



St. Jude's Ranch for Children
Administrative Review Report

November 20, 2020

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) 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 (ASSP) administered by St. Jude's Ranch for Children (SJRC) from September 28 – October 9, 2020.

An exit conference was held on Friday, October 9, 2020 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 St. Jude's Ranch for Children 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 Monday, September 28, 2020. The review was conducted remotely with video observation at St. Jude's Ranch for Children (SJRC) in Boulder City, Nevada. The Administrative Review was conducted by Bailey Taber, School Nutrition Coordinator II. SJRC staff included Jessica Halling, Program Coordinator; Elissa Johansson, and Brian Franklin. This report is based on the results of the offsite assessment, the review of electronic files, and video observations of meal services for the breakfast and lunch programs. An exit conference was held on Friday, October 9, 2020 which provided a summary of the work performed at SJRC along with discussion of 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, July 2020. The Procurement Review covered all documents, records, invoices, and procedures relating to the procurement for the SFA for the year of review, school year 2019-2020.

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 SJRC'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.

V. Noteworthy Achievements

- Communication: corresponding with SJRC staff was clear and consistent.
- Recordkeeping: all documents requested were provided in a timely and well-organized manner.
- Staff participation: staff were knowledgeable, helpful, and open to conducting the live meal observations.
- Facilities: the food storage, preparation, and dining areas appeared clean and organized.

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VI. Critical Areas of Review

- Performance Standard I- Meal Access and Reimbursement
 - Eligibility Documentation
 - 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
 - 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

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

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VII. Findings and Required Corrective Action

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
#1	<p>Dietary Specifications and Nutrient Analysis 7 CFR 210.10 (f) and 7 CFR 220.8 (f) requires SFAs to offer school meal programs consistent with the federal standards for calories, saturated fat, sodium, and trans-fat.</p> <p>a. <i>Repeat Finding</i>-Observations of some of the food served, foods in storage inventory, and food labels found that specifications for sodium, saturated fat, and trans-fat were not considered when purchasing menu items as reported on the reported on the Dietary Specifications Assessment Tool (DSAT). In addition, one product reviewed, the Pillsbury Cinnamon Rolls, was found to contain 2g trans-fat per serving. Trans-fat is <u>not</u> allowed in foods served under these programs.</p> <p>b. Nutrient Analysis was not conducted for the planned menu for the month of review, July 2020.</p>	<p>(1) A Weighted Nutrient Analysis will be conducted for SJRC’s School Nutrition Programs. SJRC was notified and the list of documentation required for NDA to conduct this analysis was provided to SJRC on October 9th and clarification communication took place through email on October 15th. The list of required document is also outlined in Appendix D.</p> <p>(2) Remove the product identified containing trans-fat and provide a formal statement to NDA that this product has been removed and will no longer be served under the program. All meals served in July 2020 including this product are considered non-reimbursable.</p> <p>(3) Create a business process to identify how SJRC will meet federal standards for calories, saturated fat sodium and trans-fat.</p> <p><i>** Please note this finding will result in the termination of SJRC’s \$.07 performance-based reimbursement until SJRC has</i></p>	<p>(1) December 21, 2020</p> <p>(2) December 21, 2020</p> <p>(3)December 21, 2020</p>

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		<i>fulfilled the items listed above and is serving a compliant menu</i>	
#2	<p>Meal Pattern and Menu Planning 7 CFR 210.10 (i) requires SFAs to follow a food-based menu planning approach and produce enough food to offer each child the quantities specified in the meal pattern for the appropriate age grade group. SFAs are also required to keep documentation including menu, USDA Foods Information Sheets, CN labels, standardized recipes and/ or manufacture’s Product Formulation Statements to support the foods/recipes offered on the menu.</p> <p><i>Repeat Finding</i> – The required documentation for food products used in the SN Programs at SJRC was not kept and maintained on file, i.e. product formulation statements or manufacturer’s specification sheets.</p>	Create a business process that outlines how SJRC will keep all required documentation that supports the foods and recipes offered on the menu.	December 21, 2020
#3	<p>Menu Production Records (MPRs) 7 CFR 210.10 (3) requires schools or SFAs to maintain daily Menu Production Records to show how the meals offered contribute to the required food components and food quantities for each age grade group. Production records must also demonstrate traceability for the food ingredients used, consumed, and leftover.</p> <p>Production records reviewed from the month of July, 2020 incorrectly or inconsistently documented the following essential components: the amount of food prepared and the amount of leftovers.</p>	<p>(1) Complete NDA’s Menu Production Workbook Training (found in Appendix E). Submit to NDA the dates, times, and signatures from all staff that completed the workbook.</p> <p>(2) Submit Menu Production Records from all houses for the week of December 13-19, 2020 for NDA to review, including infant meal MPRs. Include the accurate calculated amounts of food pulled, prepared, and leftover.</p>	<p>(1) December 21, 2020</p> <p>(2) December 21, 2020</p>

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#4	<p>Meal Components and Quantities 7 CFR 210.10 and 220.8 require SFAs operating the NSLP and/or the SBP must follow meal pattern requirements for each age/grade group within all reimbursable meal service lines.</p> <p>When reviewing SJRC’s menu and menu production records, multiple days on the Meal Logs had some components documented as being below the required amount for either the day or week. Meals served not meeting the minimum amounts for the day or week are not considered reimbursable and cannot be claimed.</p>	Submit a monthly menu for the month of December detailing the meal components and the quantity which will be served to NDA to review and approve.	December 21, 2020
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Comprehensive Resource Management – All revenues and expenses under the nonprofit school food service account must be allowable- used only for the operation and improvement of the school food service and net cash resources may not exceed three months’ average operating expenses. References include but are not limited to 7 CFR 210.14.

	Finding	Corrective Action	Due Date
#5	<p>Revenue from Non-Program Foods FNS Instruction 782-5 Rev. 1 requires SFAs to price adult meals so that adult payments are sufficient to cover the overall cost of meals, including the value of any USDA Foods used in the production of adult meals. In non-pricing programs, the adult charge should be at least the amount of reimbursement received for a free lunch or breakfast and the per-meal value of both entitlement and bonus donated food.</p> <p><i>Repeat Finding</i> – Although the number of adult meals served is tracked and reported, the value of these meals is not calculated or subsidized to the Nonprofit Foodservice Account.</p>	<p>(1) Develop a Business Process that outlines procedures in compliance for calculation of the value of adult meals. NDA instructions are provided in Appendix F. Include procedures for subsidizing the value of the adult meals to the Nonprofit Foodservice Account.</p> <p>(2) Calculate the total number of adult meals served in the 2019-20 school year for breakfast, lunch, and snack. Apply the appropriate free plus entitlement rate to the totals calculated above.(See Appendix F for more information). Provide documentation to NDA that the totals calculated above</p>	<p>(1) December 21, 2020</p> <p>(2) December 21, 2020</p>

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		have been transferred into your nonprofit school food service account with nonfederal funds.	
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General Program Compliance

Food Safety, Storage, and Buy American – SFAs must ensure that all school sites meet the food safety and storage requirements. This includes any facility where food is stored, prepared, or served for the purposes of the NSLP, SBP and other FNS programs. References include but are not limited to 7 CFR 210.13(c) (1-3); NRS 439.200, 444.335; NRS chapter 446; and Guidance for School Food Authorities: Developing a School Food Safety Program Based on the Process Approach to HACCP Principles.

Finding		Corrective Action	Due Date
#6	<p>Food Safety – HACCP Manual Requirements Compliance for the Hazard Analysis Critical Control Point (HACCP) program must meet the minimum requirements outlined in 7 CFR 210.13(c).</p> <p>At the time of review the following deficiencies were noted regarding SJRC’s HACCP manual:</p> <ul style="list-style-type: none"> • Last recorded update of the manual was in 2014. Program reviews and updates should occur once every 2-3 years • HACCP manual must include a Table of Contents • Recommend HACCP manual to be clearly separated from recipe book. 	<p>Review and update the HACCP manual. HACCP manual should include:</p> <ul style="list-style-type: none"> • Table of Contents • Standard Operating Procedures that are specific to each site • Date of revision • Physical separation from the recipe book, either in a separate binder or with separation tabs • A physical copy must be present at every site <p>Submit evidence to NDA of the results.</p>	December 21, 2020

Procurement – SFAs must comply with the applicable regulations for procurement of goods and services, including using the specified methods in federal, state and local laws and regulations; with all contracts, purchasing services involving the child nutrition program regulations for procurement must be in place. References include but are not limited to 7 CFR 210.19(a)(3); 2 CFR Part 200.318-326; 7CFR 210.21; 2CFR Part 200; 2CFR 318 (a-d); 2 CFR Part 200.320.

Finding	Corrective Action	Due Date
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#7	<p>Small Purchase Threshold Solicitation 2 CFR200.320 (b) requires SFAs to obtain two or more price/rate quotations from qualified sources for any purchases that do not cost more than the Simplified Acquisition.</p> <p>Two of the food vendors included on the vendor paid list were mis-categorized as micro-purchases (Walmart and US Foods). At time of review, quotes had not been obtained for these small purchase acquisitions.</p>	<p>Obtain at least three informal quotes for the services provided by Walmart and US Foods. Keep documentation in procurement records (Tracking sheet template is available in Appendix H). Provide quotes for each service to NDA to review.</p>	<p>December 21, 2020</p>
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VIII. Recommendations, Technical Assistance, and Best Practices

Recommendations/Best Practice:

- 1. Incorporate School Garden/locally grown produce in NSLP programs-** School Gardens and purchasing locally grown food provides a multitude of benefits for students including learning about healthy food, learning how to grow fruits and vegetables, and promoting better nutrition. USDA supports such efforts through its Farm to School Program. Nonprofit School Food Service Funds can be used to support local farmers and school garden programs. See Appendix C for more information.
- 2. Procure a contract with either a nutrition analysis software company or a NDA approved meal vendor.** To assist SJRC in bringing meals and menus within nutrient compliance, several options were discussed. One option is to continue utilizing the current cycle menus and USDA recipes to prepare meals from scratch onsite, and to utilize an approved nutrient analysis program to ensure all requirements are met. If this option is chosen, SJRC staff will be held accountable for ensuring all elements of the food components and meals are within compliance for nutrition. Another option is to receive and serve meals from a NDA approved meal vendor. This option will alleviate the burden from SJRC staff to ensure and document compliance with the nutritional components of the School Nutrition Programs, but all other program elements will still need to be maintained within compliance. Resources can be found in Appendices J and K.

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3. **Develop a plan to conduct onsite monitoring of breakfast services at all sites prior to February 1, 2021.** At the time of review, SJRC had not yet completed onsite monitoring of the breakfast services. Onsite monitoring of breakfast services must be completed once every two years at all sites as required in 7 CFR 220.11(d)(1). The current NDA onsite monitoring forms are provided in Appendix G.
4. **Net cash resources in the nonprofit school food service account may not exceed three months' average operating expenses. (7 CFR 210.14).** SJRC's net cash resources of \$6,338.36 is approaching the three months' operating expenses limit of \$10,926.97. Continue to monitor net cash resources and ensure the expenditure of enough federal reimbursement for reinvestment into the foodservice program to prevent exceeding this limit. The Spending Plan Template is provided in Appendix I.
5. **Infant meals are allowable under the National School Lunch Program.** USDA Western Region Office staff confirmed that infants and children younger than school age may be served meals claimed for reimbursement under the National School Nutrition Programs. All program requirements must be maintained in the same manner as for all other youth age groups. This includes meeting the daily and weekly nutrition requirements for each age group, and maintaining accurate menu production records.
6. **Scale recipes to prepare closer to amount needed for service.** Recipes should be scaled down to prepare as close to the exact amount needed for service to maximize food value usage and minimize food waste. USDA standardized recipes that are published for a minimum of 15 servings may be halved or quartered. Alternatively, leftovers may be refrigerated or frozen and reheated, following HACCP standard protocols.
7. **Always use measuring tools such as scoops and weight scales.** Documented measurements on production records should be consistent for each meal. For instance, grains should not be recorded first in ounces and then in cups for the same food serving on the same document. This should also include properly separating out singular food components from combined recipes, such as vegetable subgroups, meat or meat alternates, and whole grains from a taco salad recipe or pasta dish, as examples.

Technical Assistance:

1. Consistently and correctly consolidate errors in meal claims. Meal counts collected from some of the meal logs provided did not match what was submitted in CNP as claims for reimbursement. The internal control procedures shared by SJRC already

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outline clear methods for eliminating these types of errors. Since the value of meals incorrectly claimed did not exceed USDA's \$600 disregard for the total value claimed for the period of review, this finding will not result in fiscal action. SJRC staff are reminded to follow their own internal control procedures to minimize nonsystematic claiming errors in the future.

2. 100% Whole Grains Requirement. All grains served in the School Nutrition Programs must be 100% whole grain. A number of the food labels supplied to NDA for grains products claimed under the grains component of the meal patterns were found to be noncompliant. During the 2020-21 School Year, NDA is granting flexibility to sponsors by extending waivers issued by USDA for interruptions related to the COVID-19 pandemic. SJRC will need to complete and return the NDA SY20-21 SNP Waiver, Appendix L, to be exempted from meeting the 100% whole grain requirement for SY20-21. Beginning in SY21-22, all nutrient requirements, including those for whole grains, must be in full compliance.
3. Keep sign-in sheets for group trainings. Training hours are being properly recorded and training completion certificates are maintained on file at SJRC. However, some group trainings are provided by outside organizations for which not all attendees can receive confirmation certificates by the organizing entity. For these types of trainings, SJRC staff were reminded that sign-in sheets including all of the required elements should be kept on file as well.
4. Keep a HACCP Manual copy at every food prep site. A physical copy of the most recent HACCP manual is required to be kept readily available for reference in every location where food preparation takes place. During one of the remote observations one site did not have a copy of the HACCP manual present and SJRC staff were notified. A picture of the HACCP manual subsequently placed at the location was shared with NDA.
5. Label foods in open containers. Food ingredients or leftovers in either an opened original container or in a container other than the original must be appropriately labeled, in accordance with HACCP labelling principals. Food in the refrigerator at one location was observed in containers other than original without any labels or dates. SJRC labeled and dated the opened food items in the refrigerator and shared a photo with NDA for confirmation.
6. Procurement requirement to "Buy American." As outlined in SJRC's own adopted Procurement Plan, and as required by USDA, food purchased with reimbursement dollars for the School Nutrition Programs must be of domestic origin, to the greatest extent possible. Processed foods must be made with a majority of ingredients of domestic origin and be processed in the U.S. Although two of SJRC's food vendors

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- supply almost exclusively domestic product, several of the other vendors do not. SJRC staff shared that they did not follow and were not aware of the “Buy American” procurement practice. This requirement must be followed and traceable upon review, which is often recorded on filed food labels or manufacturer specification sheets.
7. Youth eligibility documentation sheet must be kept up to date. The letters that were shared verifying student eligibility contained all of the required information. It was shared later in the review that one of the students may receive income through employment. However, the eligibility letters provided indicated that none of the residents had any income. Letters need to be updated whenever changes arise. It is recommended that SJRC use a single, modifiable document containing all the required elements in lieu of separate letters filed exclusively upon intake of each child resident. In this way, documentation may be kept current and tracked when circumstances change.

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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.

X. Appendix

All documents provided as separate attachments or external hyperlinks.

- A. Appeal Procedure
- B. Procurement Review Detail
- C. Guidance on Farm to School and local purchasing
- D. Weighted Nutrient Analysis list of required documents
- E. NDA's Menu Workbook Training
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