



Lyon County School District
Administrative Review Report

February 19, 2019

National School Lunch Program
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), School Breakfast Program (SBP) and the Fresh Fruit & Vegetable Program (FFVP) 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 the FFVP 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 FFVP administered by Lyon County School District from January 14-17th, 2019.

A preliminary exit conference was held on Thursday, January 17, 2019 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 Lyon County School District staff for the time and assistance extended to our entire State Agency staff at NDA during this process.

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II. Introduction

An entrance conference was conducted on Monday, January 14th, 2019. The review was conducted at the Lyon County School District in Fernley, Nevada, and the surrounding communities including Silver Springs, and Smith Valley. The Administrative Review was conducted by Rose Wolterbeek, Joe Dibble, Bobbie Davidson, Jillian Smith and Dennis Dyczewski. LCSD staff included Huong Lam and Denise Phillips; Shawn Heusser and Tim Logan participated in limited portions only, as needed. This report is based on the results of the offsite assessment, the onsite review of files, and meal service observations of the breakfast, lunch and Fresh Fruit and Vegetable Program operations. A preliminary exit conference was held on Thursday, January 17th, 2019 which provided a brief summary of the work performed at LCSD 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, November 2018. The following sites were reviewed as a part of the on-site Administrative Review:

- Fernley Intermediate School
- Silver Springs Elementary
- Silver Springs Middle School
- Silverland Middle School
- Smith Valley School

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 LCSD's administration of the National School Lunch and School Breakfast 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.

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V. Noteworthy Achievements

- State agency staff were extremely impressed with the Silverland MS kitchen and staff members. The kitchen was remarkable and kept very clean while the kitchen staff were friendly and knowledgeable of program requirements.
- The kitchens at the other sites visited were also well organized, clean, and in good working order. The LCSD staff is to be commended for their efforts.
- The staff is doing an excellent job at utilizing the entitlement funds of \$259704.97 with over 99.3% usage in the 2017/18 school year.

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
 - Menu Production Records-
- Comprehensive Resource Management
 - Maintenance of the Non Profit School Food Services Account
 - Revenue from non-program foods
- General Areas
 - Civil Rights
 - Professional Standards
 - SFA On Site Monitoring
 - Local School Wellness Policy
 - Water Availability
 - Food Safety
 - Reporting and Recordkeeping
- Special Provision Options
 - Verification of established claiming percentages
 - Certification of Special Provision Claim
 - Recordkeeping

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- Procurement
 - Procurement Plan
 - Code of Conduct
 - Procurement Documents and Records

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).

Finding		Corrective Action	Due Date
#1	<p>Certification and Benefits Applications received by SFA must be certified for the correct meal benefit level (either free, reduced or paid); multiple errors were noted during the review of a randomized, representative sample of applications (490 total). Of the representative sample, one application was missing information and eleven (11) applications were receiving benefits that did not match what the application was certified for. See Appendix G for detailed description of errors.</p>	<p>Correct all application errors detailed in Appendix G. Submit form in Appendix G indicating the date each application was corrected.</p>	<p>March 21, 2019</p>

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.

Finding		Corrective Action	Due Date
#2	<p>Menu Production Records Menu Production Records (MPR) must be maintained in accordance with Food & Nutrition Services (FNS) guidance. Production records for the review month of November 2018 were reviewed.</p> <p>a. Production records are missing the following required items: Contribution to the Meal Pattern, and an Amount of Food Used section.</p>	<p>a. Update your current MPR (NUTRIKIDS) template to include all required MPR information. Train staff on updated MPR template completion. Please</p>	<p>a. March 21, 2019</p>

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	<p>b. <u>Repeat Finding</u>- Incomplete production records for month of review, November 2018.</p>	<p>submit a completed week worth of production records, using your updated template. Please see Appendix L USDA MPR Required Information.</p> <p>b. (1) Please provide a copy of one day's worth of completed MPRs from each reviewed site.</p> <p>(2) All staff involved in the completion of Menu Production Records must complete the online Production Records, Standardized Recipes and Usage Recipes Training: http://www.schoolnutritiontoolbox.org/snt-v3/index.php Submit all certificates of completion for the training.</p> <p>(3) Production records will be subject for random checks throughout the year for compliance.</p>	<p>b. March 21, 2019</p>
<p>#3</p>	<p>Meal Components and Quantities 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. Menus for the review month of November 2018 were reviewed.</p> <p>a. Numerous lunch entrees offered to high school students fell below the meal quantity minimum requirement in the following components: Grain and Meat/Meat Alternate (M/MA). See Appendix D for the noted deficiencies.</p>	<p>a. Make the necessary menu changes to bring the deficient items into compliance with the 2.00 oz. eq. Grain and 2.00 oz. eq. M/MA minimum daily requirements. Submit a revised Menu Contribution Report for the high school sites. Please see Appendix D.</p>	<p>a. March 21, 2019</p>

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<p>b. <u>Repeat Finding</u>-The National School Lunch Program meal pattern standards have specific requirements that all creditable grain products must be whole grain rich. The lasagna noodles did not meet the whole grain rich criteria as seen onsite in the dry storage area at Silver Stage Elementary/Middle School kitchen during the on-site review. A whole grain rich waiver process was available with NDA for an exemption for the 2018/19 School year per the interim final rule (effective Nov. 30, 2017). However, LCSD did not apply for this exemption at the time of the Administrative Review. In addition, due to current codified changes to the HHFKA on the whole grain rich requirement (effective Feb. 11th, 2019), NDA is waiving any fiscal action on this non whole grain rich grain item due to the Final Rule on the Healthy Hunger Free Kids Act (effective 02/11/19). For the 2019/20 School year, this final rule will require that half of the weekly grains in the school lunch and breakfast menu be whole grain-rich, thus ending the need for the exemption process. <i>Please note this could have resulted in fiscal action estimated at \$3,408.19; (Lasagna served on one day during the review month, 11/27/18, at each site. Fiscal action estimation came from the total average daily participation from the review month, divided by three to account for the other two entrée choices served this day, multiplied by the reimbursement</i></p>	<p>b. Please submit a label for a product that meets the whole grain rich criteria on the mentioned product if it is to be offered as a creditable grain on the approved lunch menus or indicate what will be offered as a creditable grain with the lasagna entrée. For example, a roll, breadstick, or appropriate grain that will meet the whole grain rich requirement. NDA will provide additional technical assistance on the Final Rule on the whole grain rich products as the rule is effective Feb 11, 2019 and guidance is just being made available at the time of this report.</p>	<p>b. March 21, 2019</p>
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	<i>rate per category and added together).</i>		
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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

	Finding	Corrective Action	Due Date
#4	Tracking system in place was missing for the Professional Standards requirement. The following essential components must be on a training & tracking log: Date hired, title/position, required hours of training, training title, and professional standards learning codes.	Utilize or develop a Professional Standards tracking system to be compliant with <u>USDA’s Professional Standards Training Tracker 2.0</u> . Please send a complete sample tracking system with information filled in for the 2018/19 School Year to date. NDA has sent two samples for your consideration or you may use the USDA Professional Standards Trainer Tracker 2.0. Please see Appendix E & F for Professional Standards Learning Topic Objectives & Topics.	March 21, 2019

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On Site Monitoring Forms –Each school year SFAs with more than one school must perform no less than one on-site review of the lunch counting and claiming system in operation at each school administered by the School Food Authority (SFA). 7 CFR Part 210.8(a)(1) and 210.2, requires SFAs to establish internal controls which ensure the accuracy of lunch counts prior to the submission of the monthly claim for reimbursement. In addition, the School Breakfast Program (SBP) per 7 CFR Pat 220.11 (d)(1) requires an annual review of the SBP for at least 50% of the schools in the SFAs jurisdiction; each school must be reviewed at least once every two years. The on-site review must be completed by February 1st of each school year of each school operating a NSLP and 50% of the schools operating a SPB. If the review discloses problems with a school’s counting and claiming procedures, the SFA must ensure that the school implements corrective action, and within 45 days of the review, conduct a follow up on-site review to determine that the corrective action solved the problem.

	Finding	Corrective Action	Due Date
#5	Onsite Monitoring Forms Some of the Onsite Monitoring Forms were not filled out completely; some were missing the site signatures, title and dates on when they were completed. The daily count sheet was attached; however, the section on the edit check section (#10) was consistently left blank on the mandated form.	Complete the site monitoring review forms for all eighteen (18) sites and submit to NDA for approval. Please find in the appendix Numbered Memo NSLP 2017-22 on the requirements and the two Site Review Forms (Regular site and CEP sites: Appendix J).	March 21, 2019

Food Safety Program. Each school food authority must develop a written food safety program that covers any facility or part of a facility where food is stored, prepared, or served. The food safety program must meet the requirements in paragraph (c)(1) or paragraph (c)(2) of this section, and the requirements in §210.15(b)(5).; (2) A school food authority with a food safety program based on the process approach to HACCP must ensure that its program includes: (i) Standard operating procedures to provide a food safety foundation; 7 CFR 210.13(c).

	Finding	Corrective Action	Due Date
#6	Food Safety Manual It was observed at the reviewed sites that some of the required elements were missing or needed to be updated, such as a standard operating procedure for the sites with a fruit and vegetable bar.	Please update your HACCP manuals as needed and send a sample copy to NDA for review. Please see Appendix I for a sample SOP on Preventing Contamination at Food Bars.	March 21, 2019

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Special Provision Option

Community Eligibility Provision (CEP)- To reduce administrative challenges, LEAs, schools, and/or group of schools with a direct certification percentage of 40% or greater may elect CEP. Schools electing CEP must serve lunch and breakfast at no charge to all enrolled students during the 4-year cycle, agree to cover any operating costs exceeding Federal reimbursement with non-Federal funds, and may not collect school meal applications from households. References include but are not limited to Healthy, Hunger-Free Kids Act of 2010, 7 CFR 245.9 (f), FNS Memo SP 5454-2016

Finding		Corrective Action	Due Date
#7	<p>CEP Record Review SFAs/schools must retain records used to develop the Identified Student Percentage (ISP) for the initial CEP election year during the entire period this special provision option is in effect, including all extensions. In addition, this documentation must be retained for three years after submission of the final claim for reimbursement for the last fiscal year of CEP. No reliable form of documentation was kept by the SFA to verify all numbers used to determine the initial ISP.</p>	<p>Create a business process detailing how accurate records will be kept to support the approved ISP for any special provision site. Include a detailed process and identify by name and/or title who will be responsible for maintain such records. Submit to NDA for approval.</p>	<p>March 21, 2019</p>
#8	<p>Free and Reduced Application Collection During the operation of the Special Provision Option with CEP, a LEA, school, and/or group of schools may not collect free and reduced lunch applications. During the onsite assessment of Lyon County School District, it was determined that free and reduced lunch applications were being collected by the district and processed by Lyon County Nutrition Services staff to qualify for <i>E-Rate</i> discounts.</p>	<p>Guidance was provided to both the District and Nutrition Service Staff of Lyon County School District on <i>E-Rate</i> calculation, <i>CEP Planning & Implementation Guidance</i> (USDA, Sept. 2016), and a sample alternate income verification form. Please see the provided numbered memos, guidance documents and Appendix K. Please indicate in writing to NDA how Lyon County School District chooses to address this finding in the future.</p>	<p>March 21, 2019</p>

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VIII. Recommendations and Technical Assistance

Recommendations:

1. Best Practice: Please make sure your HACCP manuals are readily accessible for use by staff (hard copy version) at all kitchen sites.
2. Best Practice: For your sites without a Point of Service computer (and no picture identification option available), it is advised to have a posted picture available for new staff members and/or substitute cashier to be able to visually identify students with allergies or students with other diet modifications.
3. Best Practice: For your share table perishable items, it is advised to use a method to hold temperatures over the course of the meal service if left out for extended periods of time. For example, a sheet pan with ice or a cold plate could be used for the items that needed cold storage such as milk cartons.
4. Please consider using some techniques in your lunch program from the Smarter Lunch Rooms (SLM) to reduce food waste, increase participation, and increase consumption of healthy foods. A SLM scorecard and Frequently Asked Question (FAQ) are in the Appendix (Appendix M).

Technical Assistance:

1. Technical assistance was provided on a number of general topics and include the following:
 - Numbered Memo NSLP 2014-44 State Agency Prior Approval Process for SFA Equipment Purchases and the NSLP Lunch Program Approved Equipment List; NSLP 2014-44R (Revised Version)
 - Sample Diet Modification Form Revised
 - Numbered Memo NSLP 2015-31 Updated E-Rate Guidance for Schools Electing Community Eligibility Program
 - Numbered Memo NSLP 2016-12 CEP Guidance Update Q&A's
 - CEP Planning and Implementation Guidance from USDA; Sept 2016 version
2. Technical assistance was provided to Silver Stage ES & Silver Stage MS recommending the establishment of a water station inside the cafeteria, the feeding location. Students must have unlimited access to water during meal times. Doorways between water fountains and eating areas are considered a barrier to this access. Water fountains were installed since the last AR visit, however the LCSD staff corrected the barrier deficiency by using portable water containers in the area where the meals are served, the lunchroom. As noted, this was corrected so no further action is required.

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3. Maintenance of Non-Profit SFA-Upon further analysis of this area, LCSD had less than 3 months operating expenses for period ending June 30, 2018, so no further action is required.
4. Non-Program Foods: No further action is needed on the pricing of the non-program foods as the revenue ratio is greater than or equal to the non-program food cost ratio.
5. Technical assistance was provided to verify the number of directly certified students to confirm Silver Stage ES and Silver Stage MS's identified student percentage (ISP) in which their Community Eligibility Provision claiming percentage is currently based. No records were kept to verify their original base year ISP. NDA was able to provide Lyon County School District's direct certification list as of April 1, 2016.

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, NDA may need to 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.

X. Appendix

- i. NDA Appeal Procedure
- ii. Procurement Review Detail
- iii. Procurement Plan Template
- iv. High School Menu Contribution Reports
- v. Professional Standards Learning Objectives
- vi. Professional Standard Learning Topics
- vii. Application Errors-list attached
- viii. Sample Diet Modification Form
- ix. Sample SOP *Preventing Contamination at Food Bars*
- x. Site Monitoring Forms (Regular and CEP/Provision 2 sites)
- xi. Sample Alternate Income Verification Form

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- xii. Smarter Lunch Room Scorecard & FAQ
- xiii. Numbered Memos (5):
 - 2014-44 State Agency Prior Approval Process for School Food Authority Equipment Purchase
 - 2014-44R State Agency Prior Approval Process for School Food Authority Equipment Purchases Revised
 - 2015-22 National School Lunch Program Approved Equipment List
 - 2015-31 Updated *E-rate* Guidance for Schools Electing Community Eligibility Provision
 - 2016-12 CEP Guidance Update Questions & Answers

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