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Myesha Wilson,
St. Jude's Ranch for Children
P.O. Box 60100
Boulder City, NV 89006

Dear Ms. Wilson,

The Nevada Department of Agriculture, Food and Nutrition Division conducted an Administrative Review of the St. Jude's Ranch for Children from January 17 to January 18, 2017. 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 January 18, 2017 to discuss the major findings of the review. Angelica Buttell, Program Director and Daisy Diaz, Program Coordinator, were in attendance. The St. Jude's Ranch for Children received an onsite review of its School Breakfast Program (SBP), National School Lunch Program (NSLP), and After School Snack Program (ASSP). 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 eligibility documentation sheet must contain certain information including but not limited to documentation of the child's income and their expected release date from the facility. The roster provided by St. Jude's did not contain that specific information. This was addressed on site with the program director who added columns for that information to be added to their client list. A copy was given to NDA and no further corrective action is required.

A process needs to be in place to collect the child's income information. This can be done with an income statement on the intake paperwork for the facility. This was addressed onsite with the program director who suggested they add it to their intake profile collected for each child. A copy of the revised intake profile will need to be submitted to NDA for review.

Corrective Action Required: Add the income statement to the intake profile and submit a copy of revised document to NDA for review.

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 meals being prepared at St. Jude's Ranch are quality and nutritious meals. During the onsite visit the meals looked and smelled great and were enjoyed by the children.

Menu Production Records

It is a Federal requirement that menu production records (MPRs) must provide certain information. One of those items is the amount of food pulled for production of the meal. This verifies that enough food was used to produce the planned menu. The name/type of food must be recorded and must be recorded in common units of measure. Acceptable

units of measure include but are not limited to: number, size, weight or volume and be traceable to itemized receipts with the purchase unit such as #10 can or pound. Example for a meal including hamburgers would be: WG hamburger buns 1 case (50 buns), raw ground beef 5 pounds. On the production records submitted and reviewed from St. Jude's the amount prepared is listed however there is no amount pulled listed. Technical assistance was provided on site to the program manager about adding the amount pulled to the production records.

Corrective Action Required: Add a column for amount pulled to the production record. Submit to NDA for review one weeks' worth of completed production records for both breakfast and lunch for the site's visited during the onsite review. This would be St. Michael's, St. Claire's, and St. Richard's houses.

CN Labels

All CN and food labels of food served for the NSLP and SBP at St. Jude's were reviewed. The following item: Pioneer Brand Country Sausage Flavor Gravy Mix was found in the labels. This item has 1 gram of Trans fat per serving and is therefore not allowed to be used in these programs. Zero trans-fat is the meal requirement. It was discussed with the program coordinator that is item cannot be used and they stated that it was an old label.

Corrective Action Required: Remove that label if the product is not being used. If it is still being ordered discontinue and do not place any more orders of that product.

Menu Certification Worksheets: When reviewing the USDA menu certification worksheets for the month of October, the average calorie count for breakfast was low. For breakfast for cycle week #1 the calories are 130 short of the requirement, cycle week #2 is 5 calories short, and cycle week #3 is 55 calories short. A nutrient analysis from an approved nutrient analysis software can be used to meet this requirement however an approved nutrient analysis was not provided. This was discussed on site with the program coordinator who said they were unsure if they could add all the condiments on the menu.

Corrective Action Required: Update the current breakfast USDA menu certification worksheets to reflect all food served during breakfast including condiments. Submit to NDA for review.

Reimbursable Meal Signage: Proper signage was not posted in each house which would indicate what a child would have to take to have a reimbursable meal. When technical assistance was provided menu board were posted and the appropriate menu was written for the day. Technical assistance was provided onsite and no further action is required.

Comprehensive Resource Management

A comprehensive resource management review is required when certain risk based criteria are met by the school district. The St. Jude's Ranch for Children triggered a comprehensive resource management review of their maintenance of the nonprofit school

food service account. The intent and scope of this part of the Administrative Review is to apply a systematic approach to ensuring the overall financial health of an SFA's nonprofit food service. The areas covered are detailed below.

After an in depth review of the maintenance of the nonprofit school food service account there were no findings and no corrective actions necessary in this area. Continue to track adult meals for the year and report the total on the end of year balance report that is collected by NDA in July.

General Program Compliance

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.

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

The training hours for food service staff at St. Jude's Ranch was not being tracked. The civil rights training was being tracked as a part of their trainings that are done for other job duties. The USDA training tracker tool was provided to them onsite and technical assistance was provided on how to use it. For St. Jude's these are the roles and training hours each staff member needs to follow:

- Angelica Buttell – Program Director = Food Service Director role 12 hours/year
- Daisy Diaz – Program Coordinator = Food Manager role 10 hours/year

- Parents – House Parents = Cooks role 6 hours/year

Corrective Action Required: Please fill out and update the USDA Training Tracker Tool to reflect all training hours for food service staff that has been done this school year to date. If training hours have not yet been met provide a plan for how the remaining hours will be met for each staff member. Submit to NDA for review.

Food Safety

It is required that two food safety inspections be completed annually or a letter to the local health department requesting the inspections be on file. St. Jude's had only one health inspection within the last year. This was due to a change in the process by the local health district and them categorizing St. Jude's as the wrong type of facility. An email from St. Jude's to the local health district was submitted as documentation to NDA for why there was only one inspection. The email also requested that two inspections be performed each year. No further action is needed.

After School Snack Program

St. Jude's Ranch is doing a great job with this program. The only issue was the program had not been monitored per Federal regulations. It is required that the program be monitored twice per year with the first time being within the first four weeks of the start of the program. St. Jude's was conducting monitoring of each site however the first review was not done within the required timeframe. Technical assistance was provided on site.

Corrective Action Required: Please submit a policy or procedure outlining how and when the monitoring of the after school snack program will be completed each school year. Submit to NDA for review.

St. Jude's Ranch has meet the requirements for all other areas that fall under general compliance including: civil rights, local school wellness policy, water, food safety, and reporting and recordkeeping. 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. 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
- 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 St. Jude's Ranch for Children, the reviewer examined the sponsor's procurement procedures. A procurement plan was not in place at the time of the review. Per USDA guidance, the procurement plan must outline the specific procedures per 2CFR Part 200 for program operators 2CFR 318 (a). 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. Also, a pilot procurement plan was provided at the time of the review which the sponsor may consider for use for its school nutrition purchases. 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 duly restrictive as to limit competition; it must also take steps to assure that small minority and women's business are used when possible. The sponsor may use this plan or develop their own that meets the Federal requirements.

Based on the responses received by St. Jude's Ranch for Children 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**, the Nevada Department of Agriculture reviewed one vendor (2015/16 School year) for purchases within the micro-purchase threshold (\$0-\$3,500): US Food Service. The reviewer examined the sponsor'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.

A written code of standard of conduct was requested as part of the procurement review. It was determined that St. Jude's Ranch for Children did have policies in place (Number

3.47 Conflicts of Interest/Outside Employment/Gratuities). Per 2CFR Part 200.3189(c)(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. The code of conduct must also provide for disciplinary action for violations by officers, employees or agents (2CFR 200.318 (c) 1. No further action is required.

St. Jude's Ranch for Children is currently receiving entitlement funds for the purchase of USDA Foods. For the 2015/16 school year, the amount was \$4771.09. The sponsor used \$1750.91 in entitlement funds leaving \$3020.18 unused. As a best practice, the Nevada Department of Agriculture recommends that St. Jude's Ranch for Children fully utilize the entire amount of the USDA Foods entitlement dollars through the State Distribution program and/or with the DOD Fresh program. Since the sponsor spent funds on produce with another outside vendor, it would be in St. Jude's Ranch for Children best interest to use the DOD Fresh program for this school year. Additional guidance may be obtained by contacting NDA on the process.

Corrective Action Required: Adopt a Procurement plan to bring it into compliance with the Federal regulations per 2 CFR Part 200.320 with regards to procurement methods for program operators. A sample pilot procurement plan was provided which the sponsor may use, or they may develop their own to meet the requirements.

Please keep all solicitation documents for all future procurement methods per the approved procurement plan for the current year plus three years after the contract year purchasing is finalized. The documents must be kept longer if there are unresolved audit findings.

As part of training and technical assistance, 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*, and a Procurement Methods Quick Reference Chart. Further 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 March 3, 2017.** 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

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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, Procurement Handouts

Cc: Angelica Buttle, Program Director
Daisy Diaz, Program Coordinator
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