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November 7, 2016

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Richard Jimenez
Westcare Nevada Inc.
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Dear Mr. Jimenez,

The Nevada Department of Agriculture, Food and Nutrition Division conducted an Administrative Review of Westcare Nevada Inc. from October 10th-11th, 2016. The Administrative Review team consisted of 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 11th, 2016 to discuss the major findings of the review. Todd Klusman, Purchasing Supervisor and David Shea, Director of Facility Operations, was in attendance. The Administrative Review evaluates compliance with the regulatory provisions of the National School Lunch Program (NSLP) and School Breakfast Program. Administrative Reviews are required to be conducted on a three year review cycle. Westcare Nevada Inc. received an onsite review of its School Breakfast Program (SBP), its National School Lunch Program (NSLP), and After School Snack 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 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.

When breakfast and lunch are being served, regulations state that each reimbursable meal must be counted at the point of service. While observing breakfast and lunch at Westcare it was noticed that the meal count is not being conducted at the point of service. The children are served their meal and then the meal count is recorded later in the cook's office. Even though there are very few meals being served, the meal count must be done at the point of service.

Meal count sheets used to record whether a child received a reimbursable meal or not must contain the following information: the child's name, the date the meal was served, a spot to record breakfast and a spot to record lunch, and the initials of staff member taking the meal count. When looking at the meal count sheet for Westcare there were no names of children who were receiving reimbursable meals for SBP or NSLP. Only the total number of meals were recorded for each meal each day. There was no way to track which child did or did not receive the reimbursable meals being recorded. In order to correctly track reimbursable meals, each meal needs to be able to be traced back to the child who received it. This can be done by creating a new meal count sheet that contains the eligible children's names.

Corrective Action Required: Move the meal count sheet into the serving room during meal service and record each reimbursable meal as it is served to the child. Please create a new meal count sheet for the SBP and NSLP that contains the children's name. The sheet should contain an area to mark if they received breakfast and an area to mark if they received lunch. Please submit to NDA a completed copy of this sheet for one week's worth of meals. The children's name can be blacked out for confidentiality.

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.

Westcare Nevada has a very clean, organized, and well run kitchen. The cook on staff is doing a great job producing quality meals that meet the nutrition guidelines for the SBP and NSLP.

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 and breakfast menu board were posted and the appropriate menu was written for the day. Technical assistance was provided onsite.

Corrective Action Required: Please verify this is still in place and will continue to be in place going forward by way of a policy/procedure for who will be responsible for this task each day. Submit to NDA for review.

Menu Certification Worksheets: When reviewing the USDA menu certification worksheets for the month of September, the average calorie count for the week for breakfast was low 25-30 calories while the average calorie count for lunch was 200 calories low. A nutrient analysis from an approved nutrient analysis software can be used to meet this requirement however an approved nutrient analysis was not provided.

Corrective Action Required: Make modifications to the current breakfast and lunch menus and update USDA menu certification worksheets to reflect those changes. Or if you would like to conduct your own nutrient analysis it must be done using an USDA approved nutrition software program. The list of approved software programs can be found here: <https://healthymeals.fns.usda.gov/menu-planning/nutrient-analysis-software-approved-usda/nutrient-analysis-software-approved-usda>. Submit to NDA for review.

Production Records: Productions records must list the recipe number and/or product number of the food items being used. It also must contain the amount of food used and/pulled to make the meal. The production record being used is missing both of those sections.

Corrective Action Required: Please add the following two sections to the production record: recipe number and/or product number, and amount of food used/pulled to make meal. NDA has a sample production record (attached) that can be used in place of the current production record at this site, or the adjustments can be made to the current production record. Submit one week's worth of production records to NDA for review.

Whole Grains: If a grain food item is to be creditable it must meet whole grain criteria. After reviewing the CN labels provided there was only one item that was being served as a part of the SBP that is not whole grain rich. That food item is cream of wheat. It is currently on the breakfast menu and being credited as the grain.

Corrective Action Required: Please remove this item from the menu and replace it with a whole grain rich item or add a whole grain rich item that provides the minimum amount of grain ounce equivalents. Submit revised menu 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 Westcare Nevada Inc. all areas under comprehensive resource management are within program guidelines however there is one item where more detailed information is needed.

Westcare serves adult meals in addition to the meals served as a part of the SBP, NSLP, and ASSP. The reimbursement funds from those programs can only be used to support those programs. Additional information is required to determine if the program food requirements are being met.

Corrective Action Required: For the month of August 2016 please submit the following numbers to NDA for review:

- Total dollar amount spent on food for program and adult meals
- Total number of reimbursable meals for the SBP, NSLP, and ASSP
- Total number of adult meals

General Program Compliance

After School Snack Program

The following areas were noted for corrective action while reviewing the afterschool snack program.

- The daily count sheet being used was the same sheet being used to record breakfast and lunch reimbursable meals. The daily count sheet for snack needs to have the child's name to account for which child received a snack and who did not. The count sheet needs to be filled out at the point of service, signed by a staff member and the education or enrichment activity should be documented as well.
- There are no production records used to substantiate the amounts or types of items that were served to children.
- There was no educational or enrichment activity associated with the afterschool snack program.
- This program had not been monitored as per regulations governing the After School Snack Program. There was no documentation of onsite monitoring of this program two times per year.

Corrective Actions Required: Develop a count sheet for the snack program or incorporate it into already existing count sheets used at both sites. These count sheets should have space for the following; a date, a place for a staff member to sign off on the accuracy of the count, and a place to document the educational activity. Submit this count sheet to NDA for review.

Begin using production records during the afterschool snack program. A sample production record for the after school snack program can be found here under the heading “sample supplemental after school snack program”; http://nutrition.nv.gov/layouts/Page_Style_1.aspx?id=8674. Submit one weeks' worth of snack production records to NDA for review.

Complete the After School Snack Program monitoring review form as soon as possible and submit a copy to NDA for review.

Create a policy governing the After School Snack Program at Westcare Nevada Inc. and submit to NDA for review. The policy should include;

- The proper time to count a reimbursable snack. The snack can only be counted at the point of service when it is served to the child.
- There must be an educational component as part of the Afterschool Snack Program
- Regulations requires that the program be monitored two times per year. The first time has to be within the first four weeks of the start of the program. The second one must occur before the end of the school year.

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.

Westcare Nevada is using the USDA Training Tracker Tool and all current food service staff have met the required training hours for last school year. 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

Westcare Nevada has met the requirements for all other areas that fall under general compliance including: civil rights, local school wellness policy, water, food safety, 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. 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 Westcare on NDA's procurement worksheet, it was determined that Westcare was using the following procurement method in its operation:

- Micro-purchase method

As part of the procurement review, the NDA reviewed one vendor used (2015/16 School year) for purchases below the micro-purchase threshold (\$0-\$3,500). The reviewer examined Westcare'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.

In addition, at Westcare the reviewer examined the RCCIs procurement procedures. A purchasing policy was in place: Purchasing Responsibility-Policy 120.17 (effective 7/1/2004). Westcare will need a few modifications to meet Federal requirements

specifically with the types of purchasing if the program has a need beyond the current micro purchase method in place. Due to the small number of occupants at the facility, the micro purchase method is adequate at this time. However, a larger equipment purchase might be needed for the facility which exceeds the \$3,500 threshold amount in a single transaction.

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 reviewed with the purchasing supervisor. It was determined that Westcare did have a conflict of interest in place in the Policy and Procedure Manual (Section X on page 44). 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 current **Purchasing Responsibility Policy #120.17** to bring it into compliance with the Federal regulations per 2 CFR Part 200.320 with regards to procurement methods for program operators to include all of the purchasing options applicable under Federal law.

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 December 7, 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

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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, After School Snack Program monitoring form,
Procurement Guidance Package, Sample Production Record

Cc: Todd Klusman, Purchasing Supervisor, Westcare Nevada Inc.
David Shea, Director of Facility Operations, Westcare Nevada Inc.
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