

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 22, 2018

Ignacio Prado
Director
Futuro Academy
920 N. Lamb Boulevard
Las Vegas, NV 89110

Dear Mr. Prado:

The Nevada Department of Agriculture, Food and Nutrition Division conducted an Administrative Review of Futuro Academy from December 12, 2017 through December 13, 2017. The Administrative Review team consisted of Edward Coleman, Quality Assurance Specialist, Sally Fong- Rocha, Auditor II, and Isabel Mota, Auditor II. 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 13, 2017 to discuss the major findings of the review. Ignacio Prado, Director and Cindi Rivera of Futuro Academy were in attendance. Administrative Reviews are required to be conducted on a three-year review cycle. Futuro Academy received an onsite review its National School Lunch Program (NSLP), its School Breakfast Program (SBP), and its Afterschool Snack Program (ASCP). 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

This institution is an equal opportunity provider

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.

All applications, 89 in total, were reviewed as part of the onsite Administrative Review. The following issues were noted in the reviewed applications;

- Two applications had a 10-digit case number.
- The income and or frequency of income on one application could not be determined.

Technical assistance was provided for the following application issues;

- None of the applications were signed by both the determining official and the confirming official
- No date stamp was used on the applications
- Based on the dates written by households and the processed by dates of Futuro Academy staff, 10 applications processed outside of 10-day time frame
- It was impossible to determine if one applications were processed within 10-day time frame as there were no dates listed

Corrective Action Required: For the applications that had the wrong case number, contact those families and get the correct case number for their applications. For the family that had an unclear income/income frequency, contact that family and get their correct income information and update their application with this information. Create a log and track who was contacted, when they were contacted, and the outcome of that communication and send it to NDA for review.

The denied applications were reviewed and there were no issues noted here.

The verified applications were reviewed and technical assistance was provided in the following areas;

- When doing verification, Futuro staff must get two check stubs for incomes if the families income is not a stable weekly income

The following issue was noted in the verified applications;

- Some verification notification letters were dated 11/27/17 and 12/8/17. Verification ends on Nov 15.

Corrective Action: Create a business process that outlines the verification process. This process should include the following;

- Who by name or title will be responsible for ensuring each step of the verification process is completed in a timely manner
- The critical dates of the verification process
- A step by step system that will be used to handle every step of the verification process.

The Eligibility Manual for School meals describes the verification process. A downloadable copy of it may be found here; <https://www.fns.usda.gov/2017-edition-eligibility-manual-school-meals>. Once the business process

is completed, have all individuals involved in the verification process sign off on it stating that they understand and will comply with the business process.

The notifications and documentation that is sent to the homes was reviewed as well. The following issues were noted in each document;

Approval/Denial Letter;

- Must include the statement, “A family may apply at any time.”
- Must include that a family has 10 calendar days to file a grievance

Public Release

- Futuro Academy is not participating in the SMP and this information should be removed from the public release.

Adverse Action

- Must include the statement, “A family may apply at any time.”
- Must include that a family has 10 calendar days to file a grievance

There was not an information letter to households.

Corrective Action Required: Please update your approval/denial letter and notice of adverse action to include the missing information listed above. Remove erroneous information from your public release. We have included a template for the information letter to households. This document also doubles as a public release and may be used as such. If Futuro Academy chooses to use the template as their public release and information letter to households, it should be edited to only include information related to Futuro Academy and its programs. Submit copies of these documents to NDA for review.

The counting and claiming system was reviewed for lunch and breakfast in the cafeteria, and for breakfasts there were served in the classroom. The following issues were noted;

Breakfast served in the classrooms;

- No issues were noted.

Breakfast and lunch served in the Cafeteria;

- The group that was served breakfast in the cafeteria received their meal and were seated and then counted. A reimbursable meal may only be counted at the point of service when it is given to the child.
- The point of service, (POS) at lunch was at the beginning of the line and unless you have a waiver it must be at the end of the line.

Corrective Action Required: Create a business process that outlines proper counting and claiming techniques for staff who will be responsible for counting and claiming meals. This process must include the following;

- A reimbursable meal may only be counted at the point of service when it is served to a child.

- All staff who count and claim meals, should sign off on this process indicating that they know and understand it.

The POS should be moved to the end of the line.

Submit a copy of your signed business process to NDA for review.

The claim for reimbursement for the month of October 2017 was reviewed as part of the onsite administrative review. There were no issues noted with consolidating and submitting the claim for reimbursement.

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.

Futuro Academy has its meals vended by Clark County School District.

Futuro Academy does not have proper signage indicating what is required to take to have a reimbursable meal.

Corrective Action Required: Create or acquire signage that would allow Futuro Academy to display what is being offered for their meal services so that students may see what the daily offerings are. Submit two weeks' worth of breakfast and lunch menus displayed in this manner along with the corresponding menus for the two weeks of photographs 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.

We were unable to assess compliance with maintenance of the nonprofit school food program. We will need a profit and loss statement or a chart of accounts for the food program that lists all expenditures and all revenues and the current status of the account.

Corrective Action Required: Submit either a profit and loss statement or chart of accounts for the food program that lists all expenditures and all revenues as well as the current status of the account to NDA for review.

The claim for reimbursement for Futuro Academy was reviewed and the following issues were noted for the month of October 2017;

- For lunch, they served 161 paid lunches, 245 reduced price lunches, and 804 free lunches for a total of 1210 total lunches for that period. They ordered 1670 lunches from their vendor, Clark County School District. They ordered 460 or 38% more lunches than they needed for the month of October 2017.
- For breakfast they served 273 paid breakfasts, 319 reduced- price breakfasts, and 949 free breakfasts for a total of 1541 breakfasts for the month of October 2017. They ordered 1416 total breakfasts from their vendor Clark County School District. They were 125 breakfasts short of the number they served based on what they ordered.
- For Afterschool snack they served 121 paid and reduced-price snacks, and 410 free snacks for a total number of 652 snacks served. They ordered 1354 snacks from their vendor Clark County School District. They over ordered by 702 snacks or 108%.

Corrective Action Required: Futuro Academy should institute a policy to monitor the orders they place with their vendor to ensure they are not ordering more or less than they need to meet their demand for meals per month. This policy should indicate the following;

- Who by name or title will be responsible for monitoring the monthly meal counts by category
- Designate who by name or title will consolidate and review the total orders for month
- Designate who by name or title will tabulate and track the total numbers of free, reduced- price, and free students in the school.
- Designate who by name or title will be responsible for managing the process of comparing the total meals by category to the number of meals ordered per month.
- Designate who will bring the number of meals ordered in line with your monthly average of meals served.
- Designate that every three months, a review is taken of the prior quarters orders and adjustments up or down are made for the orders going forward. For example, if your snack participation has been low over the previous three months, you should adjust your snack orders down to accommodate for this.

We have included a monthly tracking spreadsheet that will allow you to look at the total meals served and ordered monthly. You may use it or you may use one of your own design. Submit the policy and the tracking documents you will be using to manage this process to NDA for review.

The receipts for August through October 2017 were reviewed from their vendor, Clark County School District. The following issues were noted;

- None of the receipts were signed certifying that items received were received had maintained temperature and pest controls.
- None of the receipts were signed indicating that the number of items received was the correct number of items ordered.

- Futuro Academy is only receiving a monthly total invoice and not a daily invoice that would be align with their daily ordering process

Corrective Action Required: Create a policy that governs the receiving of food items by Futuro Academy. This policy should have the following;

- Indicate who by name or title is authorized to make and change orders
- Indicate who by name and title may receive orders
- Indicate that when receiving orders, they are to make sure the number ordered is the number received
- Indicate that the items received were held at the proper temperatures and were fresh and free of pests and foreign object
- The individual that receives the order should sign and date the invoice indicating that all items received were in good order.

Submit the policy to NDA for review.

General Program Compliance

Civil Rights

The Civil Rights Policy was reviewed. It directs students who may have civil rights claims related to the food program to resolve the issue with the executive director. The civil rights policy needs the following;

- It must list the steps and the expected actions and time frames that the students can expect in this process.
- It must list a step that will allow the students to bypass the local policy and submit their claim directly to the USDA

Corrective Action Required: We have included a template civil rights policy. You may use it or craft one of your own that meets the requirements listed above. Submit your updated civil rights policy to NDA for review.

There was not a civil rights log in place but this was corrected onsite as part of technical assistance.

Professional Standards

There was not a tracking tool in place to track the training of food service staff.

Corrective Action Required: Either download and use the USDA Tracking Tool found here, <https://www.fns.usda.gov/school-meals/professional-standards>. You may also choose to make your own tracking tool but it must include the following items;

- Key Areas
- Training topics and learning objectives
- Any supporting documentation for all completed trainings (certificates, agedas, sign in sheets etc.)

For your food service director, please submit the following information for that individual;

This institution is an equal opportunity provider

- 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.

Water

Water was not available in the cafeteria.

Corrective Action Required: When served meals in the cafeteria, free potable water must be available to program participants at each meal service. This could be done by simply adding a cooler with cups the kids could use during the meal services. Create and submit a business policy that outlines how Futuro Academy plans to provide water to their students during meal services in the cafeteria.

Food Safety

As part of the onsite review, the HAACP manual and general cleanliness of the kitchen and serving area was reviewed. The following issues were noted;

- Sanitation logs to track the concentrations of cleaner solutions are not being used
- The HAACP manual did not have a table of contents and it was missing the SOP for receiving food

Technical assistance was provided onsite for the following;

- Health inspection was not posted in an area that the program participants could view. It was moved to meet this requirement during the onsite review.

Corrective Action Required: Please get an updated HAACP manual that includes the SOP for receiving food and an accurate table of contents. HAACP SOPs may be found at the following address, <http://sop.nfsmi.org/HACCPBasedSOPs.php>. Please submit a copy of your updated HAACP manual to NDA for review.

Best Practice: You may choose to begin to track the sanitation levels of your cleaning solutions. It is considered a best practice and strongly encouraged by NDA as a cost control measure as well as documentation that could reduce liability for the sponsors that maintain them regularly.

Afterschool Snack

The Afterschool Snack program at Futuro Academy was reviewed. The following issues were noted;

This program must be monitored two times per year. The first time is within the first four weeks of the programming beginning each year and the other time is sometime before the end of the school year. The first monitoring during the first four weeks of program operation had not been conducted.

The Afterschool Snack program also must have an educational/enrichment component which accompanies the snack service. This educational/enrichment component cannot be a purely physical exercise. You could not for example, give the kids a snack and then have them go play basketball and consider that the educational component. At future Academy, the following was observed;

- The educational/enrichment component sometimes occurred hours after the snack was served.

Corrective Action Required: Create a business process that outlines the proper monitoring and functioning of the Afterschool snack program. This business process should include the following;

- Direction that the program will be monitored two times per year. The first time it will be monitored is within the first four weeks of the program beginning for the school year and the second monitoring will occur sometime before the end of the school year.
- The educational/enrichment component will occur at the same time as the snack is served.

Submit a copy of this business process to NDA for review.

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 Futuro Academy the reviewer examined the sponsor's procurement procedures. A procurement plan was not 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 duly restrictive as to limit competition; it must also take steps to assure that small minority and women's business are used when possible.

This institution is an equal opportunity provider

Futuro Academy only has one vendor, Clark County School District. Their invoices with this vendor were reviewed and they are following the pricing guidelines established through their interlocal agreement. They do not have a procurement plan or established procurement procedures.

Corrective Action Required: Please submit a procurement plan and procedures that are compliant with regulations governing these items for the food programs at Futuro Academy. We have included templates for these items that you may use.

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 24, 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