

# ADMINISTRATIVE REVIEW FOR THE NATIONAL SCHOOL LUNCH PROGRAM

Melanie Brummeler, MA, RD, SNS  
Bill Baldry, CPA  
Stephanie Willingham, MPA  
School Nutrition Programs  
Michigan Department of Education

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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

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## Administrative Review Areas

Meal Access & Reimbursement	Meal Pattern & Nutritional Quality	Resource Management	General Program Compliance	Other Federal Program Reviews
<ul style="list-style-type: none"> <li>• Certification &amp; Benefit Issuance</li> <li>• Verification</li> <li>• Meal Counting &amp; Claiming</li> </ul>	<ul style="list-style-type: none"> <li>• Meal Components &amp; Quantities</li> <li>• Offer versus Serve</li> <li>• Dietary Specs &amp; Nutrient Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Assessment</li> <li>• Nonprofit School Food Service Account</li> <li>• Paid Lunch Equity</li> <li>• Revenue from Non-program Foods</li> <li>• Indirect Costs</li> <li>• USDA Foods</li> </ul>	<ul style="list-style-type: none"> <li>• Civil Rights</li> <li>• SFA On-site Monitoring</li> <li>• Local Wellness Policy</li> <li>• Competitive Foods</li> <li>• Water</li> <li>• Food Safety</li> <li>• SBP &amp; SFSP Outreach</li> </ul>	<ul style="list-style-type: none"> <li>• Afterschool Snacks</li> <li>• Seamless Summer Option</li> <li>• Fresh Fruit &amp; Vegetable Program</li> <li>• Special Milk Program</li> </ul>

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### 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

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### 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

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### 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*

\* 12 plus 5 percent of the number of schools over 100. Fractions must be rounded to the nearest whole number.

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## Access and Reimbursement

### Certification and Benefit Issuance

- Benefit Issuance
  - Select a sample of names from free and reduced price benefit issuance list
    - Request applications and direct certification documentation
  - Denied Applications (10 applications)
  - Community Eligibility Provision (CEP)
- Verification (sample)

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## Access and Reimbursement

### Counting and Claiming

- Validate Day of Review and Review Period Meal Counts
  - Breakfast and lunch
  - Accurate point of service
    - Including alternate points of service
  - Adequate internal controls
    - Daily edit checks (electronically or manually)
  - Accuracy of consolidation

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## Meal Pattern and Nutritional Quality

### Meal Components

- Review breakfast and lunch
  - Are daily and weekly requirements for the age/grade groups met?
  - Do portion sizes meet the minimums per the meal pattern requirements?
- Examine one week in the review period and the day of review
  - Menus, Production Records, Recipes, Labels, CN Labels, Product formulation statements
  - Visual observation during meal service this includes preparation.

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## 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

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## Meal Pattern and Nutritional Quality

### 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

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## 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

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## Comprehensive Review



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

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## 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

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## 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?

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## 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?

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

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

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

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## 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?

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## 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

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## 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

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## General Areas of Review

### School Food Authority Self-Monitoring

- Reviews completed by February 1<sup>st</sup>
- Follow-up for meal counting and claiming issues must be conducted within 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

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## General Areas

### 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.

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## 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

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## 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

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## 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

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## Other Federal Programs

### Fresh Fruit and Vegetable Program

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

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## Review Close-out

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

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## 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 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 Department of Education State Agency (SA).

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.

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# Michigan Administrative Review System (MARS)

<https://mdoe.state.mi.us/GEMS/>

Users need to have a MEIS User Name and Password.




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## Questions

School Nutrition Programs  
 Michigan Department of Education  
[mde-schoolnutrition@michigan.gov](mailto:mde-schoolnutrition@michigan.gov)  
 517-373-3347

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