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October 31, 2016

Certified Letter# 7005 0390 0002 3297 8447

Todd Hess, Superintendent  
Storey County School District  
P.O. Box C  
Virginia City, NV 89440

Dear Mr. Hess,

The Nevada Department of Agriculture, Food and Nutrition Division conducted an Administrative Review of the Storey County School District on October 5<sup>th</sup>, 2016. The Administrative Review team consisted of Catrina Peters, School Nutrition Services Manager, Rose Wolterbeek, School Nutrition Services Specialist, and Brittany Mally, Quality Assurance Specialist. 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 October 5<sup>th</sup>, 2016 to discuss the major findings of the review. Anne Simons, Food Service Manager, Patti Lamb, Fiscal, and Camille Stegman, Principal were in attendance. Administrative Reviews are to be conducted on a three year review cycle. The Storey County School District received an onsite review of its School Breakfast Program (SBP), and it's 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 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.

The applications for free and reduced priced meals were reviewed. The following errors were noted;

- Two applications had a household member listed as receiving income but the household member's income was not included on the application.
- Two applications were categorically eligible however the categorically eligible box was not checked on those applications.

Technical assistance was provided onsite for all application errors. All errors were corrected during the administrative review and no further action is necessary.

It is required that applications be reviewed and eligibility determined within 10 days of the application being returned to the SFA. The applications submitted to Storey County School District had a date stamp for when eligibility was determined but there was no way to determine when the applications were returned by the families. Therefore, there was no way to determine if eligibility was determined within the 10 day timeframe.

**Corrective Action Required:** Please submit a policy verifying how the date and time applications are being received from parents is being documented. Submit to NDA for review.

The application being used is outdated and an older application. Best practices suggest to use a newer up to date application. USDA has released a new prototype application for SFAs to use, a copy of this prototype application is attached.

### **Verification**

All applications checked for verification were reviewed. The following errors were found;

- The date that the application was verified was 9/27/16. The verification process begins on October 1<sup>st</sup> each year. Applications for verification should not be selected or verified until October 1<sup>st</sup>.
- It was unclear how the income was verified on the application being verified. The paystub submitted was confusing and the pay period could not be determined.

Technical assistance was provided onsite for the verification of the application. The food service manager contacted the household selected for verification and was directed on where the pay period could be found on the paystub submitted. The application was correctly verified. No further action is necessary.

All letters to households distributed as a part of the NSLP or SBP must contain the most current USDA statement against discrimination. The following documents do not contain the most current USDA statement against discrimination:

- Notice of Verification Letter
- Notice of Direct Certification
- We have checked your application letter
- Notice to Households of Approval/Denial of Benefits

**Corrective Action Required:** Add the statement below to all four documents and submit to NDA for review.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

This institution is an equal opportunity provider.

### **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.

**Food labels:** It is required that food labels be kept on file on site of all food that is being served as a part of the NSLP or SBP. When asked to see the food labels the food service supervisor stated they did not have them on site.

**Corrective Action Required:** Please gather food labels, CN labels, and/or product formulation statements for all food served as a part of the NSLP and SBP and place copies of them in a binder. This binder should be accessible in the kitchen or food service area. Submit copies of all food labels to NDA for review.

**Reimbursable meal signage:** Proper signage was not posted which would indicate what a child would have to take to have a reimbursable meal. When technical assistance was provided a lunch menu board was posted and the appropriate menu was written for the day. A breakfast board has been ordered and sent to Storey CSD. Technical assistance was provided onsite and no further action is needed.

**Food allergies:** It is required that a procedure be in place for when a SFA has to accommodate a student that has a food allergy or is in need of a dietary accommodation. There was no system in place to handle students identified with a food allergy or those in need of a dietary accommodation.

**Corrective Action Required:** The Diet Accommodation Request Form is attached to the email version of this letter. This form should be incorporated into the registration information. Please write a policy outlining the steps to be taken and guidelines to be used when a student has a food allergy or is in need of a dietary accommodation. The guidelines should specify when a food allergy or sensitivity needs to be accommodated versus when it does not need to be. Submit the policy to NDA for review.

### **Comprehensive Resource Management**

A comprehensive resource management review is required when certain risk based criteria are met by the school district. For Storey County School District all areas under comprehensive resource management are within program guidelines and require no additional corrective action at this time.

### **General Program Compliance**

**Civil Rights:** And Justice for All posters are required to be posted in a location that enables program participants to read the text of the poster without obstruction. These posters were posted in appropriate locations on site, however they were old out of date copies of the poster. Technical assistance was provided on site and the food service manager has ordered up to date copies from NDA.

**Corrective Action Required:** Please confirm that a current And Justice For All poster is now in place.

**Water:** It is required that children have access to potable water during the lunch and breakfast meal services. There is a water fountain located in the cafeteria where the meal service occurs. When the drinking fountain was tested the water pressure was extremely low making it difficult to drink from.

**Corrective Action Required:** Please submit a maintenance request to your facilities management to fix the water pressure to the water fountain. Submit documentation (an email or written request) that the maintenance request has been made and that facilities management has fixed the drinking fountain.

### **Food Safety**

Overall the kitchen at the site reviewed was clean and in good order. The HACCP manual was easily accessible and up to date. The new HACCP manual is very comprehensive and not everything within the manual pertains to the site reviewed. The old HACCP manual is still stored with the newer one.

**Corrective Action Required:** Please archive or dispose of the old HACCP manual. Sort through the updated HACCP manual and remove any sections or policies that do not pertain to this site. This will make it easier for people to find policies and procedures that are relevant to this site. Once that is done send NDA a copy of the updated table of contents showing the list of polices in the HACCP manual.

While observing breakfast and lunch service, we observed several kids dropping their milks on the floor, picking it up and placing it back on their meal trays. This is a health concern for the students.

**Corrective Action Required:** Please write a policy about how food and/or drinks dropped on the floor will be handled and replaced. Submit to NDA for review.

The correct sanitizer was not being used to sanitize the cafeteria tables. Sanitizer wipes were being used to sanitize the tables, upon further investigation these wipes are not appropriate for that use. There was also no evidence of sanitizer being used as a part of the three compartment sink used to wash utensils and equipment used to prepare food. There is no sanitizer or cleaning log being maintained.

**Corrective Action Required:** Create a policy governing the use of sanitizer in the kitchen and cafeteria and the maintenance of cleaning solution concentration logs and submit it along with 1 months' worth of cleaning logs to NDA for review.

When checking the MSDS on the sanitizer wipe being used it could not be found in the MSDS. It is necessary for the safety of children and staff to have an updated MSDS onsite at all times in case an accident with a chemical product occurs.

**Corrective Action Required:** Please confirm that this was corrected and that a current MSDS is in place by sending the MSDS to NDA for review.

**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 prior to July 1, 2015 and is grandfathered in under the new hiring requirements.

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.

Technical assistance was provided onsite to help download the USDA training tracker tool onto the food service manager's computer and instruction given on how to use it. Even though the food service manager is a part time employee, she is the sole person in charge of the NSLP and SBP and therefore qualifies as a manager position. Last school year 6 hours of training was required for the manager position. The current food service manager acquired 4 hours of training last school year which will suffice for the requirements as she was out on medical leave for 4 months of the school year and unable to attend any trainings. No further corrective action is necessary. 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 Manager 8 hours
- Part time staff 4 hours

### **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. Federal, state and local laws and regulations specify the methods SFAs must:

- 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

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)). Based on the responses received by Storey County School District from NDA's procurement worksheet, it was determined that the district was using the following procurement method in its operation:

- Micro-purchase Method

As part of the Micro Purchase, NDA reviewed one vendor used (2015/16 School year) for purchases below the micro-purchase threshold (\$0-\$3,500). The reviewer examined Storey County's School District 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.

In addition, at Storey County School District the reviewer examined the District's procurement procedures. A district purchasing policy was in place: *Storey County School District Policies & Procedures Manual (effective Jan. 1<sup>st</sup>, 2015)*. Storey County School District 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. Specifically, the revised plan must follow types of procurement available: micro purchase, small purchase, and formal procurement methods. A sample chart is attached with may be used as a guide to modify the existing plan.

A written code of standard of conduct was requested. It was determined that the Storey County School District did not have one in place at the time of the procurement review. Per 2CFR Part 200.3189c)(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.

**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. Develop a code of conduct policy to govern conflicts of interest for the district's employees covering conflict of interest and to govern the actions of its employees engaged in the selection, award and administration of contracts.

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, a sample written code of Standards of Conduct and a sample RFP confidentiality statement. In addition, 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 November 30, 2016.** 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 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, Diet Modification Form,  
Procurement Package

Cc: Anne Simons, Food Service Manager  
Patti Lamb, Fiscal Contact  
Camille Stegman, Principal Hillside Elementary  
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