



**Rite of Passage**  
*Administrative Review Report*

November 26, 2018

National School Lunch Program  
*Food and Nutrition Division*

# Administrative Review Report

## Food and Nutrition Division

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## **I. Executive Summary**

### **Administrative Review**

The Richard B. Russell National School Lunch Act, as amended by the Healthy Hunger-Free Kids Act of 2010 (HHFKA), requires a unified accountability system designed to ensure participating school food authorities (SFAs) comply with National School Lunch Program (NSLP) and School Breakfast Program (SBP) requirements. The Act also requires an accountability system that conducts Administrative Reviews to evaluate requirements for NSLP and SBP during a three-year (triennial) cycle.

The Administrative Review provides a comprehensive evaluation of school meal programs of SFAs participating in the NSLP, SBP, and includes both Critical and General Areas of Review. This includes the implementation of HHFKA program requirements and other Federal Programs.

### **Procurement Review**

The procurement of goods and services is a significant responsibility of a SFA. Obtaining the most economical purchase should be considered in all purchases when using the nonprofit food service account. SFAs must 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 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.

Nevada Department of Agriculture (NDA) conducted the Procurement Review in tandem with the Administrative Review of the NSLP, SBP, and the After-School Snack Program administered by Rite of Passage (ROP) from October 23-24, 2018. An exit conference was held on Wednesday, October 24, 2018 to provide a summary of the work performed and to discuss any anticipated findings and required corrective actions.

We commend your agency's commitment to improving operations of this essential nutrition assistance program. We wish to thank the Rite of Passage staff for the time and assistance extended to our State Agency staff during this process.

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## II. Introduction

An entrance conference was conducted on Tuesday, October 23, 2018. The review was conducted at Rite of Passage's Sierra Sage Academy location in Yerington, Nevada. The Administrative Review team included Bobbie Davidson, Rose Wolterbeek, and Jillian Smith. Rite of Passage staff included Jennifer Stoops, Jill Faber, Jack Franklin, Rebekah Graham, Michael Debusk, and Arla Apasan. This report is based on the results of the offsite assessment, the onsite review of files, and meal service observations. An exit conference was held on Wednesday, October 24, 2018 which provided a summary of the work performed at Rite of Passage and we discussed any additional documentation needed, preliminary findings, and observations.

## III. Scope

The Administrative Review covered documents, records, and procedures relating the administration of the NSLP for the month of review, September 2018. The Procurement Review covered all documents, records, invoices, and procedures relating to the procurement for the SFA for the year of review, school year 2017-2018.

## IV. Methodology

The Administrative Review was conducted in accordance with procedures and requirements set forth in the Administrative Review Manual, 2018-2019 edition. It included evaluating ROP's administration of the National School Lunch, School Breakfast, Afterschool Care Snack programs through the assessment of agency procedures, sampled review files, documentation, claims, fiscal systems, contracts, and staff interviews.

The Procurement Review was conducted in accordance with procedure and requirements set forth in the 2 CFR 200 and 7 CFR 210. The procurement plan, code of conduct, and procurement documents, including invoices, were evaluated for compliance.

## V. Noteworthy Achievements

- School Wellness: Rite of Passage has exceeded its School Wellness goals for the 2017-2018 school year. Initiatives such as: Fitness Challenges, Wellness Spotlights in monthly communication from the Program Director, and positive non-food-based rewards have all helped accomplish these goals.
- Staff Training: All staff interacting with program participants have exceeded the number of training hours required to meet Professional Standards for current school year 2018-2019 as well as for the previous school year 2017-2018.
- Number of findings: Rite of Passage has significantly decreased the number of findings from your previous Administrative Review from sixteen (16) to six (6) findings.

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**VI. Critical Areas of Review**

- Performance Standard I- Meal Access and Reimbursement
  - Certification and Benefits Issuance
  - Meal Counting and Claiming
  
- Performance Standard II- Meal Pattern and Nutritional Quality
  - Meal Components and Quantities
  - Offer versus Serve
  - Dietary Specifications and Nutrient Analysis
  
- Comprehensive Resource Management
  - Maintenance of the nonprofit school food services account
  - Revenue from non-program foods
  - Indirect Costs
  
- General Areas
  - Civil Rights
  - Professional Standards
  - SFA On Site Monitoring
  - Local School Wellness Policy
  - Water Availability
  - Food Safety
  - Reporting and Recordkeeping
  
- Procurement
  - Procurement Plan
  - Code of Conduct
  - Procurement documents and records

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**VII. Findings and Required Corrective Action**

**Performance Standard I: Meal Access and Reimbursement** – Federally mandated counting and claiming systems for all SFAs that participate in NSLP and SBP. Free, reduced-price, and paid meals claimed for reimbursement must be served only to eligible children. Certification and benefits issuance process is the SFA’s certification of student eligibility for FRL meals and serves as a link to the SFA’s meal counting and claiming system. References include but are not limited to 7 CFR 245.2(1)(i); 7 CFR 245.6(b)(1); 7 CFR 210.7 (c)(1)(iii)(iv); 7 CFR 210.18 (g)(1)(ii)(A); CFR 210.19(c)(2)(i); and 210.19(c)(2)(ii).

	<b>Finding</b>	<b>Corrective Action</b>	<b>Due Date</b>
#1	<p><b>Meal Counting and Claiming</b> SFAs must have a meal counting and claiming system that accurately counts, records, consolidates and reports the number of reimbursable meals by eligibility category. Onsite validation of your September 2018 with Rite of Passage’s count sheets found the following discrepancies:</p> <ul style="list-style-type: none"> <li>• 10 breakfasts overclaimed 10 x \$2.14= \$21.40</li> <li>• 5 lunches overclaimed 5 x \$3.39= \$16.95</li> <li>• 1 snack overclaimed 1 x \$0.91= \$0.91</li> </ul> <p>Total overclaim= \$39.26</p>	<p>Please submit a business process for NDA to Review. It should include</p> <ul style="list-style-type: none"> <li>• Details/Steps of how monthly meal counts will be accurately consolidated.</li> <li>• Name(s) and/or Title(s) of staff responsible.</li> <li>• Signatures from staff responsible indicating the understanding of the new process.</li> </ul> <p>The total overclaim will be disregarded*</p> <p><i>*Note: Per 7 CFR 210.19 (d) In conducting management evaluations, reviews, or audits in a fiscal year, the State Agency (SA), FNS, or OIG may disregard an overpayment if the overpayment does not exceed \$600. This disregard may be made once per management evaluation, review, or audit per Program within a fiscal year. However, no overpayment is to be disregarded where there is substantial evidence of violations of criminal law or civil fraud statutes.</i></p>	<b>December 26, 2018</b>

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**Performance Standard II – Meal Pattern and Nutritional Quality** – Meals claimed for reimbursement must contain food components in specific quantities and requirements as required by regulations; the meal pattern limits calories, restricts sodium levels, limits saturated fat, and eliminates trans fats. References include but are not limited to 7 CFR 210.10 and 220.80.

	<b>Finding</b>	<b>Corrective Action</b>	<b>Due Date</b>
#2	<p><b>Menu Certification Worksheets/Nutrient Analysis</b> Menu certification worksheets/nutrient analysis was not complete at time of review.</p>	Please submit completed nutrient analysis for one week of September 2018	<b>December 26, 2018</b>
#3	<p><b>Menu Production Records</b> Production and menu records must be maintained in accordance with FNS guidance. Production records for the review month of September 2018 were reviewed.</p> <p>a. <u>Repeat Finding</u>-Production records missing the following essential components: Offer versus serve selection, contribution to the meal pattern, amount of food pulled/needed, and amount actually prepared.</p> <p>b. Incomplete production records for month of review, September 2018. Production records could not prove <u>any</u> reimbursable meals were served. Invoices were requested to supplement the lack of information on the production records. Please note this could have resulted in fiscal action totaling \$7,012.23 (Total breakfast and lunch claim for September 2018).</p> <p>NDA strongly encourages Rite of Passage to keep complete</p>	<p>a. Use production record template approved by NDA in the previous AR conducted in school year 2015-2016 (Appendix C)</p> <p>b. (1) Provide one weeks of completed production records for breakfast and lunch on NDA approved template. (2) All staff involved in the completion of Menu Production Records must complete the online Production Records, Standardized Recipes and Usage Recipes Training: <a href="http://www.schoolnutritiontoolbox.org/snt-v3/index.php">http://www.schoolnutritiontoolbox.org/snt-v3/index.php</a> Submit all certificates of completion (3) Production records will be subject for random checks throughout the year for compliance.</p>	<p>a. <b>December 26, 2018</b></p> <p>b. <b>December 26, 2018</b></p>

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	Menu Production Record Documents to avoid fiscal action in the future.		
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**General Program Compliance**

**Professional Standards** – Regulations establish hiring standards for new school nutrition program directors at the School Food Authority (SFA) level and annual training standards for all school nutrition program directors, managers, and staff. References include but are not limited to 7 CFR 210.30

	<b>Finding</b>	<b>Corrective Action</b>	<b>Due Date</b>
#4	No tracking system was in place to track the number of training hours needed to meet the Professional Standards annual training requirements.	<p>Develop a system to track Professional Standards training hours or use <a href="#">USDA's Professional Standards Training Tracker 2.0</a>.</p> <p>A Professional Standards training tracking system must include: Name of staff person(s), date hired, title/position, required hours of training, training title/subject/ professional standards learning code, training date, length of training, school year training applies to, and completed training hours year to date.</p>	<b>December 26, 2018</b>

**Afterschool Snack Program**- SFAs participating in NSLP Afterschool Snack must ensure students are served nutritionally-balanced snacks, provide appropriate educational or enrichment activities, and count and claim accurately. References include but are not limited to 7 CFR210.10 (o); 7CFR 210.9 (c) (7); 7 CFR 210.13 (3) and 7 CFR 210.23 (b)

#5	<p><b>Meal Pattern Requirements</b></p> <p>The Pepperoni Hot Pocket served for snack on 10/23 was not a whole grain rich product. Nutrition label submitted was not enough information to be able to credit the snack as a meat/meat alternate.</p>	<p>Please submit a product formulation statement of how the item served on 10/23 credits towards meeting the meal pattern.</p> <p>If formulation statement does not credit accordingly, the 35 snacks served on 10/23 will be considered non-reimbursable and</p>	<b>December 26, 2018</b>
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		your October 2018 claim will need to be revised.	
#6	<p><b>Educational Component</b> <u>Repeat Finding</u>- There was no educational component observed in two of the four classes where After School Snack was served on 10/23. However, the count sheet submitted for 10/23 indicated there was an educational component in all classes. This was contradictory to what was observed onsite.</p>	<p>Retrain all staff involved in After School Snack Service regarding the requirements for the After School Snack Program. Submit date, training material, and signature of all staff that attended.</p> <p>USDA Regulations regarding snack service and required educational component can be found here: <a href="https://www.fns.usda.gov/school-meals/afterschool-snacks">https://www.fns.usda.gov/school-meals/afterschool-snacks</a></p>	<b>December 26, 2018</b>

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## VIII. Recommendations and Technical Assistance

### Recommendations:

1. **Best Practice: Follow Standardized Recipes-** Standardized recipes provide several benefits including cost control, customer satisfaction, and nutrients per serving. ROP utilizes standardized recipes. However, menu items are being served in excess of what is stated in menu. On October 23, 2018 NDA staff witnessed students being served a #8 (1/2 cup) scoop size of taco meat. Rite of Passage's taco meet recipe states that a serving size of taco meet is 2 oz (1/4 cup). While the recipe meets meal pattern requirements, the additional serving(s) add additional calories, sodium, and saturated fat which are not incorporated into the nutrient analysis for compliancy as determined by the menu planner.
2. **Best Practice: Signed Invoices-** Signed invoices provide a written documentation that an order is both received and accurate. During the Procurement Review several invoices were found not signed. Per ROP's Request for Proposal (RFP) item 2.24, "Invoices: An itemized invoice in duplicate, to include product name, unit cost, extension, piece count and total charges, must accompany all orders. An authorized representative of ROP must sign all delivery invoices. ROP reserves the right to refuse payment on any unsigned invoice. Standard payment terms are Net 45."

### Technical Assistance:

1. Technical assistance provided for benefit issuance document. According to Federal regulations, the benefit issuance document for Residential Child Care Institutions must include: child's name, personal income received by the child, child's date of birth, date of admission, and date of release/expected date of release.
2. Technical assistance provided for assessment of the implementation of the local school wellness policy. An assessment of the Local School Wellness Policy must be done at minimum every three years. This assessment must be available to the public and include information regarding:
  - The extent to which schools are in compliance with the local school wellness policy
  - The progress made toward attaining the goals of the local school wellness policy
  - The extent to which the local school wellness policy compares to a model local school wellness policy.

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#### IX. Corrective Action Response

A written response to the corrective actions detailed in this report must be submitted within thirty (30) calendar days of receipt of the report. The response must include a description of the corrective action plan for the findings, including implementation time frames and supporting documentation as necessary.

NDA will thereafter assess the SFA's corrective action response. If the 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 completed if not submitted by the required due date.

The SFA may appeal the NDA's action by submitting a written appeal request within fifteen (15) calendar days after receipt of notice of this Administrative Review Report and should be sent by certified mail, or its equivalent, or sent electronically by email. NDA will acknowledge the receipt of an appeal request within 10 days after its receipt of the request. More information is available in Appendix A.

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### X. Appendix

- A. Appeal Procedure-attached
- B. Procurement Review Detail-attached
- C. NDA approved Production Record Template-attached

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