



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services Division

Administrative Review Summary Report

School Food Authority Name: Flagstaff Unified District

CTD: 03-02-01

Sites: Coconino High School, John Q Thomas Elementary School, and Northland Preparatory Academy

Contacts: Mike Penca, Superintendent and Justin DiNardi, Director of Operations

Review Date: March 26–28, 2024

Review Period: February 2024

Programs Reviewed:

National School Lunch

School Breakfast

Afterschool Snack

Fresh Fruit & Vegetable

Special Milk

At-Risk Afterschool Meals

No.	Review Observations & Findings	Technical Assistance Provided	Required Corrective Action
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Performance Standard 1: Certification and Benefit Issuance – Critical Area

No findings.

Performance Standard 1: Meal Counting and Claiming – Critical Area

No findings.

Performance Standard 2: Meal Components & Quantities – Critical Area

No findings.

Performance Standard 2: Dietary Specifications and Nutrient Analysis – Critical Area

No findings.

Meal Access & Reimbursement: Certification and Benefit Issuance

1	The benefit issuance document did not accurately reflect method of certification. Specifically, 1 student matched in Medicaid Free via extended benefits but was recorded as matching in SNAP.	Discussed that eligibility certification, including method of certification, must be properly transferred to the benefit issuance document.	<i>Corrections have been made to the benefit issuance document. Please provide written procedures that will be implemented to ensure that the benefit issuance document reflects the method of certification indicated on the direct certification reports.</i>
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Meal Access & Reimbursement: Verification

2	The verification notification letter provided to households selected for verification did not contain all required elements. Specifically, the verification notification letter did not contain the Use of Information Statement.	Discussed requirements for the household notification letter, including language for the modified Use of Information Statement. Referred to Section 6: Verification in USDA's Eligibility Manual for School Meals, Revised found on ADE's website at https://www.azed.gov/hns/nslp under the Guidance Manuals accordion.	<i>Please provide a copy of the updated templated for the verification notification letter.</i>
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Meal Access & Reimbursement: Meal Counting and Claiming

No findings.

Meal Pattern & Nutritional Quality: Offer Versus Serve

No findings.

Meal Pattern & Nutritional Quality: Meal Components and Quantities

No findings.

Resource Management

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| 3 | Operating losses as the result of bad debt from unpaid student meal accounts were not restored by non-Federal revenues. Specifically, \$48,126.27 of encumbered bad debt from unpaid student meal accounts at the end of School Year 2022-2023 was not restored by non-Federal revenues. | Discussed that when local officials determine that further collection efforts for delinquent debt are useless or too costly, the debt must be reclassified as "bad debt." Bad debts arising from uncollectable accounts and related collection and legal costs arising from such debts after they have been determined to be uncollectable are unallowable. Therefore, the nonprofit school food service account may not be used to cover these costs. | <i>Please provide a written policy for calculating and restoring bad debt from unpaid student meal accounts. Additionally, please provide supporting documentation which reflects that the amount of bad debt encumbered in School Year 2022-2023 was restored to the nonprofit school food service account using non-Federal funds.</i> |
| 4 | Indirect costs were incorrectly calculated. Specifically, the direct cost base used to calculate indirect costs charged to the nonprofit school food service account included \$123,891.98 of expenses from accounts that were not the nonprofit school food service account. This resulted in an overpayment of \$26,692.66. | Discussed proper classification of direct/indirect costs. Reviewed requirements that indirect costs be charged consistently across the SFA as required in 2 CFR 200.412-414. Referred to the USDA's Indirect Cost Guidance Manual located at https://www.azed.gov/hns/nslp under the Guidance Manuals accordion, which can be used as a resource when determining allowable indirect costs. | <i>Please provide the calculation or tool that will be used to determine the amount of indirect costs charged to the nonprofit school food service account as well as a written plan detailing the steps that will be taken to ensure indirect costs are calculated accurately. Please also provide supporting documentation which reflects that indirect costs charged in excess of the allowable rate (\$26,692.66) have been returned to the nonprofit school food service account.</i> |

Procurement

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| 5 | The SFA did not monitor the FSMC through periodic on-site visits of the food service operation. | Discussed that any school food authority that employs a food service management company in the operation of its nonprofit school food service shall monitor the food service operation through periodic on-site visits. | <i>Please provide a written description of steps that will be taken to ensure that the SFA conducts periodic on-site visits of the food service operation to ensure contracted requirements are being met by the FSMC. Additionally, please provide written assurance that documentation of monitoring will be kept on file.</i> |
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General Program Compliance: Civil Rights

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| 6 | The USDA nondiscrimination statement was not printed on appropriate program materials. Specifically, the current USDA nondiscrimination statement was not printed on the distributed SFSP outreach materials. | Discussed where to find nondiscrimination statement on ADE's website at https://www.azed.gov/hns/civilrights and whether long or short statement would be most appropriate. | <i>Please provide an updated program material (SFSP outreach material) with the correct nondiscrimination statement. Additionally, please provide written assurance that all program materials have been updated with the proper language.</i> |
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General Program Compliance: SFA On-Site Monitoring

No findings.

General Program Compliance: Local Wellness Policy

No findings.

General Program Compliance: Competitive Food Services

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| <p>7 Foods and beverages sold to students in grades 9-12 during the school day do not meet Smart Snacks standards. Specifically, Mountain Dew Code Red, Kars Sweet N Salty, Kars Sweet N Spicy, Pure Leaf Tea (Lemon & Extra Sweet & Raspberry), and Orange Gatorade sold in vending machines at Coconino High School did not meet Smart Snacks requirements.</p> | <p>Discussed Smart Snacks requirements for grades 9-12 and reasons why the listed items did not meet Smart Snacks requirements. did not meet standards. The Alliance for a Healthier Generation Smart Snacks Product Calculator can be found on ADE's website at https://www.azed.gov/hns/nslp/forms under the Operational accordion. Smart Snacks Summary Chart can be found on USDA's website at https://www.fns.usda.gov/school-meals/tools-schools-focusing-smart-snacks/. The Online Course: Smart Snacks and Competitive Foods Standards in Arizona can be found on ADE's website at https://www.azed.gov/hns/nslp/training under the Online Training Library accordion.</p> | <p><i>Please provide written procedures for assessing whether a product meets Smart Snacks standards and written assurance that Mountain Dew Code Red, Kars Sweet N Salty, Kars Sweet N Spicy, Pure Leaf Tea (Lemon & Extra Sweet & Raspberry varieties), and Orange Gatorade will no longer be sold during the school day and that Smart Snacks standards will be adhered to. Additionally, the certificate of completion of Online Course: Smart Snacks and Competitive Foods Standards in Arizona must be submitted for the individual responsible for vending machines at Coconino High School.</i></p> |
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General Program Compliance: Professional Standards

No findings.

General Program Compliance: Water

No findings.

General Program Compliance: Food Safety, Storage and Buy American

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| <p>8 The following reviewed products indicated violations of the Buy American Provision in 7CFR 210.21(d) at off-site storage facilities (Sinagua Middle School): Mandarin Oranges (Product of China), Pineapple Tidbits (Product of Indonesia), Sliced Bananas (Product of Ecuador), and Fresh Tomatoes (Product of Mexico). Additionally, documentation justifying a Buy American exception was not maintained on file.</p> | <p>Discussed the Buy American provision requirements and procedures to ensure compliance. Referred to SP38-2017, Buy American Webinar and FAQ. Funds used from the non-profit food service account must be used to procure food products that comply with the Buy American Provision. Additional information on the requirements of this provision, including ADE's prototype Buy American exception document, can be found on ADE's website at https://www.azed.gov/hns/nslp/forms under the Operational accordion. Buy American Recorded Webinar and FAQ can be found on ADE's website at https://www.azed.gov/hns/nslp/training under the Online Training Library accordion.</p> | <p><i>Please provide a written description of the changes that have been made to procurement and/or recordkeeping procedures to ensure that the requirements of the Buy American Provision are met.</i></p> |
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<p>9 The following reviewed products indicated violations of the Buy American Provision in 7CFR 210.21(d) on-site at reviewed schools (Northland Preparatory Academy): Apple Juice (origin of Brazil, Chile, China, Hungary, Italy, Poland, Turkey, Ukraine, and US). Additionally, documentation justifying a Buy American exception was not maintained on file.</p>	<p>Discussed the Buy American provision requirements and procedures to ensure compliance. Referred to SP38-2017, Buy American Webinar and FAQ. Funds used from the non-profit food service account must be used to procure food products that comply with the Buy American Provision. Additional information on the requirements of this provision, including ADE's prototype Buy American exception document, can be found on ADE's website at https://www.azed.gov/hns/nslp/forms under the Operational accordion. Buy American Recorded Webinar and FAQ can be found on ADE's website at https://www.azed.gov/hns/nslp/training under the Online Training Library accordion.</p>	<p><i>Please provide a written description of the changes that have been made to procurement and/or recordkeeping procedures to ensure that the requirements of the Buy American Provision are met.</i></p>
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General Program Compliance: Reporting and Recordkeeping

<p>10 The site application in CNPWeb does not accurately reflect the type of meal service that was observed on-site. Specifically, John Q Thomas Elementary School's CNPWeb Site Application indicated that Offer versus Serve was not implemented at breakfast or lunch; however, Offer versus Serve was observed as implemented at breakfast and lunch.</p>	<p>Advised SFA to update site application in CNPWeb and contact their assigned specialist to let them know of the changes.</p>	<p><i>Corrections have been made to John Q Thomas Elementary's School's CNPWeb Site Application. Please provide written assurance that site and sponsor applications in CNPWeb will accurately reflect the most current practices in operation.</i></p>
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General Program Compliance: School Breakfast Program and Summer Food Service Program Outreach

No findings.

Other Federal Program Reviews: Afterschool Snack Program

Not applicable.

Other Federal Program Reviews: Seamless Summer Option

Will be reviewed in Summer 2024 if applicable.

Other Federal Program Reviews: Fresh Fruit and Vegetable Program

Not applicable.

Other Federal Program Reviews: Special Milk Program

Not applicable.

Other Federal Program Reviews: At-Risk Afterschool Meals

<p>11 The At-Risk Afterschool Meals monitoring review was not conducted within the first four weeks of operation during the school year. Specifically, John Q Thomas Elementary School's afternoon snack was not monitored within the first four weeks of operation in School Year 2023-2024.</p>	<p>Discussed At-Risk monitoring requirements. A sample At-Risk monitoring form can be found on ADE's website at https://www.azed.gov/hns/afterschool/programforms under the Operational accordion.</p>	<p><i>Please provide steps that will be taken to ensure the At-Risk Afterschool Meals will be monitored once within the first four weeks of operation and one additional time during the school year, and that documentation to support this will be maintained.</i></p>
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Comments/Recommendations:

Congratulations! Flagstaff Unified District has completed the administrative review for the 2023-2024 school year. Thank you for your hospitality and organization during the review process. It is evident that the district and food service management company work collaboratively to ensure students are fed healthy meals in a welcoming environment.

To stay on track with NSLP requirements, check out the NSLP at a Glance Calendar & Monthly Checklist on our website at <https://www.azed.gov/hns/nslp/forms> under the Calendars and Checklists tab.

Training: In-person classes, web-based training, and how-to guides can be found on ADE's website at <https://www.azed.gov/hns/nslp/training>.

Fiscal Action Assessed?

<input checked="" type="checkbox"/> No- SBP	<input type="checkbox"/> Yes- SBP	\$0
<input checked="" type="checkbox"/> No- NSLP	<input type="checkbox"/> Yes- NSLP	\$0

Fiscal Action under \$600 will be disregarded.

Please submit corrective action response by June 28, 2024 to Kariann Sadlon at Kariann.Sadlon@azed.gov.

Reviewer Signature

Date

If you disagree with any finding that affects the claim for reimbursement, you may appeal the decision by following the [School Food Authority Appeal Procedure for the Administrative Review](#) found under the Reviews Conducted by the State Agency accordion on ADE's National School Lunch and School Breakfast Program webpage.

Tom Horne, Superintendent of Public Instruction
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