



# ARIZONA DEPARTMENT OF EDUCATION

## Health and Nutrition Services Division

### Administrative Review Summary Report

School Food Authority Name: Challenge Schools, Inc.

CTD: 07-87-72

Site: Challenge Charter School

Contacts: Wendy Miller, Superintendent and Cynthia Cushing, Food Service Manager

Review Date: November 14, 2024

Exit Conference Date: November 14, 2024

Review Period: October 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

1	Student eligibility was determined utilizing incomplete information. Specifically, two applications were missing social security information. Additionally in two applications the household size was inconsistent with the listed household members.	Discussed errors found and required corrective action. Referred to Processing Applications, Reviewing Applications Based on Income, Assessing Completeness of Categorically Eligible Applications, Determining Eligibility for Categorically Eligible Applications section in USDA's Eligibility Manual for School Meals found on ADE's website at <a href="https://www.azed.gov/hns/nslp">https://www.azed.gov/hns/nslp</a> under the Guidance Manuals accordion.	<i>Corrections have been made to certification errors. Please describe the process that will be implemented to ensure the completeness of household applications. Additionally, the certificate of completion of Step-by-Step Instruction: How to Process Household Applications must be submitted.</i>
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#### Performance Standard 1: Meal Counting and Claiming – Critical Area

2	Meal count totals for breakfast claim for the review period were not correctly recorded. Specifically, the SFA served 546 paid meals but only 545 meals were claimed. Additionally 578 free meals were served, but 579 meals were claimed. This was deemed a non-systemic, human error and contributed toward fiscal action calculations.	Discussed how current system allowed for this to happen and potential changes that could be made to ensure it doesn't continue. State agency recommended SFA complete a three-point check prior to submitting claim to ensure meal counts, daily edit check, and claim match prior to submitting claim, and/or having a second staff person review documentation and submissions for accuracy prior to submission.	<i>Please provide a written description of changes to the system that have been implemented to ensure that meal count totals are correctly combined, recorded, and entered in the claim accurately, including the date of implementation.</i>
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#### Performance Standard 2: Meal Components & Quantities – Critical Area

No findings.

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

No findings.

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**Meal Access & Reimbursement: Certification and Benefit Issuance**

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| 3 | Daily edit checks are not being conducted appropriately. Specifically, daily edit check consolidated by POS software for breakfast meal service during the month of review did not accurately capture meal service and did not match monthly claim. | Discussed how to complete daily edit checks using ADE's Daily Edit Check worksheet. The Daily Edit Check Worksheet can be found on ADE's website at on ADE's website at <a href="https://www.azed.gov/hns/nslp/forms">https://www.azed.gov/hns/nslp/forms</a> under the Operational accordion. The Step-by-Step Instruction: How to Complete Daily Edit Checks can be found on ADE's website at <a href="https://www.azed.gov/hns/nslp/training">https://www.azed.gov/hns/nslp/training</a> under the Online Training Library accordion. | <i>Please provide a completed daily edit check worksheet for the most recently submitted claim month. Additionally, please provide written assurance that daily edit checks will be conducted. Additionally, the certificate of completion of Step-by-Step Instruction: How to Complete Daily Edit Checks must be submitted.</i> |
| 4 | Daily edit checks are not being conducted appropriately. Specifically, the attendance factor on the daily edit check does not match the attendance factor on the monthly reimbursement claims.  | Discussed how to complete daily edit checks using ADE's Daily Edit Check worksheet. The Daily Edit Check Worksheet can be found on ADE's website at on ADE's website at <a href="https://www.azed.gov/hns/nslp/forms">https://www.azed.gov/hns/nslp/forms</a> under the Operational accordion. The Step-by-Step Instruction: How to Complete Daily Edit Checks can be found on ADE's website at <a href="https://www.azed.gov/hns/nslp/training">https://www.azed.gov/hns/nslp/training</a> under the Online Training Library accordion. | <i>Please provide a completed daily edit check worksheet for the most recently submitted claim month. Additionally, please provide written assurance that the attendance factor reflected on the daily edit check worksheet will be updated annually.</i>  |

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**Meal Access & Reimbursement: Verification**

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| 5 Documentation to support that a confirmation review took place prior to any other verification activity was not maintained. Specifically, the confirmation review took place on October 25, 2023 when the household was notified of verification selection on October 13, 2023. | Discussed how to document the confirmation review by using the 'Office Use Only' section on household applications. Discussed requirement for having a designated individual separate from the initial eligibility determination confirm the eligibility of an application selected for verification. Referred to The Online Training: Verification Review found on ADE's website at <a href="https://www.azed.gov/hns/nslp/training">https://www.azed.gov/hns/nslp/training</a> under the Online Training Library accordion. Additionally, referred to Verification Tracking Form found on ADE's website at <a href="http://www.azed.gov/hns/nslp/forms">http://www.azed.gov/hns/nslp/forms</a> under the Eligibility Documents for School Meal Benefits accordion.                    | <i>Please provide written procedures for how the confirmation review will be conducted, including the individual (title) who will be responsible for conducting the confirmation review and how it will be documented. Additionally, please provide written assurance that all applications selected for verification will undergo this process prior to contacting households.</i>                  |
| 6 Direct verification was not conducted as a part of the verification process.  | Discussed requirement to conduct direct verification on all selected applications prior to contacting households. Additionally, discussed how to conduct direct verification in ADEConnect CNP Direct Certification/Direct Verification. Referred to Step-by-Step Instruction: How to Conduct Direct Verification in CNP Direct Certification/Direct Verification found on ADE's website at <a href="https://www.azed.gov/hns/nslp/training">https://www.azed.gov/hns/nslp/training</a> under the Online Training Library accordion. Additionally, referred to Section 6: Verification in USDA's Eligibility Manual for School Meals, Revised found on ADE's website at <a href="https://www.azed.gov/hns/nslp">https://www.azed.gov/hns/nslp</a> under the Guidance Manuals accordion. | <i>Please provide written procedures for conducting direct verification and written assurance that direct verification will be conducted according to requirements on all applications selected for verification. Additionally, the certificate of completion of Step-by-Step Instruction: How to Conduct Direct Verification in CNP Direct Certification/Direct Verification must be submitted.</i> |
| 7 Verification procedures were not followed correctly. Specifically, households for whom benefits were to be reduced or terminated as a result of verification were not provided 10 calendar days' advance notification prior to the actual reduction or termination.             | Discussed that if benefits are decreased during verification, SFAs must provide 10 days advance notification to households prior to the actual reduction or termination of benefits. Referred to ADE's Verification Tracking Form and Online Training: Verification Review on ADE's website at <a href="https://www.azed.gov/hns/nslp/training">https://www.azed.gov/hns/nslp/training</a> under the Online Training Library accordion. Additionally, referred to Section 6: Verification in USDA's Eligibility Manual for School Meals, Revised found on ADE's website at <a href="https://www.azed.gov/hns/nslp">https://www.azed.gov/hns/nslp</a> under the Guidance Manuals accordion.  | <i>Please provide the written procedures for ensuring that households for whom benefits are to be reduced or terminated will be given 10 calendar days written advance notice of the change.</i>   |

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**Meal Access & Reimbursement: Meal Counting and Claiming**

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No finding.

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**Meal Pattern & Nutritional Quality: Offer Versus Serve**

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Not applicable.

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**Meal Pattern & Nutritional Quality: Meal Components and Quantities**

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No finding.

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**Resource Management**

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| 8 | Sufficient documentation was not provided to support the usage of Supply Chain Assistance funds. | Discussed that the attestation statement signed by the SFA detailed that the SFA will use Supply Chain Assistance (SCA) funds only for purchasing unprocessed or minimally processed domestic food products and that SFAs are required to maintain purchasing and other related records for review and audit purposes. Referred to SP 03-2022: Allocation of Supply Chain Assistance (SCA) Funds to Alleviate Supply Chain Disruptions in the School Meal Programs located on ADE's website at <a href="https://www.azed.gov/hns/memos">https://www.azed.gov/hns/memos</a> . | <i>Please provide documentation in the form of invoices, demonstrating how the <b>\$12,780.55</b> of Supply Chain Assistance funds were spent. If SCA funds have not been fully expended provide written description of how funding will be used to purchase unprocessed or minimally processed domestic food products.</i> |
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**General Program Compliance: Civil Rights**

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No finding

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**General Program Compliance: SFA On-Site Monitoring**

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Not applicable

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**General Program Compliance: Local Wellness Policy**

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| 9 | A recent assessment of the implementation of the Local Wellness Policy has not been conducted. | Discussed requirement to complete an assessment once every three years, at a minimum. The assessment must measure how the LEA is complying with their Local Wellness Policy, how the LEA's Local Wellness Policy compares to the model wellness policy, and progress made in attaining the goals of the wellness policy. Additionally, discussed feasible means for notifying the public of the results of the most recent assessment. Sample evaluation tools can be found on ADE's website at <a href="https://www.azed.gov/hns/nslp/forms">https://www.azed.gov/hns/nslp/forms</a> under the Local Wellness Policy accordion. Local Wellness Policy Assessment: Making it Meaningful Webinar can be found on ADE's website at <a href="https://www.azed.gov/hns/nslp/training">https://www.azed.gov/hns/nslp/training</a> under the Online Training accordion. | <i>Please provide a written plan for conducting an assessment of the implementation of the Local Wellness Policy. This plan must include who will be designated as the oversight official, who will be invited to participate in the assessment process, and the date by which the assessment is expected to be completed.</i> |
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**General Program Compliance: Competitive Food Services**

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Not applicable

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**General Program Compliance: Professional Standards**

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| 10 | The school principal and business manager tasked with National School Lunch Program procurement responsibilities have not completed annual training on Federal procurement standards. | Discussed that school nutrition program directors, management, and staff tasked with National School Lunch Program procurement responsibilities must complete annual training on Federal procurement standards annually. Additionally discussed that procurement training may count towards the professional standards training standards. Training Curriculum for Arizona Child Nutrition Professionals Operating the National School Lunch and School Breakfast Program can be found on ADE's website at <a href="https://www.azed.gov/hns/nslp/training">https://www.azed.gov/hns/nslp/training</a> under the Build Your Employees Training Plans accordion. Procurement Basics training can be found on ADE's website at <a href="https://www.azed.gov/hns/nslp/training">https://www.azed.gov/hns/nslp/training</a> under the Online Training Library accordion. | <i>Please provide the certificate of completion of Procurement Basics (or an equivalent training on Federal procurement standards) for School Principal, and business manager tasked with National School Lunch Program procurement responsibilities. Additionally, please provide written assurance that annual training on Federal procurement standards will be completed annually.</i> |
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**General Program Compliance: Water**

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No finding.

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**General Program Compliance: Food Safety, Storage and Buy American**

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No finding.

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**General Program Compliance: Reporting and Recordkeeping**

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No finding.

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**General Program Compliance: School Breakfast Program and Summer Food Service Program Outreach**

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No finding.

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**Other Federal Program Reviews: Afterschool Snack Program**

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Not applicable

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**Other Federal Program Reviews: Seamless Summer Option**

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Will be reviewed in Summer 2025 if applicable.

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**Other Federal Program Reviews: Fresh Fruit and Vegetable Program**

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Not applicable

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**Other Federal Program Reviews: Special Milk Program**

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Not applicable

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**Other Federal Program Reviews: At-Risk Afterschool Meals**

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Not applicable

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**Comments/Recommendations:**

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Thank you for your continued participation in the School Breakfast Program and National School Lunch Program. Challenge School, Inc. dedication to providing nutritious meals to students is truly commendable, and it reflects the care and effort your team puts into fostering a healthy learning environment. To ensure continued success, it is encouraged that you monitor your catering contract and advocate for meals that your students will enjoy. Additionally, it is recommended continue to complete ADE-recommended trainings, which offers tools enhance professional development within your organization. Challenge School, Inc can also explore further training opportunities available through the Institute of Child Nutrition (ICN). These resources are designed to support child nutrition programs.

**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?

☒ No- SBP      ☐ Yes- SBP      \$1.98  
☒ No- NSLP      ☐ Yes- NSLP      \$0.00

Fiscal Action under \$600 will be disregarded.

Please submit corrective action response by January 23, 2025 to [Ana.gandarilla-begay@azed.gov](mailto:Ana.gandarilla-begay@azed.gov). The response must be on organizational letterhead and signed by an authorized representative and must indicate that corrective actions will be implemented SFA-wide.

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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  
1535 West Jefferson Street • Phoenix Arizona 85007 • [www.azed.gov](http://www.azed.gov)

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