

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 14, 2018

Renee Fairless
Principal
Mater Academy of Nevada
3445 Mountain Vista Street
Las Vegas, NV 89121

Dear Ms. Fairless:

The Nevada Department of Agriculture, Food and Nutrition Division conducted an Administrative Review of the Mater Academy of Nevada from November 28, 2017 until November 29, 2017. The Administrative Review team consisted of Edward Coleman, Quality Assurance Specialist and Stephanie Disuanco, Program Officer. 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 November 29, 2017 to discuss the major findings of the review. Renee Fairless, Principal, Jenny Price, Vice Principal, Juanita Anzorena, Kitchen Manager, and Kendra Thornton from Academica were in attendance. Administrative Reviews are required to be conducted on a three-year review cycle. Mater Academy of Northern Nevada received an onsite review its National School Lunch Program (NSLP), School Breakfast Program (SBP), Fresh Fruit and Vegetable Program (FFVP), Afterschool Snack Program (ASCP) and the Breakfast After the Bell program from the state law SB 503. The findings of the review are detailed below by the 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

This institution is an equal opportunity provider

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 the Mater- Bonanza site was reviewed and the following errors were noted;

- One application did not have all the household member noted.
- An application was listed as denied but they are listed as being directly certified on the benefits issuance roster.
- One household application is listed as denied but the family is not classified as denied.
- The income for one application was unclear.

Corrective Action Required: For the applications that were missing household members and had an unclear income, contact these families and acquire the missing information. For the applications with unclear benefit status, determine the correct benefit status for these children and update your roster to reflect the changes. Submit a list of meals that children from these families paid for and an indication that where applicable these families have been reimbursed the difference. Submit a roster that details the contact with the families as well. Indicate who was talked to when and by whom from Mater Academy.

Verified Applications;

- The verified application for two families should have placed both families at paid status. In the documentation for the family it is indicated that there was no change in status for the family.
- A family with bi weekly income with overtime income should be certified as reduced price based on the single check stub.

Corrective Action Required: For the families with incorrect benefit levels;

1. If the benefit level should be lower: The child's benefit level should be changed immediately within the system and the family notified of the new benefit level within 3 operating days. If they family was being charged for meals at the wrong benefit level, submit the total number of each meal type they were charged for to NDA along with the documentation of the amount the family was reimbursed for these meals.
2. If the child's benefit level should be higher: The child's benefit level should be changed and the family should be sent a notice of adverse action. They should be allowed to use the hearing procedures if they feel this change has been done in error. If they do not respond within 10 days of the notice of adverse action being sent, they should be placed at their new benefit level. Submit the number and type of meals that the children in this household received at the lower benefit level. A determination will be made by NDA as to whether recoupment will occur.

Best Practice- Verified Applications: Some applications for verification had not responded and were being given their 10 days to file a request for review after the verification end date. The regulations state that at the end of the verification process if you have made at least 1 attempt to contact the family, and they have not responded, they are to be placed on paid status at the end of verification, November 15.

Denied Applications

We were unable to determine which applications were denied based on the system that is in place at Mater Academy of Nevada.

Corrective Action Required: Please submit a list of all denied applications to NDA and a sample will be generated from this list to be reviewed by NDA.

Best Practice- Denied Applications: As a best practice you may want to look at separating your denied applications from the other applications and keeping them stored separately.

The counting and claiming systems being used at Mater Academy and their Mater Academy Bonanza site were reviewed and the following issues were noted;

Mater Bonanza Site;

- The point of service (POS) at breakfast was left unattended and one student went through the POS unsupervised.

Corrective Action Required: An adult is required to be at the end of the line at the POS to ensure that all meals served are reimbursable. Create a business process that outlines this. All food service staff at the Bonanza site should sign this business process indicating that they understand this. Submit the signed copy of the business process to NDA for review.

SB 503 Breakfast after the Bell: A total of 13 class rooms that serve breakfast after the bell were reviewed at the Mater- Bonanza site and 2 pre- K classes were reviewed at the primary Mater Academy location. The following issues were noted;

Mater- Bonanza

- Room 164- The teacher was not counting the meals as they were being served. She was observed moving around the classroom calling out the students in her class from her roster. One child that she had called and marked as receiving a meal did not get their meal with the rest of the class. This teacher had to come out into the hall after her room was served to get a meal for this child.
- Room 172- The teacher in this room called her students up in groups and checked their names off as she called them to come up to get their breakfast.
- Room 176- The meals in this room were not counted as they were handed out at the POS. The teacher for this room was across the room from the POS.

Corrective Action Required: Institute a business process that informs staff of the proper way to count a reimbursable meal. A reimbursable meal should only be counted at the point of service when it is served to the child. Submit a copy of this business process to NDA for review.

The letters, approval/denial letter, notice of adverse actions, the public release, and the household information letter were reviewed and they are compliant with program regulations.

The claim for reimbursement was reviewed at the primary Mater Academy site which operates the community eligibility program (CEP) and at their Mater- Bonanza site which operates normal counting and claiming procedures. There were no issues at either site with their claim information. The ISP is being correctly applied at the primary Mater Academy site and there were no issues related to consolidating the claim for the Mater- Bonanza Site.

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.

The production records for Mater Academy of Nevada were reviewed and as a vended site no major errors were noted. Please be sure to check the production records to ensure there are no clerical errors such as missing or incorrect dates and that all columns are completed on all production records.

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.

Paid Lunch Equity

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

Based upon the review of information provided, Mater Academy of Nevada is following the Paid Lunch Equity requirements. They have a vended contract with Three Square and the price per meal is higher than the negotiated rate for each meal plus the cost of commodities.

General Program Compliance

Civil Rights

Mater Bonanza indicated during the offsite assessment that children who cannot pay for their meals are taken to a separate room and fed an alternate meal. This process was clarified in the call and the same information was given regarding handling children at this site that did not have money to pay for their meals.

This is not allowable under the regulations of NSLP. Specifically, the children cannot be segregated/served their meals in a separate room from everyone else based on solely on their ability to pay for a meal.

Corrective Action Required: Separating the children that cannot pay by having them taken to a separate room as a practice must stop at the Mater Bonanza site. Create a business policy that helps Mater- Bonanza remain compliant with the regulations governing overt identification as noted below;

- All children are to take their meals in the same location at the normal times for their age grade group.
- The use of different mediums of exchange is prohibited (such as different colored cards that would denote someone's eligibility status) is prohibited.
- Limiting choices of reimbursable meals.
- Requiring that children work for their meals.

All food service staff at Mater- Bonanza should sign a copy of this business process and a copy of the signed document should be submitted to NDA for review.

SFA On Site Monitoring

Mater Academy of Nevada only had a single site until this new year and their onsite review was prior to the February 1 deadline for having these completed. No further action required.

Professional Standards

While onsite, it was not clear if Mater Academy of Nevada would be using the USDA tracking tool or creating their own tracking tool. If Mater Academy of Nevada will be creating their own tool, it should include the following areas;

- Key Areas
- Training Topics
- Learning Objective and their corresponding codes
- Any necessary supporting documentation (certificates, etc.)

It was noted that several employees had not received all the required trainings based on their employment status.

Corrective Action Required: Please submit either the USDA tracking tool or your own in-house tracking tool that meets the requirements listed above. Indicate, where applicable, how staff members who have not completed their annual training requirements will meet these requirements by the end of the year.

Reporting and Record Keeping

Best Practice: Program Related Documents

The information that substantiates the Individual Student Percentage (ISP) for Mater Academy was not readily available for review. This information should be readily accessible for the duration of Mater Academy's participation in the Community Eligibility Program (CEP). These documents were later found and reviewed but it is noted that initially, no one knew exactly where these documents resided.

Afterschool Snack

The afterschool snack program was reviewed at the Mater Academy. There was not a menu that was kept for this program. Additionally, the following issues were noted in the room that were observed as part of this meal service;

- There was no educational component in the following classes; 210, 213, 223, 220
- Room 211- a child from this room received their snack in the hallway.
- Room 212- the teacher running this class mentioned that the students should go back and study but there was no educational component noted.
- Room 226- the students were directed to eat and then to continue studying.
- Room 228- the students did not appear to have an educational component. They were observed standing up in their peer groups.
- Five students were given snacks while they were in the hallway and they did not appear to be part of a class.

Corrective Action Required: Please create a business process that outlines the requirements of the afterschool snack. It should include the following;

- A monthly menu should be kept and publicly visible to the students of the snack offerings
- Snacks may only be counted at the point of service
- Snacks served as part of the Afterschool Snack Program must have an educational/enrichment component.

The educational/enrichment component cannot be a purely physical activity such as giving the kids a snack and then having them play basketball. It is meant to be an enrichment activity so simply continuing with an activity that started before snack, such as studying in study hall, should be structured to include the enrichment that is the intent of the regulations. This can be accomplished by having a small break during snack and discussing the kids' day with them or something similar. Have all individuals that serve snack and oversee classrooms sign off on this process. Submit the signed process to NDA for review.

The Fresh Fruit and Vegetable Program (FFVP)

The Fresh Fruit and Vegetable Program at Mater Academy was reviewed. It is compliant with program regulations. The claim was also reviewed and it is compliant with cost restrictions for this program.

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

This institution is an equal opportunity provider

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

Mater Academy of Nevada had two formal contracts with vendors to provide them meals. One with the food vendor Three Square and then one with the Clark County School District (CCSD). Invoices from both vendors were reviewed.

The invoices for Three Square were reviewed and they were compliant with the negotiated rate in the temporary contracts that existed during the 2016/2017 school year.

Mater Academy of Nevada has a contract with the Clark County School District (CCSD) to provide breakfast, lunch and afterschool snacks at a per meal price of \$1.40, \$2.15, and \$0.90 respectively. Based on a review of the invoices that are sent from CCSD, it is impossible to determine if they are complying with these cost requirements according to their contract. The invoices do not provide a per meal break down as specified in the contract and instead present a single unit price and then a bulk item list with associated prices.

Corrective Action Required: Mater Academy of Nevada should begin requesting per meal invoices from their current vendor so that they can assess whether their cost requirements of their contract with CCSD are being complied with. Submit three months' worth of invoices that are compliant with the stipulations as laid out in your contract with CCSD.

Best Practice

The Federal reimbursement rate for the Afterschool Snack program is currently \$0.88. When negotiating this contract in the future, it may be best to keep the Federal maximum reimbursement amounts in mind when setting per meal prices.

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

Mater Academy of Nevada

February 14, 2018

Page 8

until the program is brought into compliance with federal regulations. **All corrective actions must be completed and submitted by March 16, 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,

A handwritten signature in blue ink, appearing to be 'E. Coleman', with a long horizontal flourish extending to the right.

Edward Coleman

Quality Assurance Specialist

Phone: 775-353-3666 Email: ecoleman@agri.nv.gov