activity
 - ▶ Nutrition promotion
 - ▶ Other school-based activities to promote student wellness
- ▶ **Steps for**
 - ▶ Implementation
 - ▶ Transparency
 - ▶ Public input
 - ▶ Availability
- ▶ **MDE template can be found at:**
http://www.michigan.gov/documents/Policy_on_Welness_141434_7.pdf

INTENT/SCOPE OF MONITORING SMART SNACKS IN SCHOOL

- ▶ Schools must meet the minimum requirements for all foods and beverages sold in school (7 CFR 210.11)
- ▶ MDE's responsibility is to understand the entities responsible for selling foods/beverages to student and to ensure those sold meet the minimum requirements

INTENT/SCOPE OF MONITORING WATER

- ▶ Children must have access to water during breakfast and lunch meal services
 - ▶ For breakfast, applies only when served in the cafeteria
- ▶ MDE must observe and assess whether the school makes free water available as required



IMPLEMENTATION AND ASSESSMENT

- ▶ Schools can provide free water in a variety of ways:
 - ▶ Water pitchers and cups on lunch tables
 - ▶ A water fountain
 - ▶ A faucet that allows students to fill their own bottles or cups with drinking water
- ▶ Any school that does not make free water available or restricts access during the lunch meal period is out of compliance.

INTENT/SCOPE OF MONITORING FOOD SAFETY

- ▶ Not a “health inspection”
- ▶ MDE must ensure that selected schools meet the food safety requirements
- ▶ For the purposes of the NSLP, SBP, or other FNS programs this includes any facility where food is:
 - ▶ Stored,
 - ▶ Prepared, and/or
 - ▶ Served.

FOOD SAFETY

- ▶ **Required to monitor:**
 - ▶ Written food safety plan for compliance with HACCP
 - ▶ Determine if 2 food safety inspections have been obtained
 - ▶ Confirm the posting of the most recent food safety inspection report
 - ▶ Verify compliance with HACCP and local/state health standards
 - ▶ Check temperature logs
 - ▶ Examine on-site food storage for dates and conditions of foods

FOOD SAFETY PLAN

- ▶ The written food safety plan will be examined for:
 - ▶ Process approach & HACCP principles
 - ▶ Covers all facilities that store, prepare or serve food for FNS programs
 - ▶ Accessible at, and appropriate to, each site
 - ▶ On-site observation
 - ▶ Is cross contamination prevented, are temperatures monitored, are staff knowledgeable of the plan, etc.
- ▶ Visit www.michigan.gov/schoolnutrition and look under Food Safety & Sanitation for templates

FOOD SAFETY INSPECTIONS

- ▶ Each participating school must receive at least two food safety inspections each school year
 - ▶ Performed by local health department
 - ▶ 2 inspection dates are noted during review
 - ▶ If LHD denies an inspection, documentation of denial is maintained
 - ▶ Most recent results are posted in a publicly visible location

FOOD SAFETY SPECIFIC RECORDKEEPING & STORAGE

- ▶ FNS requires each school in the SFA to maintain temperature logs for 6 months
 - ▶ SNP Analyst is required to review the temperature logs
 - ▶ MDE is required to ensure that facilities for handling, storage, and distribution of purchased and donated foods are properly safeguarded against theft, spoilage and other loss

MOST COMMON FINDINGS 13-14

- ▶ Food safety inspections not posted in public location
- ▶ Food safety manual not updated
- ▶ Food safety manual not on site
- ▶ No temp logs
- ▶ Not meeting 2 food safety inspection requirement

INTENT/SCOPE OF MONITORING REPORTING AND RECORDKEEPING

- ▶ MDE must determine whether reports are submitted as required and maintained with other program records for a period of three years after submission of the final Claim for Reimbursement for the fiscal year (7 CFR 210.23(c))
 - ▶ If audit findings have not been resolved, the three year period is extended as long as required for resolution of audit issues

INCLUDES THE FOLLOWING RECORDS (BUT NOT LIMITED TO)

- ▶ Agreements and free/reduced-price policy statements
- ▶ Approved and denied free and reduced-price meal applications
- ▶ Procedures and documentation for direct certification for free meals
- ▶ Procedures for alternate POS meal counts
- ▶ Verification records
 - ▶ Description of verification efforts
 - ▶ Documentation of verification
 - ▶ Results of verification
 - ▶ Verification reports
- ▶ Claims for Reimbursement (including supporting documentation)
- ▶ Meal count participation data by school
- ▶ Documentation of edit checks, on-site reviews, internal controls, October enrollment, free and reduced-price eligible data
- ▶ Menu and food production records
- ▶ Nutrient analysis records
- ▶ All documentation in support of Resource Management
 - ▶ PLE
 - ▶ Revenue from non-program foods

ALSO INCLUDES

- ▶ Documentation associated with LWP
- ▶ Number of food safety inspections obtained per school year by each school
- ▶ Records from the food safety program for a period of 6 months following a month's temperature records
- ▶ Records from the most recent food safety inspection
- ▶ Documents demonstrating compliance with Civil Rights requirements
- ▶ Audit reports and written responses
 - ▶ Any corrective action

INTENT/SCOPE OF MONITORING SBP OUTREACH

- ▶ SFAs must inform student households of the availability of the SBP
 - ▶ At the beginning of the school year
 - ▶ Informational packets with free and reduced-price meal applications
 - ▶ Notify families that school breakfast is available
 - ▶ Must send reminders multiple times throughout the school year



INTENT/SCOPE OF MONITORING SFSP OUTREACH

- ▶ SFAs must inform student households of the availability of the SFSP
 - ▶ Conduct SFSP outreach before the end of the school year
 - ▶ Inform of the availability and location of SFSP meals
 - ▶ Even if your SFA does not offer the SFSP
- ▶ Goal is to determine that the required outreach has been performed for both programs

INTENT/SCOPE OF MONITORING AFTERSCHOOL SNACKS

- ▶ MDE is required to ensure participating schools
 - ▶ Serve students nutritionally-balanced snacks
 - ▶ Provide appropriate activities
 - ▶ Count and claim snacks accurately
- ▶ MDE must examine afterschool snack documentation
- ▶ MDE collects information about program operations and compares findings to PS1, PS2, and the General Areas as applicable

VERIFYING COMPLIANCE

- ▶ **MDE must:**
 - ▶ Verify school eligibility
 - ▶ Ensure an accurate counting and claiming system is in place
 - ▶ Make sure that snacks meet snack service and nutritional requirements (7 CFR 210.10(o))
 - ▶ Confirm that the SFA conducts self-monitoring activities twice per year (7 CFR 210.9(c)7)
 - ▶ Make certain that food safety and civil rights requirements are met (7 CFR 210.13(c) and 210.23(b))

MDE MUST VERIFY SCHOOL ELIGIBILITY

- ▶ **Afterschool snacks may be offered at two types of sites:**
 - ▶ **Area-Eligible Sites**
 - ▶ The site is at a school or located within the attendance area of a school in which at least 50% of enrolled students are certified for free or reduced-price meals
 - ▶ Snacks are served free to all children, and reimbursed at the free rate
 - ▶ **Non Area-Eligible Sites**
 - ▶ Snacks are served at free, reduced-price, and paid rates based on approved eligibility
- ▶ **Schools must serve snacks in an afterschool care program that offers educational or enrichment activities**
- ▶ **Schools serve snacks only after the end of the school day**

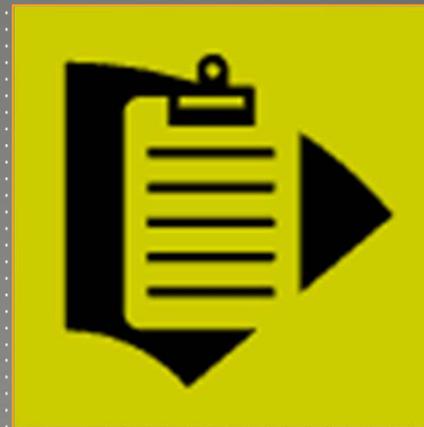
MDE MUST ENSURE

- ▶ The school maintains documentation that supports the number of snacks it serves daily and Claims for Reimbursement
- ▶ The school has safeguards in place to ensure that it claims only one snack per child per day for reimbursement



AFTERSCHOOL SNACK PROGRAM

- ▶ **Technical Assistance/Corrective Action:**
 - ▶ MDE will provide technical assistance and/or corrective action for all problems identified
 - ▶ Fiscal Action will be assessed for any Claim for Reimbursement that is not correct



MOST COMMON FINDINGS 13-14

- ▶ Afterschool snack monitoring not conducted
- ▶ No afterschool snack menu
- ▶ Incorrect counting and claiming of afterschool snacks
- ▶ No afterschool snack production records available
- ▶ Nondiscrimination poster not available where students consume snacks

INTENT/SCOPE OF MONITORING THE FFVP

- ▶ The FFVP aims to increase children's exposure to and consumption of a variety of fruits & vegetables
- ▶ MDE must ensure that participating schools are proper stewards of federal funds and operate the program as prescribed

INTENT/SCOPE OF MONITORING SPECIAL MILK PROGRAM (SMP)

- ▶ The SMP provides milk to children in schools, RCCIs, and eligible camps that do not participate in other FNS child nutrition programs.
 - ▶ Schools may also participate to provide milk to children in half-day pre-kindergarten and kindergarten programs where children do not have access to the school meal program
- ▶ Reimburses for the milk served to eligible children
- ▶ MDE must examine SMP documentation to assure program is in compliance with regulatory requirements

SMP: OFF-SITE REVIEW

- ▶ **What MDE needs from you:**
 - ▶ Milk pricing policy
 - ▶ Confirmation the SFA is operating the approved SMP option according to MEGs+ application
 - ▶ Counting and claiming documentation
 - ▶ Milk invoices

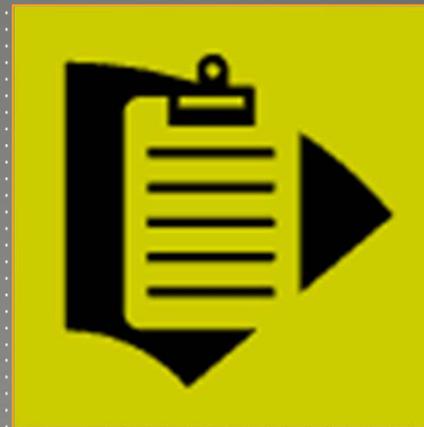


SMP: ON-SITE REVIEW

- ▶ **On-site observation of the SMP is only required if**
 - ▶ Issues are discovered during the documentation review
 - ▶ Errors are found with meal counting and/or claiming of the NSLP or SBP
- ▶ **An on-site review would include:**
 - ▶ Observation of the milk service
 - ▶ Verify information obtained during the off-site documentation review
 - ▶ Check milk counts by category for the day of review to establish if reasonable compared to the previous 5 days

SPECIAL MILK PROGRAM

- ▶ **Technical Assistance/Corrective Action:**
 - ▶ MDE will provide technical assistance and/or corrective action for all problems identified
 - ▶ Fiscal Action will be calculated for any certification and counting/claiming errors



SFAS CONTRACTING WITH FSMCS

- ▶ SFAs may contract with FSMCs provided it meets the requirements in 7 CFR 210.16
- ▶ SFAs must retain overall control of school nutrition programs



COMMUNITY ELIGIBILITY PROVISION (CEP)

- ▶ **Documentation to have available:**
 - ▶ Direct certification lists
 - ▶ Homeless/Runaway documentation
 - ▶ Foster child documentation
 - ▶ FDPIR
 - ▶ Head Start lists
 - ▶ Lists of children certified through extended eligibility

ADMINISTRATIVE REVIEW EXIT CONFERENCE

- ▶ At the conclusion of the on-site portion, MDE must hold an exit conference with SFA staff:
 - ▶ Any program violations identified
 - ▶ The extent of the violations
 - ▶ A preliminary assessment of the actions needed to correct the violations
 - ▶ Appropriate deadlines for completion of corrective action

TECHNICAL ASSISTANCE

- ▶ MDE is required to provide any needed technical assistance during the pre-visit phase, as well as, during the on-site visit
- ▶ All technical assistance will be documented in the review findings and technical assistance record
- ▶ Technical Assistance summary will be completed



FINDINGS REPORT

The report will include:

- ▶ Review Findings
- ▶ Corrective Action Plan
- ▶ Timeframes for completion of the corrective action
- ▶ Potential fiscal action
- ▶ Any documentation MDE expects the SFA to provide to demonstrate corrective action was completed

CORRECTIVE ACTION

- ▶ SFAs are required to provide documentation of corrective action for any Administrative Review finding identified by MDE
- ▶ MDE will assess the corrective action documentation for adequacy and notify the SFA if any further action is necessary
- ▶ Request for corrective action

FISCAL ACTION

- ▶ Fiscal action is the process through which errors and regulatory violations are compiled, computed, and translated into monetary amounts for reconciliation with the amount of food service funding received by a school.

OR

- ▶ The money a SFA has to repay for meals they were reimbursed for, but were unentitled to claim (closed claim).
- ▶ The unallowable meals the State Agency will direct the SFA to subtract on a claim for reimbursement (open claim) that has yet to be submitted to the State Agency payment system.
- ▶ Withholding of a SFA's reimbursement from submitted but unpaid claims for documented and continued program non-compliance.

WHAT IS A REPEATED VIOLATION?

- ▶ Any finding at the SFA level, meaning that a subsequent similar problem within a SFA was found in a subsequent Administrative Review
- ▶ A repeated violation of any of the same meal component requirements (milk type, vegetable subgroup, or whole grain-rich) or quantities
 - ▶ Example: red/orange vegetable(s) not offered at initial admin review. At next review, leafy green vegetable(s) not offered.

WHEN CAN FISCAL ACTION BE TAKEN FOR A REPEATED VIOLATION?

- ▶ For repeated violations, fiscal action may only be taken IF:
 - ▶ MDE has provided technical assistance
 - ▶ MDE has previously required and monitored corrective action
 - ▶ SFA remains noncompliant with the meal requirements
- ▶ See FNS Policy Memo SP 51-2013, Certification in Administrative Reviews in SY2013-14, for more information

IN GENERAL, WHAT CAN FISCAL ACTION BE TAKEN FOR?

- ▶ **Critical Areas: FA is taken**
 - ▶ PS-1: Meals are served to only eligible students and are correctly counted, consolidated, and claimed
 - ▶ PS-2: Meals must meet meal pattern requirements
- ▶ **General Areas: FA is not directly assessed however withholding can be applied in situations of continued noncompliance or egregious violations**
 - ▶ For example: Food Safety, Civil Rights

HOW IS FISCAL ACTION ASSESSED?

- ▶ The recovery of overpayment through direct assessment or offset of future claims
- ▶ Disallowance of over claims as reflected in unpaid claims for reimbursement
- ▶ Submission of a revised claim for reimbursement
- ▶ Correction of records to ensure that unfiled claims for reimbursement are correct when filed
- ▶ Withholding funds

WITHHOLDING PAYMENTS

- ▶ MDE must withhold program payments in the following situations:
 - ▶ The SFA fails to submit documented corrective action by the established due date for a PS1 or PS2 error
 - ▶ The SFA submits documented corrective action but MDE finds the corrective action for a Critical area was in fact not completed
- ▶ MDE may withhold program payments in the following situation:
 - ▶ MDE finds a Critical Area error at the SFA on a previous review, and the SFA continues to have the same error for a same cause

FISCAL ACTION: TIMEFRAMES

▶ Review Period

- ▶ Most recent month for which a Claim for Reimbursement was submitted, provided that it covers at least 10 operating days

▶ Day of Review

- ▶ The day or days on which the on-site reviews of the individual sites selected for review occurs. For the purposes of FA, the meal counts will come from the entire month in which the day of review occurs

FISCAL ACTION: DURATION

- ▶ Fiscal Action must be extended back to the beginning of the school year or that point in time during the current school year when the infraction first occurred for all violations of PS1 and PS 2
- ▶ However.....

FISCAL ACTION: DURATION

- ▶ **There are exceptions for PS 1**
 - ▶ PS 1 If corrective action occurs, MDE may limit fiscal action from the point corrective action occurs back through the beginning of the review period
 - ▶ For purposes of fiscal action, this exception is applicable to counting, claiming, and consolidation errors. This exception is not applicable to certification and benefit issuance errors
 - ▶ PS 1 MDE does not take fiscal action for applications missing the signature or SSN if corrective action occurs within timeframes specified in the report

FISCAL ACTION: DURATION

- ▶ **And there are also exceptions for PS 2**
 - ▶ PS 2 If a food component is missing
 - ▶ PS2 For repeated violations involving vegetable subgroups and milk type
 - ▶ PS2 For repeated violation involving food quantities, whole grain rich foods and dietary specifications

APPEALS

- ▶ **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 Department of Education ADMINISTRATIVE REVIEW APPEAL PROCEDURE

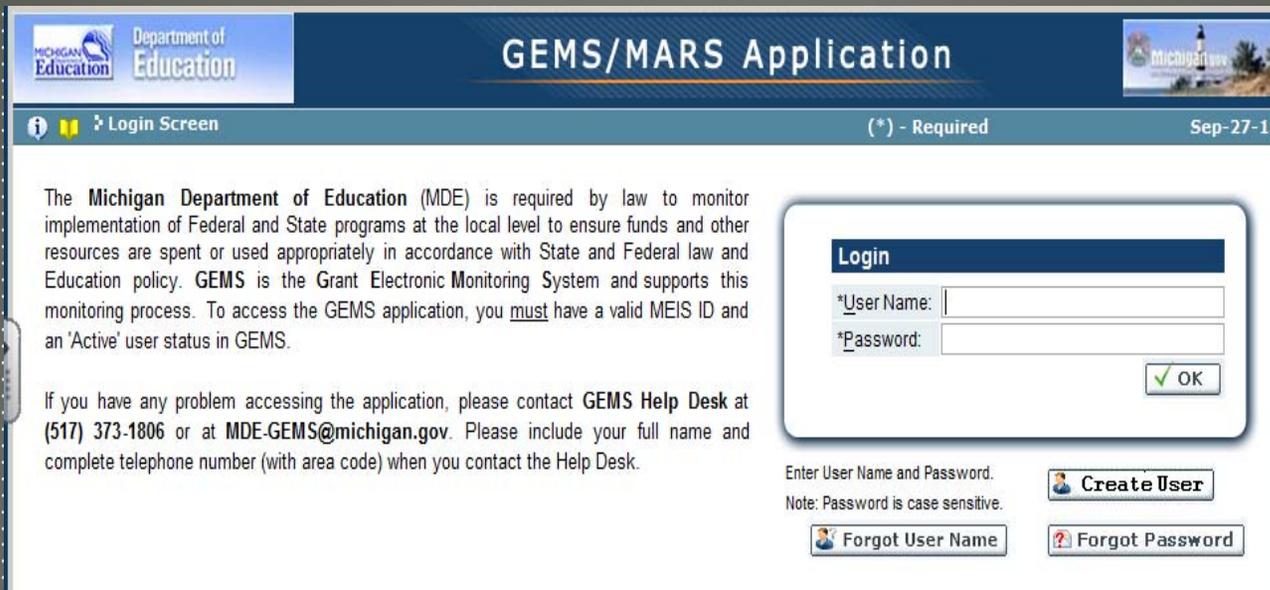
1. Submit a written request for hearing or review to the School Nutrition Programs (SNP) office of the Michigan Department of Education State Agency (SA) no later than 15 calendar days from the date the notice of denial of all or part of the claim for reimbursement or withholding of payment was received.

The SNP will acknowledge receipt of the request for appeal within 10 calendar days. The acknowledgment will include the name and address of the Michigan

3. Administrative Hearing System (MAHS). Thereafter, all correspondence regarding the appeal must be submitted to the MAHS.
4. The MAHS Administrative Law Judge (ALJ) shall be an independent and impartial official other than, and not accountable to, any person authorized to make decisions that are subject to appeal under the provisions of this section.

MICHIGAN ADMINISTRATIVE REVIEW SYSTEM (MARS)

- ▶ <https://mdoe.state.mi.us/GEMS/>
- ▶ Users need to have a MEIS User Name and Password



The screenshot shows the login interface for the GEMS/MARS Application. At the top, there is a header with the Michigan Department of Education logo on the left, the text "GEMS/MARS Application" in the center, and a "Michigan.gov" logo on the right. Below the header, a navigation bar contains "Login Screen" on the left, "(*) - Required" in the center, and "Sep-27-13" on the right. The main content area is divided into two columns. The left column contains a paragraph of text explaining the MDE's legal requirement to monitor federal and state programs, and a note about contacting the GEMS Help Desk at (517) 373-1806 or MDE-GEMS@michigan.gov. The right column features a "Login" form with two input fields: "*User Name:" and "*Password:". Below these fields is a green "OK" button with a checkmark. At the bottom of the form area, there are four buttons: "Enter User Name and Password.", "Note: Password is case sensitive.", "Create User" (with a user icon), "Forgot User Name" (with a user icon), and "Forgot Password" (with a question mark icon).

Department of Education

GEMS/MARS Application

Michigan.gov

Login Screen (*) - Required Sep-27-13

The Michigan Department of Education (MDE) is required by law to monitor implementation of Federal and State programs at the local level to ensure funds and other resources are spent or used appropriately in accordance with State and Federal law and Education policy. GEMS is the Grant Electronic Monitoring System and supports this monitoring process. To access the GEMS application, you must have a valid MEIS ID and an 'Active' user status in GEMS.

If you have any problem accessing the application, please contact GEMS Help Desk at (517) 373-1806 or at MDE-GEMS@michigan.gov. Please include your full name and complete telephone number (with area code) when you contact the Help Desk.

Login

*User Name:

*Password:

OK

Enter User Name and Password.
Note: Password is case sensitive.

Create User

Forgot User Name

Forgot Password

THANK YOU FOR JOINING US

- ▶ Please contact us if you have further questions
- ▶ School Nutrition Programs Unit:
 - ▶ 517-373-3347
 - ▶ MDE-SchoolNutrition@michigan.gov
 - ▶ www.michigan.gov/schoolnutrition
 - ▶ Scroll under “compliance” and choose “Administrative Review”