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May 31, 2017

Certified Letter #7006 2760 0000 0509 5805

Steve Calabrese
Division Director
Washoe County Department of Juvenile Services
P.O. Box 11130
Reno, NV 89520

Dear Mr. Calabrese,

The Nevada Department of Agriculture, Food and Nutrition Division conducted an Administrative Review of the Washoe County Department of Juvenile Services (WCDJS) on May 18, 2017. The Administrative Review team consisted of Brittany Mally, RD, Edward Coleman, Quality Assurance Specialist, and Rose Wolterbeek, School Nutrition Services 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.

We conducted an exit conference on May 18, 2017 to discuss the major findings of the review. Steve Calabrese, Division Director, Christine Eckles, Program Manager, Cora Carroll, Fiscal Compliance Officer, and Stan Wacker Food Service Manager were 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. The WCDJS received an onsite review of its School Breakfast Program (SBP) and its National School Lunch Program (NSLP). 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.

Meal Counting and Claiming

The counting and claiming system that was observed at WCDJS was not compliant with Federal Regulations that govern this program. The cooking staff indicated that they receive a pre-count from their roster in the mornings. The meals were observed being counted after all students had been seated for their meals at breakfast. At lunch no meal count was being performed at all.

Corrective Action Required: Institute a policy that addresses how a reimbursable meal is counted. A pre-count which can be submitted to the kitchen to project the amount of food to prepare is allowable, but the actual count of reimbursable meals must be done at the point of service when it is served to the child for both breakfast and lunch meals. Submit this policy to NDA for review.

The counting and claiming system for meals served to children that are unable to attend the meal service was not compliant with program regulations. Staff were asked how this process worked and they stated that the tracking sheet that is used to count meals served in alternative locations is filled out by a staff member when they come to pick up the meals in the kitchen. It was not completed as the meal was served to the child at the alternate point of service.

Corrective Action Required: This is a repeat offense from the review done in November 2015. Meals served in alternative locations should only be counted when they are served to the child in the alternative location at the point of service. The count sheet that is currently being used, is compliant with program regulations. Create a policy that covers meals served to children in alternative locations. Additionally, include in this policy how WCDJS will remain compliant with this policy going forward and indicate who will be responsible for this task by title or name within the policy. Submit the policy to NDA for review.

Offer versus Serve

Food service staff were not knowledgeable about what constituted a reimbursable meal under offer versus serve (OVS). The residents were offered a choice between items. When asked, what constituted a reimbursable meal food service staff stated that the residents could choose the hot breakfast which was pancakes and turkey sausage or they could choose the cold breakfast which was yogurt and cereal. Fruit was available on the salad bar. Residents were not allowed to decline parts of the hot or cold meal. They had to take either in its entirety and then the fruit.

Under OVS, for breakfast the following requirements must be met to be compliant with program regulations;

- Residents must be offered at least 4 components.
- Residents must select at least 3 components.
- One of these food items must be at least half a cup of fruit or vegetables.

For lunch the following requirements must be met to be compliant with program regulations;

- Must be offered at least 5 components
- Residents must select at least 3 components
- One of the components must be at least half a cup of fruit or vegetables

Corrective Action Required: Institute a policy that informs staff of what constitutes a reimbursable meal. The policy should include the following information at a minimum based on the type of meal service offered;

OVS: Under offer vs serve, at breakfast, the child must be offered 4 items and they must choose at least 3 of those items. One of these items must be a ½ cup equivalent fruit/vegetable. At lunch the child must be offered at least 5 items and they must choose at least 3. One of these items must be a ½ cup equivalent fruit/vegetable.

Straight Serve: For straight serve meals, the child must take 1 of each offered component.

If you would like to switch your meal service type to straight serve, please contact NDA for direction on how to update the change in status. Submit this policy that will cover your meals service type to NDA for review.

Reimbursable Meal Signage

There was not signage in the cafeteria indicating what a child would have to take, under offer versus serve, to have a reimbursable meal. While the menu was posted, it did not indicate what should be taken to have a reimbursable meal.

Corrective Action Required: Submit a two weeks' worth of photos and those weeks' menus, from breakfast and lunch of your "My Plate" sign, or whatever will be used to designate what constitutes a reimbursable meal under offer versus serve to NDA for review.

At breakfast, 5 meals were observed as not having the required fruit component for meals to be considered eligible for reimbursement under OVS. At lunch 4 meals were observed without the fruit component.

Corrective Action Required: Staff that are observing meal services should be trained to recognize what is required to have a reimbursable meal under OVS so that they can redirect residents who do not take reimbursable meal or they should not count the meal as reimbursable. Submit documentation to NDA that shows that all staff that will be counting meals have been trained to know what a reimbursable meal is.

Best Practice: Count Sheets

While onsite, the count sheet that is used by staff to track counts for meals served in the cafeteria, could be streamlined. The only information that needs to be a part of the count sheet is the following;

- Date/Time Type of meals served
- Name of child receiving the meal
- Signature of the official counting/tallying the meal
- Space to comment if a meal is refused or if the child will be served in an alternate location

As a note, a master document that contains the name of all children can be kept if you feel that putting the child's name on the count sheet would break their confidentiality. There must be a way to connect each child's identifier/designation on the count sheet to a child on the master document. For example, if you are only going to use the child's inmate number on the count sheet, the master document must have the child's name and their corresponding inmate number on it. The master document should be updated to reflect changes in population. Alternatively, as other RCCIs that have been reviewed have done, they list the child's first name and last initial and a location designation, for example Cabin B and then a list of residents in Cabin B. This master list must have a system that allows the children on the count sheets to be identified. A draft count sheet has been included for your convenience.

Eligibility Documentation Sheet

WCDJS is required to either keep an Eligibility Documentation Sheet or they must keep applications for free and reduced priced meals for all program participants. Neither of these items were available onsite during the Administrative Review.

Corrective Action Required: WCDJS must decide if they will keep an eligibility documentation sheet or free and reduced applications for all residents that will be participating in the NSLP and the SBP. If you all choose to keep applications for free and reduced priced meals for all program recipients, technical assistance can be provided to help you institute this and become complaint with program requirements regarding keeping and maintaining the applications for free and reduced priced meals. If it is decided to keep an eligibility documentation sheet, this sheet must contain the following information;

- Child's name
- Personal income received by the child
- The child's date of birth
- Date of admission
- Expected date of release
- Space to be signed by an official to sign and date and it must also include their contact information

If you would like technical assistance to begin keeping applications for free and reduced priced meals, please indicate that you would like to begin keeping these applications and request technical assistance as part of your corrective actions responses letter. Otherwise, submit a copy of the eligibility documentation sheet to NDA for review.

Performance Standard II- Meal Pattern and Nutritional Quality

The National School Lunch Program 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/RCCIs 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.

WCDJS is providing very good quality meals that look appealing and are well received by both students and staff. Great job on the menu and food production at this facility.

Production Records

In general the production records (PR) being used at WCDJS are a good template and contains all of the required information. They are also being filled out daily as they should be. The quantity prepped column needs more detail and this was discussed with the food service manager during the review. This column needs to contain units of measurement for all food that is being used to prep the meal. Examples include: # 10 cans, cups, cases, bags, ect. The more detail the better so that if a reviewer is looking at the form we can tell exactly how much of that food item was used to make the meal. For the chicken burger that was served on the day of review, the quantity prepped says 54. How much of a case is that or pounds of chicken? How many bags or cases of buns were used? How much lettuce, how many onions and tomatoes were used? Those are questions that the quantity prepped column should answer.

Another example, if three pounds of broccoli were used then how many pounds were those bags. Write 3 5lb bags, instead of just 3 bags. Also, 4 #10 cans and ½ case (case of 24) are good examples. The PR template format can be changed in Nutrikids to allow more room for this column for the required information to be written down.

Corrective Action Required: Please submit to NDA one weeks' worth of completed production records for both breakfast and lunch meals from WCDJS. In addition, all cooks must complete the Food Production Records course from the Institute of Child Nutrition. Which can be found here: <http://www.nfsmi.org/Templates/TemplateDefault.aspx?q=cEIEPTIzOA>. Submit certificates of completion to NDA. This course will count towards professional standard hours.

Meal Pattern

The menus for both breakfast and lunch are meeting all of the meal pattern requirements. There were two items from the menu certification worksheets that were not in compliance during the Admin Review.

- For all weeks submitted for breakfast there is more fruit juice being offered than fruit servings. The weekly requirement for fruit must not come from juice more than 50% of the time.
- For all weeks submitted for both breakfast and lunch the worksheet showed that the whole grain requirement was not being met.

Technical assistance was provided over the phone to the food service manager on May 31, 2017 on how to bring these items into compliance. The worksheets were fixed and resubmitted showing all weeks in compliance. No further action is required.

Whole Grain Rich Criteria

The following menu item was found to not be whole grain rich and will need to be discontinued from the menu. Serve the remaining that are in inventory but do not order more of this item.

- Malt O'Meal Frosted Flakes

Corrective Action Required: Remove these items from the menu and discontinuing ordering them.

Comprehensive Resource Management

A comprehensive resource management review is required when certain risk based criteria are met by the school food authority (SFA). WCDJS triggered a comprehensive resource management review of two areas: the maintenance of the nonprofit school food service account and revenue from non-program foods. 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.

Maintenance of the Non-Profit School Food Service Account

A review of the receipts and invoices for the nonprofit school food services account for fiscal year 2016 revealed the following;

- There were items that were purchased that were not compliant with program regulations. Coffee and creamer were purchased to a total of \$1011.56. These costs are unallowable as only items that are food or can be used for program improvement may be purchased with funds from this program.
- Of the 54 invoices that were reviewed, two were not signed by staff from the facility.

Corrective Action Required: All monies from this account that have been used to purchase items that are not compliant with program regulations should be refunded to the nonprofit school food services account. Additionally, a policy should be created governing receiving items from distributors and vendors and it should include the following;

- Direction that each invoice should be signed

- It should contain edit checks to ensure that all receipts and invoices are signed such as an additional individual to review the invoices before they are submitted for payment
- Direction that directs the reviewing individual to ensure that food items that are received have met the health and safety requirements for their type, including being free from evidence of pests, are at the required transport temperature, are undamaged, and are the same number of items that are being ordered
- Items that are not compliant should not be accepted and a credit should be noted for those items

Submit this policy to NDA for review. Additionally submit documentation showing that the nonprofit school food services account has been reimbursed, with non-Federal funds in the amount of \$1011.56.

Non-Program Foods

WCDJS does serve adult meals to its staff that work during the shifts and these staff members are not charged for these meals. A count of these meals is kept.

Corrective Action Required: You should calculate the average cost per adult meal. This cost should include the following;

- Base price of a student meal
- Cost of commodity foods used in the production of a meal
- Value of student reimbursement for a paid meal
- Taxes as you see fit

Corrective Action Required: Please calculate your average food cost for adult meals. Create a policy that oversees reimbursement for adult meals served at breakfast and at lunch. This policy should at least annually, have the total cost of all adult meals calculated this total should be compared to the total amount of additional non- Federal funding that is used to support the food program. If the annual total cost for adult meals is less than the total additional non- Federal funding for this program, then the totals should each be noted and kept for that fiscal year. Alternatively, you may create a policy that is specific to your program. In either case, submit a copy of your policy to NDA for review.

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.

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 are as follows:

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- Food Service Director/Supervisor 12 hours
- Food Service Manager 8 hours
- All other full time staff 6 hours
- Part time staff 4 hours

At the time of the offsite call WCDJS had not been keeping track of professional standard training hours. Technical assistance and the USDA Training Tracker Tool was provided to them in addition to a tracking sheet in Excel. For the following positions the expected training hours are required by the end of the current school year:

- Stanley Wacker, Manager/Cook – 8 hours
- Cook II – 6 hours
- Cook III – 6 hours
- Part time staff – 4 hours
- Cora Carroll, Fiscal Compliance Officer – 4 hours

Meeting the annual requirements for professional standards is non-negotiable. All required hours for this school year must be met by June 30th, 2017.

Corrective Action Required: Record in the Excel tracking sheet provided all food service employees, their work status (FT or PT), and the training hours they have completed for school year 16/17. If additional hours are needed also submit a plan on how the training hours will be met by June 30th, 2017. Submit both documents to NDA for review.

Civil Rights

The nondiscrimination statement that is being used is not compliant with program regulations.

Corrective Action Required: Please update your nondiscrimination statement in all program materials and across all platforms that would display it. The updated nondiscrimination statement may be found at the following link: <https://fns-prod.azureedge.net/sites/default/files/cr/Nondiscrimination-Statement.pdf>

If there are still program materials such as handbooks etc. that still display the old nondiscrimination statement, these may be used until they are all used up. The new documents going forward should have the updated nondiscrimination statement as noted at the link above.

There was not a civil rights log kept onsite.

Corrective Action Required: Create a log to track civil rights complaints annually. This log should be kept onsite and should have a format that allows the complaint to be tracked as it works its way through the civil rights complaint process for potential civil rights violations in the breakfast and lunch programs. Submit the log to NDA for review.

Food Safety

Sponsors that participate in this program should have their 2 most recent health inspections posted in a place where they can be seen by program participants. The food safety inspection that was posted was from March 15, 2016. There was not a second one posted. A copy of the food safety inspection from March 29, 2017 was provided to NDA.

Corrective Action Required: Submit the first food safety inspection for the 16/17 year. Alternatively, you can submit proof, such as emails, etc., that indicates that Washoe County Juvenile Justice Services attempted to have the two required food safety inspections done.

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.

- 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 Child Nutrition program at Washoe County Department of Juvenile Services (WCDJS) a complete plan was in place at the time of the review: Washoe County Purchasing Division Purchasing Procedures Manual (Revised April 2017). Per USDA guidance, the procurement plan must outline the specific procedures per 2CFR Part 200 for program operators. However, per the Procurement of Supplies and Services-Grant Funded (pg. 13), NRS 332.115 “exemptions from competitive bidding do not apply to federal grant funded procurements”. Since perishables are exempt per NRS 332.115 (g), the WCDJS would not be able to exempt the purchases and would need to go out for a competitive procurement on all perishables for the NSLP program. Hence, the WCDJS may consider a child nutrition procurement plan for its future purchases. A pilot plan has been sent for review and consideration as technical assistance. Per the submitted procurement review worksheet, most of the purchases would fall under the micro purchase and small purchase method due to the low volume of purchases needed for the child nutrition program (breakfast and lunch meals). This would allow the WCJDS to follow a less restrictive plan and not be as an overly burdensome method per the Washoe County Purchasing Procedures Manual (April 2017 revision), but it would fully meet the federal requirements for purchasing in the food service program.

In addition, a written code of standard of conduct was requested as part of the procurement review. It was determined that WJDJS did have a policy in place. This requirement was addressed in the Purchasing Procedures Manual (Gifts and Gratuities (pg. 7-8) and Conflict of Interest (pg. 8). 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.

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Based on the returned worksheet and paid meal vendor list from the district staff, it was determined that the residential child care institution was using the following procurement methods in its operation:

- Small Purchase Method

As part of the **Small Purchase Method**, NDA reviewed two vendors, Sysco (\$40,872.08) and US Foods (\$46,440.50). The reviewer found both vendors in compliance with the regulations.

Regarding USDA Foods, for the 2015/16 School year, WCDJS was given entitlement of \$5,582.73 dollars and \$5,036.05 was used; this is a 90% usage rate. The result was \$546.68 was left unused. As a best practice, the Nevada Department of Agriculture recommends that WCDJS continues to fully utilize the entire amount of the USDA Foods entitlement dollars through the State of Nevada Commodity Food Distribution Program and/or with the DOD Fresh program. For the 2016/17 School year, WCDJS has fully utilized the USDA Foods entitlement with a zero balance remaining. This is a significant improvement from the prior year and NDA encourages this positive change for the upcoming 2017/18 school year.

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*, Procurement Methods Quick Reference Chart, and a pilot Procurement Plan prototype. In addition, further technical assistance will be provided if requested by staff on the procurement review findings.

Corrective Action Required: Develop a Food Service purchasing 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 has been provided (electronic mail on 5/30/17) which WCDJS may use or they may develop their own procurement plan. Once the final plan is approved by NDA, all district purchases in child nutrition must follow the plan as prescribed.

Summary

None of the above mentioned items currently require fiscal action. 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 June 30, 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 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,



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Brittany Mally, RD
NV Dept. of Agriculture,
Food and Nutrition Division

Attachments: Appeal Procedures, Procurement Package

Cc: Cora Carroll, Fiscal Compliance Officer
Stanley Wacker, Food Manager
Christine Eckles, Program Manager
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
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