

BRIAN SANDOVAL
Governor

STATE OF NEVADA

JAMES R. BARBEE
Director



Las Vegas Office:
2300 E. St. Louis Ave.
Las Vegas NV 89104-4211
(702) 668-4590
Fax (702) 668-4567

Elko Office:
4780 E. Idaho Street
Elko NV 89801-4672
(775) 738-8076
Fax (775) 738-2639

DEPARTMENT OF AGRICULTURE

405 South 21st Street
Sparks, Nevada 89431-5557
Telephone (775) 353-3601 Fax (775) 353-3661
Website: <http://www.agri.nv.gov>

February 23, 2018

Dan Triana
Principal
SLAM Academy of Nevada
1095 Fielders Street
Henderson, NV 89015

Dear Mr. Triana:

The Nevada Department of Agriculture, Food and Nutrition Division conducted an Administrative Review of SLAM Academy from December 11, 2017 through December 12, 2017. The Administrative Review team consisted of Edward Coleman, Quality Assurance Specialist. The purpose of the Administrative Review is to ensure compliance with federal regulations and to provide technical assistance for program improvement. Our team greatly enjoyed working with all food service staff members. Thank you for accommodating our staff during the review and for providing all the needed documentation in a timely fashion. Staff was very helpful in providing documentation and answering questions throughout the review process.

We conducted an exit conference on December 12, 2017 to discuss the major findings of the review. Administrative Reviews are required to be conducted on a three-year review cycle. Staff members from SLAM Academy as well as Kendra Thornton from Academica were present for the exit conference. SLAM Academy received an onsite review its National School Lunch Program (NSLP). The findings of the review are detailed below by the three main sections of the Administrative Review, Performance Standard I, Performance Standard II and Other Areas. The new procurement review is being coupled with the administrative review and the findings of the procurement review are also included in this letter.

Performance Standard I – Meal Access and Reimbursement

The National School Lunch Program (NSLP) and the School Breakfast Program (SBP) have counting and claiming systems that are federally mandated for all School Food Authorities (SFAs) that are participating in these programs. All free, reduced price, and paid meals claimed for reimbursement must be served only to children eligible for free, reduced- price, or paid meals. The certification and benefits issuance process is the SFA's certification of a student's eligibility for free or reduced-price meals and serves as the link to the SFA's meal counting and claiming system. Validation of this system during the Administrative Review ensures that eligible children receive meals to which they are entitled and that claims for reimbursement are valid.

This institution is an equal opportunity provider

The applications for free and reduced priced meals at SLAM Academy were reviewed and the following issues were noted;

- Five income applications had either an unclear income or frequency listed. Income applications that do not have clear income information are considered incomplete and cannot be processed.
- One application had a student certified as free correctly but in the system, the child was placed at the reduced-price eligibility status.

Corrective Action Required: Contact the household and gather the missing information. Submit a summary of these interactions with the household to NDA. Indicate who from the household was talked to, the outcome of this communication with the household member, and when this communication with the household occurred. If the family does not respond within 10 calendar days with the missing information, they should be placed on full pay status. For the household that had the wrong benefit level, the child's benefit level should be changed immediately within the system and the family notified of the new benefit level within 3 operating days. If they family was being charged for meals at the wrong benefit level, submit the total number of each meal type they were charged for to NDA along with the documentation of the amount the family was reimbursed for these meals. Additionally, submit a copy of the communications log with families to NDA for review.

The denied and verified applications were reviewed and there were no errors noted.

Best Practices- Verification Income: When averaging income on applications during the verification process, you may average the two most recent pay stubs gross income if you are supplied with more than two paystubs by the family.

The documents that are sent to the families, the approval/denial letter, notice of adverse action, public release, and the information letter to homes were reviewed and they were accurate.

The counting and claiming system at SLAM academy was reviewed during the onsite review. There were no issues noted here.

The claim for reimbursement for the month of review, October 2017, was reviewed, and there were no errors noted here.

Performance Standard II- Meal Pattern and Nutritional Quality

The National School Lunch meal pattern is the foundation of federal school nutrition programs, and sponsors of the program must ensure that they are offering reimbursable meals for breakfast and lunch according to regulations (7 CFR 210.10 and 220.80). Schools operating NSLP and/or the SBP must prepare, offer, and serve meals to students that meet the meal pattern requirements for the appropriate age/grade groups on all reimbursable meal service lines.

The meal pattern standards have specific requirements for minimum amounts of fruit, vegetables, meat/meat alternates, and grains that must be offered daily and weekly. In addition, there are standards for vegetable sub-groups which must be offered each week. The meal pattern also requires that all creditable grain items be whole grain rich. The meal pattern limits calories (minimum and maximum levels), restricts sodium levels, limits saturated fat, and eliminates trans fats.

This institution is an equal opportunity provider

SLAM Academy has its lunches vended by Three Square. The following issues were noted with the meal pattern for their offer versus serve lunch;

- Students are being offered two different fruit juices as part of their reimbursable meal
- Fruit and vegetable juice are served every day and combined with the fruit cup

Corrective Action Required: None. Please note schools may offer fruits that are fresh; frozen; canned in light syrup, water, or fruit juice; or dried. Pasteurized, full strength (100%) fruit juice may also be offered in either liquid or frozen form. Juice may be credited to meet no more than one half of the fruits components over the week. Juice must be credited as the volume served, so 4 fluid ounces will credit as ½ cup. While on site for the lunch observation, it was observed that two types of 100% juice (4 ounce each) were offered and no other fruit was offered for that meal. While this is allowable, you must adjust the fruit total over the course of the week as to not exceed more than 50% juice as volume served.

The signage displaying what had to be taken to have a reimbursable meal at lunch was reviewed and the following was noted;

- The signage while present was small and not in an easily observable location for students.

Corrective Action Required: Please obtain larger signage and display it in a location that is more readily available for students. This may be done by enlarging the current signage or using white boards to display the days offerings. Submit photos of the new larger signage to NDA for review.

Comprehensive Resource Management

The intent and scope of monitoring in this section is to apply a systemic approach to ensuring the overall financial health of an SFA's nonprofit school food services account.

Maintenance of the Nonprofit School Food Services Account

This section of the Comprehensive Resource Management review focuses on ensuring the SFA is maintaining and using its nonprofit school food services account according to regulatory requirements, which include observing the limitation on the use of the nonprofit school food services account revenue as set forth in 7 CFR 210.14 and ensuring that enumerated costs are necessary, reasonable, and allocable as set forth in 2 CFR 225.

The invoices for the vendor Three Square for the month of review, October 2017, were reviewed and the following issues were noted;

- Milk per the contract is considered part of a complete reimbursable meal and is considered part of the \$2.25 negotiated price for a meal as noted in the agreement under section 1, vendor responsibilities. It was noted on one invoice, that milk was itemized and charged separately. On two invoices meals were delivered, but no milks were delivered with them.
- Over a series of invoices, the vendor appears to have shorted SLAM academy 20 milks. On invoice number AOR 5411497-100 meals were ordered but only 40 milks (10 white 30 choc) were delivered with the meals; 80 milks were sent on next invoice with 40 meals (AOR 541234-1) but overall SLAM Academy was still short 20 milks
- There were changes to orders and no notations or documentation supporting those changes
- At least one invoice was not signed by receiving staff

- On one invoice, the total delivered not clear and there are changes to the milk total made but there is no supporting documentation for these changes.
- One invoice charged 2.25 for 48 shelf stable chocolate milks (September), and there was no corresponding link to the associated meals from this same month
- One invoice cover slip did not state the number of meals that had been ordered and delivered.

Corrective Action Required: Please create a business process that will institute a system that will track the invoices from Three Square. This process should include the following;

- Indicate who is responsible for placing and changing orders
- Indicate who is responsible for receiving deliveries from Three Square
- Outline a system that checks to ensure temperature controls are maintained, the items received are in good order and do not contain indications of pests or are otherwise unsuitable for consumption
- Lays out a system that documents the total number of items received are checked against the total number ordered and any discrepancies have supporting documentation for them
- Changes are documented either on the invoices or on a separate log system that relates back to each order

Additionally, provide copies of all vendor invoices from August 2017 through November 2017 to NDA so that the appropriate credit can be determined for SLAM Academy to receive from their vendor Three Square. This will be sent as an addendum to this corrective actions letter.

Paid Lunch Equity

This section is reviewed to evaluate the prices that are charged for paid lunches in relation to the Federal paid and free reimbursement rates. In addition to this, funding sources for subsidizing meal prices for students is also evaluated to ensure that the funds used in this manner are not funds with a Federal source.

The adult meal pricing supporting documentation was reviewed and they are compliant.

Revenue from Nonprogram Foods

This section is reviewed to ensure that the SFA took steps to ensure the revenues from the sale of nonprogram foods generates at least the same proportion of revenues as expenses as noted in 7 CFR 210.14(f).

Nonprogram foods are those foods and beverages sold in participating schools other than reimbursable meals and meal supplements that are purchased using funds from the nonprofit school food services account.

Nonprogram foods includes meals served to adults and a la carte items, as well as, items purchased with nonprofit school food service account funds for vending machines, fundraisers, school stores and catered and vended meals.

SLAM Academy does sell a la carte items. There was no indication that there was a system that separately tracked the costs of these items and the revenue they generate if they are purchased with NSLP program funds.

Corrective Action Required: If the a la carte items are purchased with NSLP funds, please submit the policies and procedures around the sale of these items including documentation that shows that the profit is accruing to the NSLP fund for SLAM Academy and the total numbers sold and the cost per item of each item for the months from August 1, 2017 to November 30, 2017. If these items are not purchased with NSLP program funds, please submit the documentation that supports this such as the policy/directives that exclude

these items from being purchased with program funds. Finally submit the nutritionals for all nonprogram foods being sold at SLAM Academy to NDA for review.

General Program Compliance

Professional Standards

It was noted that all staff members with food service duties had not met all their training requirements under the professional standards regulations.

Corrective Action Required: For your food service director, please submit the following information for that individual;

- Highest level of education achieved (such as B.S. and the degree area)
- Years of school nutrition program experience
- Food safety training documentation

For food service staff who have not completed their annual number of training hours, please indicate when and how they will meet their training requirements for the end of the year. We have included a USDA flyer which summarizes the annual training hours required by job position.

Water

Free potable water must be available at each meal service. There was water available. It was a cooler on a table in a corner away from the line where children were being served. There is no indication that this water is available for the students. The following was observed at SLAM Academy;

- Barriers exist to access, children must come up and ask for a cup
- It is not generally known amongst the students that free water is being offered during the meal service.
- One student said he knew there was water available, but you had to go up front to get it. On clarification up front was where they were selling water.

Corrective Action Required: There must be no barriers to students receiving water and there must be equal access to the free water. Please submit a business process indicating how SLAM Academy will remove barriers to water access for students during the meal service as well as make sure that all students know free water is available. Submit this process to NDA for review.

Food Safety

Food safety was reviewed while onsite. The kitchen and HAACP manual were reviewed and were compliant. The a la carte food sales area and the kitchen were not compliant with regulations governing food safety as noted below;

- Food was set out 5 minutes before being served which is not an issue normally. There were however no follow up temperatures observed at the line or at the a la carte location during the meal services. The food on the line was not placed in temperature control pans/systems.

- At the a la carte location food safety regulations are not being followed: the person serving had a beard and was observed leaning over the open boxes on several occasions without a hair or beard net.
- There was no indication that the individual serving the food at the a la carte location knew what safety standards they should be following.
- Since there were no sneeze guards in place at the a la carte sales area, a cross contamination issue was observed. Kids were leaning over the open pizza boxes as well and all were talking over the open boxes.

Corrective Action Required: Submit a business process that will bring SLAM Academy into compliance with the food safety regulations of the NSLP program as noted below;

- Indicate how food safety will be maintained at the a la carte sales locations in the school when they are selling hot foods such as pizza.
- Indicate how temperature controls will be maintained both in the kitchen area and at the a la carte locations.

Create a second HACCP manual specifically for the a la carte location that includes a table of contents and the following food safety SOPs;

- Cleaning and Sanitizing Food contact surfaces
- Hot and Cold Holding for Time /temperature control
- Personal Hygiene
- Serving Food
- Using and Calibrating Thermometers
- Washing Hands
- Preventing cross contamination at food bars

Submit copies of the business process and the new HACCP manual to NDA for review. You may find potential SOPs for food safety at the following link; <http://sop.nfsmi.org/HACCPBasedSOPs.php>.

Procurement Review

The procurement of goods and services is a significant responsibility of a school food authority (SFA). Obtaining the most economical purchase should be considered in all purchases when using the nonprofit food service account. The Nevada Department of Agriculture (NDA) is required to ensure that SFAs comply with the applicable regulations through audits, administrative reviews, technical assistance, training, guidance materials, and by other means. (7 CFR 210.19(a)(3)). Federal, state and local laws and regulations specify the methods SFAs must ensure that all competitive procurements must be in accordance with 2 CFR Part 200.318-.326 and all other applicable government-wide and FNS regulations and guidance. With all contracts purchasing services involving the child nutrition program regulations for procurement must be in place (7CFR 210.21):

- Properly procure goods and services
- Award contracts only to responsible contractors
- Not restrict competition
- Follow procurement standards in program regulations (7 CFR 210.21 & 2 CFR 200.318-.326)
- Prohibit conflicts of interest
- Use required procurement methods

- Take affirmative steps to use small, minority, women's business and labor surplus enterprises, when possible
- Oversee contractors to ensure all contract provisions are fulfilled for the duration of the contract
- Buy American Provision

With regards to a procurement plan for the Child Nutrition program at SLAM Academy the reviewer examined the sponsor's procurement procedures. A procurement plan was in place at the time of the review. Per USDA guidance, the procurement plan must outline the specific procedures per 2CFR Part 200 for program operators 2CFR 318 (a). Specifically, the revised plan must follow types of procurement available: micro purchase, small purchase, and formal procurement methods. The plan must prohibit the acquisition of unnecessary or duplicative items per 2CFR 218(d). The plan must ensure that all solicitations incorporate a clear and accurate description for the material, product or service to be procured. It must not be overly restrictive as to limit competition; it must also take steps to assure that small minority and women's business are used when possible.

SLAM Academy and their vendor, Three Square, were in compliance with the requirements around procuring goods and services.

Summary

None of the above-mentioned items currently require fiscal action nor require a change in your performance based \$0.06 reimbursement. However, please note that if repeat violations are found on subsequent reviews in any program area fiscal penalties may be assessed and the additional \$0.06 reimbursement may be turned off until the program is brought into compliance with federal regulations. **All corrective actions must be completed and submitted by March 25, 2018.** If corrective action is not completed, or if the need is identified to ensure all corrective items are in place we may schedule a follow up review. Program funds may be withheld until corrective action is complete if not submitted by the required due date. Please see the attached document, NSLP-SBP-SMP Appeals sponsor handout for direction on how to appeal the denial of all or a part of the claim for reimbursement or withholding funds. If you have any questions about the required corrective action, please contact Edward Coleman at (775) 353-3666 as soon as possible.

Best regards,



Edward Coleman
Quality Assurance Specialist
Phone: 775-353-3666 Email: ecoleman@agri.nv.gov