

Johnson CSD #1 (1001000)

Review ID: 2876

Review Year: 2019-2020
Month of Review: March
Lead Reviewer: Tamra Jackson
Exit Conference Date: 4/9/2020

Sponsor - Level Findings

Area	Findings ID	Finding Description	Required Corrective Action
Procurement Review Form	V-0000	The Dairy Bid is out of compliance for Federal Food Service Purchases.	A new solicitation must be issued for school year 20-21.
Procurement Review Form	V-0000	Outdated written procurement policy. Not compliant for federal funds and the Purchasing Manual is confusing and doesn't following the required federal requirements for federal food service purchases.	The SFA can update the manual and the written federal policy attachment or the SFA can create and adopt a specific, compliant policy just for food service. Template policy is provided under "Review Attachments".
RMCR - Nonprofit School Food Svc Acct	V-RMCR	<p>Bad Debts are an unallowable cost for federal funds per 2 CFR.426 and any general fund transfers would be considered income to the program and this cost would still be unallowable.</p> <p>Bad Debts cannot be charged or part of the non profit food service account. Once a debt goes from delinquent to "bad" the SFA should have a written policy to address. Policies regarding the collection of unpaid meal charges should be included in the written meal charge policy that is required of all SFAs.</p>	Please provide a narrative or policy for bad debts in the food service program and how they will be addressed in the future. Bad debt memo from USDA is attached to "Review Attachments" for reference.

RMCR - Revenue From Nonprogram Foods	V-RMCR	SFA has been pricing catering costs to include labor, however, WDE could not verify. Labor reimbursement to the food service account for catering must be more transparent. The non profit food service account cannot support catering expenses. Catering can be accounted for within the account, however, all costs (including labor) must be charged for this activity and all revenue must be posted to the non profit food service account.	SFA must include all catering labor on catering invoices or have some other means of showing that labor is included in all catering charges.
Procurement Review Form	V-0000	Did not see that the Dairy Bid states that it will become the contract. No dairy contract was provide to WDE. Additionally, the Dairy provided a de-escalation clause (written by the Dairy) that was incorporated in to the agreement. The vendor can provide contract needs as part of a response and/or negotiations and the SFA can choose to accept and incorporate. However, vendor cannot write solicitation or contract clauses. Additionally, solicitation is based on both cost and criteria when an IFB, which is non compliant.	SFA must rebid Dairy for SY 20-21. Template IFB is provided under "review attachments" WDE can assist SFA in including or incorporating escalation/de-escalation clauses in solicitations/ contracts. Additionally, WDE can provide RFP if SFA would like to select vendor based on a criteria other than price.
200 - Verification	V-0200	Confirmation reviews were not documented for Henecke, McCann or Kontz students.	Develop and submit a plan that will ensure that confirmation reviews will be conducted and documented on electronic applications during the verification process starting in school year 2020-2021
100 - Certification and Benefit Issuance	V-0100	<p>A student was given free lunch based on her siblings qualifying for free by income. They live with the mother. The girl lives with her father and his income does not qualify her for free lunch.</p> <p>A student was given free status without having an application on file.</p>	Both students status's were changed on 4/22/20. In the future, the SFA needs to understand how free status affects siblings in other homes. Please submit a corrective action that you understand the regulation on joint custody or siblings not living in the same household.

800 - Civil Rights	V-0800	There are no written Civil Rights Procedures for the School Nutrition Program at the district.	Create Civil Rights Complaint Procedures and submit to WDE for approval. Template and guidance has been attached to Review Attachments. (4 documents to help create this are there)
1000 - Local School Wellness Policy	V-1000	The Wellness Policy needs to be updated. Measurable goals needs to be added. Examples are attached to the review attachments.	Develop a wellness policy and plan and submit to WDE for approval before sending to your school board for approval.

Corrective Action Response
<p>Per review of the District's Board Policy DJ-R I (Tom) agree that it is outdated. The Business Office will revise policy DJ-R in accordance with the guidance provided by the State. The Business Office will also include a section in the District's purchasing manual for federal purchases as to give guidance to departments on the District's expectations.</p>
<p>Currently, the District accounts for revenue on the cash basis of accounting which means that we do not record or track bad debts for unpaid lunch balances. The District's practice has always been to subsidize the Food Service Fund to cover these bad debts and to maintain a positive cash reserve within the fund. The State auditor is correct in that we do not specify these transfers for the purpose of covering these bad debts. The Business Office will calculate the amount of these delinquent debts and identify the amount as part of the transfer. The identification of these bad debts will be included in the annual budget and a comment that the transfer will include bad debts will be placed in board policy.</p>

We will leave the current invoice that we use, the way it is and have that be given to the organization for payment. This way we wouldn't necessarily have to adjust the pricing that I currently have on the menu brochure and the customer is just seeing a flat rate for each item. Then we will have a 2nd part to that invoice that goes to the district business office & I keep on file, that breaks out the actual food & supply costs + labor. There is an event that we purchase the food for, but we do not charge labor for the event as it is incorporated into our normal school hours/lunch. The Veteran's Day Luncheon...we order all of the food which makes up a reimbursable meal. The FS ladies make the meal and we serve it (along with the help of culinary students) to the Veteran's in Johnson County, as well as to the students & staff at BHS. We only charge for the actual food costs & no labor as the ladies are essentially cooking & serving lunch for the day. For this event there would only be an invoice showing the actual food & supply costs to be paid.

I will rebid Dairy for the 2020-2021 school year, using the template provided by WDE. I will work with WDE to make sure that the IFB or RFP is written correctly before sending out to vendors.

I will continue to use the checklist to document my verification process and on every application (both electronic & manual) I pull for verification I will add: X
Verification Official _____ Date _____
So that there is no question of when/if this was done.

I do understand the following: In joint custody situations, a child may physically change residence regularly. If both parents/guardians apply for meal benefits within the same LEA, but the eligibility determination is different, the greater benefit level is used. For example, if one parent or guardian's application results in eligibility for free meals but the other parent or guardian's application is denied, the child would receive free meals regardless of where the child resided on a given school day. However, one parent or guardian may elect not to have the child receive free or reduced price meal benefits while residing with them. When the child is residing with this parent or guardian, the school should respect their wishes and allow the parent or guardian to pay for the meals. In this situation, the child's meals must be claimed at the paid rate.

I feel the best way to ensure that civil rights are being granted is to develop a board policy that outlines the various Civil Rights laws and Complaint Procedures for the Child Nutrition Program. The Business Office will develop this policy based on guidance received from the WDE. We will utilize the Civil Rights Handbook and Template provided by WDE to create our Civil Rights Complaint Procedures and submit this to WDE for approval upon completion. We will utilize the Civil Rights complaint form as well as the tracking log to document any complaints for JCSD1.

We will bring our committee back together as soon as possible to move forward in finalizing our Wellness Policy. We will work on both the district & student wellness portions of the policy, utilizing the template provided by WDE. I have shared the samples with the committee as well. Once we have the policy completed we will submit it to WDE for approval before sending it to our school board for approval.