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February 27, 2017

Certified Letter# 7005 0390 0002 3297 8621

Phyllis Dowd, Director of Business Services  
Churchill County School District  
280 S Russell St  
Fallon, NV 89406

Dear Ms. Dowd,

The Nevada Department of Agriculture, Food and Nutrition Division conducted an Administrative Review of the Churchill County School District from January 24-25, 2017. The Administrative Review team consisted of Brittany Mally, Quality Assurance Specialist Rose Wolterbeek, School Nutrition Services Specialist, and Bobbie Davidson, Program Officer. The purpose of the Administrative Review is to ensure compliance with federal regulations and also 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 January 25, 2017 to discuss the major findings of the review. Mark Harrison, Food Service Director Chartwells, Phyllis Dowd, Director of Business Services, and Carolyn Grady, Department Secretary was in attendance. The Churchill County School District (CCSD) received an onsite review of its School Breakfast Program (SBP), its National School Lunch Program (NSLP), and the Fresh Fruit and Vegetable Program. 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 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.

A review of applications at CCSD revealed the following errors:

- Eight income applications did not have the "No income" box checked for all household members; however, income was not listed for any members on the application. This box needs to be marked if the person does not have an income.
- Two income applications were marked as categorically eligible but there was no case number and the student could not be found on the DC list.
- One income application marked categorically eligible had an invalid case numbers written down. A valid case number should be 9 digits and contain no letters.
- Two income applications were marked as categorically eligible and free and the notes said pending SNAP approval. That eligibility cannot be determined until they have a valid case number.
- One income application was marked categorical eligible but no case number was provided. Income was provided on the application and the student does qualify for free based on income.
- One income application showed the student certified as reduced and qualifies for reduced however, the notification letter attached and sent home says that child is free eligibility.
- On one income application the income amount is listed but the frequency was not. CCSD documents indicate the income frequency was monthly however, that does not correspond with information on the application.
- One verified application needed more information about parent income. The pay stub provided only shows holiday pay and no regular pay. More information is needed to verify that application.

Income based applications that lack any one of these items are considered incomplete and cannot be processed for meal benefits.

1. Names of all Household Members
2. Amount, source, and frequency of current income for each household member
3. Signature of an adult household member
4. Last 4 digits of the social security number of the households primary wage earner or another adult household member, or an indication that the household member does not have one

Families who have income based applications that are considered incomplete should be notified as to why their application is considered incomplete and given the opportunity to submit/correct the missing information within 10 calendar days of the notification being sent to them. If the family fails to submit/correct the missing information in the required timeframe, they should immediately be placed on paid status.

To be considered complete, an assistance program application must have the following information;

1. Names of children for whom the application is made
2. SNAP, TANF, or FDPIR case number or identifier, for the children or any household member listed on the application, and
3. Signature of the Adult household member completing the application

Families whose have assistance program based applications that are considered incomplete should be notified as to why their application is considered incomplete and given the opportunity to submit/correct the missing information within 10 calendar days of the notification being sent to them. If the family fails to submit/correct the missing information in the required timeframe, they should immediately be placed on paid status.

Income should not be annualized when there is only one income frequency listed. It is only annualized when there are multiple income streams with differing pay frequencies.

Also CCSD is using the old version of the income application. Please discontinue the use of the old prototype application and going forward only use the new USDA prototype application. A sample is attached with this letter. Technical assistance was provided onsite regarding the application errors. The department secretary immediately began working on the corrections. Since the exit conference she has provided NDA with an updated list of the errors with the changes made to correct them, the person contacted, when, and the outcome of the communication.

**Corrective Actions Required:** For the remaining application errors left to correct continue to try and make contact with the household and once outcomes have been determined send NDA an updated and final list of the completed application errors.

### **Meal Counting and Claiming**

CCSD uses the database system Infinite Campus to count and consolidate meal claims. For the month of review (October 2016), the meal claim was reviewed and checked against the back-up documentation for the meals claimed at Churchill Middle School and Lahontan Elementary School. To check the total meals claimed, NDA added up the total free, reduced, and paid meals served from each individual day of October for those two sites. Those totals did not match the consolidated totals that were used for the claim for reimbursement.

<b>CMS Lunch</b>	<b>Churchill/IC totals</b>	<b>NDA totals</b>	<b>Difference</b>
<b>Free</b>	3104	3101	+3
<b>Reduced</b>	831	830	+1
<b>Paid</b>	1151	1155	-4
<b>Total</b>	5086	5086	0

<b>LES Lunch</b>	<b>Churchill/IC totals</b>	<b>NDA totals</b>	<b>Difference</b>
<b>Free</b>	3371	3389	-18
<b>Reduced</b>	769	743	+26
<b>Paid</b>	1210	1218	-8
<b>Total</b>	5350	5350	0

The totals claimed for breakfast also did not exactly match the individual daily totals from Infinite Campus for both sites. The daily meals counted as free, reduced and paid need to equal the totals that are being claimed for reimbursement. The difference in the total meals claimed does not exceed \$600 and therefore no fiscal action is warranted.

**Corrective Action Required:** Write a procedure/policy for how monthly meal counts will be consolidated to ensure that the totals submitted on the claim for reimbursement are correct. Submit to NDA for review.

While observing the breakfast service at Lahontan Elementary School, it was noted that their point of service and meal count is taken at the beginning of the line. This was approved during their application renewal. However, their policy statement states "the cashier is stationed at the beginning of the serving line using a computerized system and a staff member is stationed at the end of the line to verify that each meal selected is reimbursable. If a non-reimbursable meal is selected by a student; a system is in place for adding something to the plate, of the student's choice to make the meal reimbursable." This was not observed during the breakfast service. There were only two staff members working the breakfast line, one at the POS and the other handing the students their food. There was no staff member at the end of the line making sure all meals were reimbursable. The last offering of fruit for the meal was juice which was placed by the door away from the main food line. If a student needed a fruit to make the meal reimbursable the staff member had to ask the kid to remember to grab a juice on the way out but could not monitor that they actually grabbed a juice. This instance was observed at least 5 times during the breakfast service.

**Corrective Action Required:** Create a policy/procedure on how CCSD will ensure that a reimbursable meal is taken at this site by whether an adult will be stationed at the end of the line or if the POS system is moved to the end of the meal line. Submit policy to NDA for review.

### **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.

### **Menu Production Records**

It is a Federal requirement that menu production records (MPRs) must provide certain information. During the Administrative Review conducted on January 24<sup>th</sup> and 25<sup>th</sup>, 2017 production records were reviewed for one week of the month of review (October 2016) and the days of review. The production record format that Churchill CSD is using has changed from the form they were using in October. The following errors were found:

- The MPRs from October were incomplete and inconsistent. The meal component section was blank on some. For the MPRs submitted for LES from October, the portions prepared was blank and the total number of meals served was not filled in on some but on others they were. MPRs must be completely filled out every day.
- For both the MPRs submitted from October and the ones gathered during the onsite review, the amount of product pulled and used is not included on the MPR. This is required information on an MPR. If an item for lunch is classic pepperoni pizza then the amount of dough, cheese, sauce, and pepperoni used to make that pizza needs to be listed on the MPR.
- The breakfast and lunch MPR from CMS form the day of review did not have the OVS section marked. They are OVS so a check should be next to yes for that section. There was also no manager signature or school name on the lunch MPR for CMS.

This is a repeat finding from the admin review conducted in March of 2014. If production records continue to be incorrect fiscal action may be taken in future reviews. Be prepared to submit one week's worth of production records to NDA at any point throughout the next year. NDA will be spot checking production records for CCSD to make sure the corrective actions made stay in place.

**Corrective Action Required:** Add a column for amount pulled/used to the current MPR template. Submit to NDA for review one weeks' worth of completed production records for both breakfast and lunch for CMS and LES. In addition, the Food Service Director and all kitchen managers must complete the Food Production Records course from the Institute of Child Nutrition. Which can be found here: <http://www.nfsmi.org/Templates/TemplateDefault.aspx?qs=cEIEPTIzOA>. Submit certificates of completion to NDA.

### **Crediting Reports and Menu Analysis (no screen shots)**

In order to correctly review the menu and make sure that menu requirements are being met, menu certification worksheets and a nutrition analysis are needed. Churchill CSD did provide screenshots of the crediting reports however real copies of the report is needed. Screen shots are not sufficient. In addition, a nutrition analysis is needed of each menu type to ensure that the correct nutrient standards are being met and followed for each age/grade group.

**Corrective Action Required:** Please submit actual reports (a PDF version is acceptable) of the menu certification worksheets for breakfast and lunch for the January menu for all age/grade groups served. In addition, submit a nutrient analysis of the breakfast and lunch menus for January for all age/grade groups. This report should include a weekly average of calories, saturated fat, trans fat, and sodium. If technical assistance is needed for how to run and obtain these reports in Webtrition please contact your regional Compass Dietitian or the Chartwell's FSD from White Pine County School District. If the regional Dietitian cannot help please contact NDA who will help to identify a solution.

### **Reimbursable Meal Signage**

Proper signage was not posted which would indicate what a child would have to take to have a reimbursable meal. This is especially important for schools that have offer versus serve which all schools in CCSD participate in. Technical assistance was provided onsite and breakfast menu boards were provided to the district.

**Corrective Action Required:** Create a policy governing the use of the menu boards. This policy should direct staff to complete the menu board daily for each meal service. Submit one weeks' worth of photographs from both CMS and LES and the corresponding menu showing that the menu boards are being used to inform children of what is being served and what constitutes a reimbursable meal. Submit the policy to NDA as well for review.

### **Comprehensive Resource Management**

A comprehensive resource management review is required when certain risk based criteria are met by the school district. The CCSD triggered a comprehensive resource management review of two areas: the maintenance of the nonprofit school food service account and revenue from non-program foods. The intent and scope of this part of the Administrative Review is to apply a systematic approach to ensuring the overall financial health of an SFA's nonprofit food service. The areas covered are detailed below.

After an in depth review of the maintenance of the nonprofit school food service account there were no findings and no corrective actions necessary in this area. In regards to the sale of non-program foods there were no major findings. No further actions are necessary.

### **General Program Compliance**

### **Professional Standards**

The Professional Standards regulations in 7 CFR 210.30 establishes hiring standards for new school nutrition program directors at the School Food Authority (SFA) level (effective July 1, 2015). In addition, the regulations establish annual training standards for all school nutrition program directors, managers, and staff. The required annual training hours vary according to the employee's role in the management and operation of the school nutrition program. The current director was hired after to July 1, 2015 and does meet the new hiring requirements. This was verified during the onsite portion of the review.

Training must be job-specific and is intended to help employees perform their duties well. Training needs are best assessed by an employee in consultation with their manager, director, or the Nevada Department of Agriculture. Training may be obtained in many ways, such as in-person, online, through local meetings, webinars, conferences, etc. A variety of free and low-cost training resources and formats are available.

USDA Training Tracking Tool has been provided as a resource to assist SFAs to track and record the annual training hours completed by each school nutrition program employee. Supporting documentation for all completed trainings, i.e., *agendas, sign-in sheets, certificates of completion, etc.* must be maintained on file.

The required training hours have increased for the 2016/2017 school year and will remain as such going forward. The hours are as follows:

- Food Service Director/Supervisor 12 hours
- Food Service Manager 8 hours
- All other full time staff 6 hours
- Part time staff 4 hours

The professional standard hours were reviewed for all food service employees for the CCSD for the 2016/2017 school year. There were five part time employees that have not met their required 4 hours training for the school year.

- Theresa Brown
- Brandy Cowan
- Joan Anderson
- Bryan Wilcox
- Nicholas Viola

They are currently at 3.25 hours. They have until June 30, 2017 to meet the 4 hour requirement. The remaining 24 employees have meet their professional standard requirements for this school year.

**Corrective Action Required:** For those five employees please submit a plan for how they will meet their requirement of 4 hours of professional standards by the end of the 2016/2017 school year. Submit to NDA for review.

### **Civil Rights**

All staff who interact with program applicants or participants must annually complete a civil rights training. The same five employees listed above have not had the civil rights training this school year. That training was not listed on their training trackers.

**Corrective Action Required:** Have these five employees attend a civil rights training. Submit copies of their completed quizzes as proof that they have completed the training.

### **School Wellness Policy and Competitive Foods**

CCSD sells competitive foods daily during breakfast and lunch via a la carte. It is a requirement that these foods and beverages meet the Smart Snack Nutrition Standards outlined in the Nevada School Wellness policy. There was one item specially that does not meet the Smart Snack Standards and should not be ordered anymore. This is the V8 Juice Blend. The label for this item was reviewed on site and it is not in compliance with the Smart Snack Standards. Juice drinks must be 100% juice to meet the standards and this product is not 100% juice. The rest of the items reviewed onsite do meet the Smart Snack Standards and can continue to be sold.

**Corrective Action Required:** For the V8 Juice Blend sell the remaining amount in stock but do not order anymore going forward.

### **Food Safety**

Overall the kitchens at the sites reviewed were clean and in good order. When the reviewer asked to see the HACCP manual onsite they were told it was on the recipes. The recipes refer to with HACCP procedure to follow however a manual needs to be available for reference. The HACCP manual is on the computer at each site, however only the FSMC employees have access to it on the computer. All food service staff working in the kitchen need to be able to access the HACCP manual at any time. Technical assistance was provided onsite to the food service director. A copy of the HACCP manual was emailed to the NDA reviewer on January 26, 2017 and it meets all requirements. This is a repeat finding from the admin review conducted in March of 2014. It is expected that hard copies of the HACCP manual be distributed to each site as soon as possible.

**Corrective Action Required:** Please verify that a printed copy of the HACCP manual has been placed at all kitchen sites in the CCSD. NDA may visit one or all of the sites to check and make sure that the HACCP manuals have been distributed.

### **Fresh Fruit and Vegetable Program**

This program was reviewed and there were no major findings. When the FFVP service was observed the teachers were not doing an educational component and said they rarely have time to incorporate that into their school day. The educational component is a requirement of participating in the FFVP and should be done each day that a fruit or vegetable is being tried. Financially the CCSD is in compliance with this program.

**Corrective Action Required:** CCSD receives educational nutrition flyers from the University of Nevada Cooperative Extensions each week for each fruit or vegetable being tasted. Create a policy or plan for how teachers at the FFVP sites will be reminded of the educational component for the FFVP and how CCSD will ensure that the nutritional flyers are being implemented by the teachers at the sites participating in the FFVP. Submit to NDA for review.

### **Contracting with Food Service Management Companies (FSMC)**

A School Food Authority may competitively solicit proposals and contract with a food service management company (FSMC) to manage its food service operation in one or more schools, provided it meets the requirements set forth in 7 CFR 210.16, 210.21, and 2 CFR Part 200.318-326 formerly 7 CFR Parts 3016.36 and 3019.40. The School Food Authority will be responsible for an annual review and monitoring process of the Food Service Management Company (FSMC). If it is found in following reviews that the following items are not being met and completed, corrective actions and/or fiscal action may be warranted.

### **FSMC Monitoring**

A monitoring form is provided to district staff, which outlines areas to monitor including menus and meal service, USDA donated foods, financial accountability procedures, sanitation and safety procedures, contractual requirements and procurement requirements. The monitoring and the completion of the form should be done annually through periodic on site visits to ensure that the FSMC is operating in conformance with the School Food Authorities agreement under the NSLP. A copy of this form is provided with this letter. This form must be completed by the end of the current school year.

### **Rebates/Discounts/Credits with USDA Foods**

In accordance with 7 CFR 250.53, the FSMC must credit the District the value of all USDA Foods (including both entitlement and bonus foods) received for use in the District's meal service in the school year. The CCSD must maintain records to document its compliance with requirements relating to USDA Foods and conduct reconciliation (at least annually and upon termination of the contract) to ensure that the FSMC has credited the value of all USDA Foods in accordance with 7 CFR sections 250.54(a) & (c); per the contract section II Number 32 USDA Foods Item B- page 15. For the month of review, October 2016, the crediting for USDA Foods was completed. During the exit conference NDA advised the district employees and FSMC employee of the annual requirement and a reconciliation worksheet is attached with this letter.

### **USDA Foods Inventory First Year**

As stated in the contract section II Number 32 USDA Foods Item J –page 15 “In the first year of the contract, the FSMC must integrate the SFA's USDA Foods inventory carried over from the previous year, if the SFA was self-operating in that year.” The FSMC did

integrate the USDA Foods inventory from the previous year, however they did not credit back the inventory amount to the school district. The district was charged the fixed fee per meal for the meals that were sold using that carryover inventory. As the FSMC is required to integrate that inventory which they did not originally purchase they must credit back the amount of that carry over inventory from the previous school year to the district.

**Corrective Action Required:** The FSMC must credit back to the school district the total amount of the SFA's USDA Foods inventory that was carried over from the previous year. Please credit this amount back on the next invoice to be sent to the school district. Submit a copy of this invoice to NDA for review.

### **Advisory Board Menu Planning**

The district is responsible for maintaining and operating an advisory board composed of parents, teachers and students to assist with menu planning (7 CFR section 210.16 (a)(8) as per the contract Section I Scope of Work (A)-number 4; page 4. No efforts were yet in place at the time of the onsite review.

**Corrective Action Required:** Create a plan on how the district intends to meet this requirement. Submit to NDA for review.

### **Buy American Provision**

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. This includes items procured through a FSMC. In addition per 7CFR 210.21, with all contracts under a federal award certain procedures must be in place including the Buy American Provision. Since the FSMC is purchasing the food for CCSD, the FSMC must follow this provision and have documentation in place. NDA requested this documentation from the FMSC during the exit conference.

**Corrective Action Required:** Provide documentation from the FSMC that the Buy American Provision is being adhered to when procuring goods for the SFA. Submit to NDA for review.

### **Contract Renewals**

All Food Service management contracts and renewals must be approved by NDA prior to execution if the district wishes to use Federal funds to pay for these services. Please send the contract amendment for the 2017/18 school year to NDA for prior approval if the district plans on continuing with a one year extension with the current provider. Please allow two weeks minimum for NDA to review and approve the amendment.

CCSD has meet the requirements for all other areas that fall under general compliance including: water, on-site monitoring, reporting and recordkeeping, and SBP outreach. No corrective actions are required for those areas.

### **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 under a Federal award, the following procedures 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 CCSD, the reviewer examined the District's procurement procedures. A comprehensive district purchasing program was in place under the following Business and Finance policies & procedures: #3300.0, 3300.1, 3300.2, 3300.3, 3300.4, 3300.5, 3300.6, 3301.0.

The CCSD will need a few modifications to meet Federal requirements. 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 the types of procurement available: micro purchase, small purchase, and formal procurement methods. A pilot procurement plan, including a procurement method reference chart, is attached which the district may consider for use for its school nutrition purchases. 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.

Please keep all solicitation documents for all future procurement methods per the approved procurement plan for the current year plus three years after the contract year

purchasing is finalized. The documents must be kept longer if there are unresolved audit findings.

Based on the responses received by CCSD's responses from NDA's procurement worksheet, it was determined that the district was using the following procurement methods in its operation for the 2015/16 school year:

- Micro-purchase Method
- Small Purchase Method
- Formal Purchase Method

As part of the **Micro Purchase**, the Nevada Department of Agriculture reviewed one vendor: Jeff's Digitex Printing. The reviewer examined CCSD's purchase orders and receipts/invoices to determine:

- If the transactions were below \$3,500
- If the prices for products were purchased reasonable
- If the SFA equitably distributed purchases among qualified sources

The method was in compliance in all three areas with the regulations on Federal purchasing.

As part of the **Small Purchase Method**, the Nevada Department of Agriculture reviewed two vendors for purchases made below the federal small purchase threshold (under \$150,000): Bakemark & John Burrows Bonanza Produce. The reviewer found the purchases were in compliance. However, it was noted that the pricing on the spreadsheet documentation of the responses on some of the items was not reflective of the actual pricing on the invoices for Bakemark. Proper contract monitoring should be done in the future to monitor the prices submitted to what is actually charged for products and/or services at the time of delivery.

As part of the **Formal Purchase Method**, NDA reviewed one vendor:

- Sysco Sacramento

The method was in compliance with the regulations on Federal purchasing with this vendor.

A written code of standard of conduct was requested as part of the procurement review. It was determined that the CCSD did have one in place: Fiscal Code of Ethics (Policy 3000.0 & Regulation 3000.0). Per 2CFR Part 200.3189(c)(1) the non-Federal entity must maintain written standard of conduct covering conflicts of interest and to govern the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. The code of conduct must also provide for disciplinary action for violations by officers, employees or agents (2CFR 200.318 (c)1. No further action is necessary.

Regarding USDA Foods, for the 2015/16 School year, the district was given entitlement of \$79,293 dollars and \$79,080 was used. This is a fantastic job by CCSD in utilization almost all of their entitlement. As a best practice, the Nevada Department of Agriculture recommends that the CCSD continues to fully utilize the entire amount of the USDA Foods entitlement dollars through the State of Nevada Commodity Food Distribution Program and/or with the DOD Fresh program. Since a food service management company is in place for the 2016/17 School year, as noted on the October 31<sup>st</sup> invoice K32927003, the district and Chartwells have created a method where they pass the value of the USDA Foods used to the SFA as a credit per 7CFR§210.16(a)(6). The total credit did include the Federal value, processing fees, and shipping and handling fees. As a best practice it is suggested that a copy of the monthly USDA Foods invoice be included with the monthly invoice.

**Corrective Action Required:** Modify the district's current Food Service purchasing plan to bring it into compliance with the Federal regulations per 2 CFR Part 200.320 with regards to procurement methods for program operators. A sample pilot procurement plan is provided which the district may use or incorporate into their current district plan. In addition, the district must include a clause on purchasing to avoid acquisition of unnecessary or duplicative items. Once the plan is approved by NDA, all district purchases must follow the plan.

As part of training and technical assistance, please find attached the following guidance documents: Numbered memo NSLP 2016-14 (issued on November 3, 2015): *Questions and Answers on the Transition to and Implementation of 2 CFR Part 200*, Procurement Methods Quick Reference Chart, and a pilot Procurement Plan prototype. In addition, further technical assistance will be provided if requested by staff on the procurement review findings.

### **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 29, 2017.** 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, fiscal action, or withholding funds. If you have any questions about the required corrective action please contact Brittany Mally at (775) 353-3663 as soon as possible.

**Best Regards**



Brittany Mally RD,LD, Quality Assurance  
Specialist, NV Dept. of Agriculture, Food and  
Nutrition Division

Attachments: Appeal Procedures, USDA Prototype Application, Procurement Package,  
FSMC Contract Monitoring Form, USDA Foods Reconciliation Worksheet

Cc: Dr. Sandra Sheldon, Superintendent  
Mark Harrison, Food Service Director Chartwells  
Catrina Peters, School Nutrition Services Manager, NV Dept. of Agriculture, Food  
and Nutrition Division  
Rose Wolterbeek, School Nutrition Services Specialist, NV Dept. Of Agriculture,  
Food and Nutrition Division