



SNP Administrative Review Findings

St Paul's Lutheran School (K020)

Program Year 2025

St Paul's Lutheran School (K020)

1125 S. Barr Street
Fort Wayne, IN 46802-3107

Food Service Contact

Mrs. Stephanie Bertz
Food Service Director
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Executive Contact

Mr. Andy Whirrett
Principal
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No. of Sites / Reviewed: 1 / 1
Month of Review: March 2025

Commendations

- * The food service director is committed to improving the menu choice and quality of meals, as well as enhancing student satisfaction. This is their first year and they not only have built a new kitchen but managed to implement extra choices including salads and extra vegetable choices on the menu. They have plans to extend their program with merchandising, more healthful choices, student engagement, ala carte sales and breakfast program implementation. This is not an easy task, especially in their first year as a director in a small parochial environment.
- * The State Agency (SA) was greeted repeatedly by students and teachers who were complimentary of the cafeteria staff. The students engaged in the cafeteria with service jobs excitedly and the SA was impressed by feedback in all grade levels about menu items they enjoyed.
- * There were no benefit errors, making it evident that the director took training seriously and was thorough in processing, verifying and directly certifying their students' household benefits.
- * The documentation for the Administrative Review was presented in an organized and tidy manner. The director is still diligently working on getting financial and AFR information current.
- * The kitchen was very clean. It was evident in a building that is 150 years old that the kitchen team took pride in their kitchen and cafe.

Technical Assistance

- * The State Agency suggests the director add the planned additional menu options to their published school menu. They are doing a great job offering extra menu options, but they should market their other healthy daily choices for their students.
 - * Since PreK is not co-mingling, the director should monitor that the PreK teachers understand they need to serve a full 6 oz serving of milk. If they prefer to serve in a cup it needs to be at least an 8 oz cup for a 6 oz serving or give them an 8 oz carton of milk. It is recommended to use a carton to avoid spills and contamination.
- USDA has recently updated guidance to program sponsors regarding Buy American requirements to become effective PY 2025-2026 school year. For additional information, go here: <https://www.fns.usda.gov/cn/buy-american-provisions>.
To watch a recorded webinar on updates to the Buy American requirements, go here: <https://www.fns.usda.gov/cn/buyamerican-provisions/webinar>.
To download a copy of the USDA Buy American tracking tool, go here: <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Ffnsprod.azureedge.us%2Fsites%2Fdefault%2Ffiles%2Fresource-files%2FSP23-2024a.xlsx&wdOrigin=BROWSELINK>.
- * If there is a medical need/disability/impairment and a complete meal can be accommodated within the meal pattern such as providing a milk substitute nutritionally equivalent to cow's milk, SFAs are not required to obtain a medical statement signed by a health care provider with prescriptive authority. A written request from a parent/guardian would be acceptable. [file:///C:/Users/astieglitz/Downloads/Fluid%20Milk%20Substitutions%20MDE071230%20\(2\).pdf](file:///C:/Users/astieglitz/Downloads/Fluid%20Milk%20Substitutions%20MDE071230%20(2).pdf).
 - * Health Department Notification: The School Food Authority had two inspections for this school year. The SFA will email the two-health inspection request form at the start of the new school year. <https://docs.google.com/document/d/1iwP5jVuzNualqEwBAiAxDW7pDF3Hrgos/edit>.
 - * Financial Management for Directors training is available on ICN, this would be a great training tool. <https://theicn.org/school-nutrition-programs/#8541d56a6ec85720f>.



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Delinquent Funds and Bad Debt Policy- St Paul's Lutheran School (K020)

313. *On-site observations validate Off-Site Assessment Tool responses to Meal Counting & Claiming questions and responses demonstrate compliance with FNS requirements*

Finding 10150: Delinquent Funds and Bad Debt Policy

Finding: The local school meal charging policy is not followed and does not contain a policy for bad debt.

Policies regarding the collection of unpaid meal charges should be included in the written meal charge policy that is required of all SFAs participating in the Federal school meal programs no later than July 1, 2017 (see SP-46, Local Meal Charge Policies, July 8, 2016). It is up to the district to determine at what point the debt will be considered uncollectable and reclassified as bad debt. All districts are required to have a Bad Debt Policy.

Corrective Action:

As corrective action, provide to the State Agency an updated meal charge policy reflecting practices that will be enforced, that addresses the collection of delinquent funds, and includes a policy for bad debt. Your policy must state that the loss will not be absorbed by the non-profit school foodservice account and will be restored using non-federal funds. Please utilize the following charge policy development checklists to ensure a comprehensive policy is developed: <https://ospi.k12.wa.us/sites/default/files/2023-08/mealchargepolicychecklist.pdf>.

Once the school's bad debt definition has been determined, the SFA must evaluate all negative student and adult meal debt, current and inactive, determine what is unrecoverable, and restore funds in that amount to the non-profit school foodservice account. Proof of calculations and restoration must be provided to the state agency.

Technical Assistance:

Unpaid meal charges, like any other money owed to the NSFSFA, are considered "delinquent debt" when payment is overdue, as defined by state or local policies. The debt is classified as delinquent if it is considered collectable and efforts are being made to collect it. A debt owed to the NSFSFA (i.e., an account receivable) is an asset. As such, the debt remains on the accounting documents until it is either collected or is determined to be uncollectable and written off. SFAs must make reasonable efforts to collect unpaid meal charges classified as delinquent debt and the cost of these efforts is an allowable use of NSFSFA funds. A reasonable timeframe and methods for collecting unpaid meal charges must be established at the SFA level.

When local officials determine that further collection efforts for delinquent debt are useless or too costly, the debt must be reclassified as "bad debt." However, once a delinquent debt is reclassified as a bad debt it is no longer considered an asset because it is, by definition, uncollectable. Therefore, bad debts must be written off as operating losses. However, while bad debt must be written off as an operating loss, this operating loss may not be absorbed by the NSFSFA but must be restored using non-federal funds.

Section 200.426 of Subpart E states that "Bad debts...arising from uncollectable accounts and other claims, are unallowable. Related collection costs, and related legal costs, arising from such debts after they have been determined to be uncollectable are also unallowable". Therefore, NSFSFA resources may not be used to cover costs related to the bad debt, such as continued legal and collection costs. Once delinquent meal charges are converted to bad debt, records relating to those charges must be maintained in accordance with the record retention requirements in 7 CFR 210.9(b)(17) and 7 CFR 210.15(b).

Resource Management Comprehensive Review - St Pauls Lutheran School (K020)

750. Year End Available Balance

Finding 10187: Non-profit school foodservice account validation

The non-profit school foodservice account could not be validated. An explanation for the difference in account balances between the annual financial report and the accounting reports provided during the review could not be determined during the onsite review.

Corrective Action: As corrective action, documentation explaining the difference in the non-profit school foodservice account starting and ending balances must be provided to the state agency.



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767. Nonprogram Revenue and Food Cost Ratio

Finding 10174: Revenue ratio was less than its food cost ratio.

The SFA found that its revenue ratio was less than its food cost ratio and did not act to adequately resolve the problem.

Corrective Action:

As corrective action please explain what actions have been taken to ensure compliance with non-program food revenue. Additionally, provide to the State Agency documentation of the actions such as:

- point-of-sale price listing showing a la carte price increases,
- plans to regularly maintain the non-federal fund contribution to the non-profit school foodservice account, and
- an updated non-program food revenue tool showing compliance because of increased prices or the addition of non-federal funds.

Technical Assistance:

USDA non-program food revenue guidance can be found at the following websites: <https://www.in.gov/doe/files/sp20-2016s-non-program-food-guidance.pdf>; <https://fns-prod.azureedge.us/sites/default/files/cn/SP39-2011r.pdf>.

769. Indirect Cost Rate Agreement

Technical Assistance

Incorrect methodology was used for assessing indirect costs in program year 2024. The school charged the kitchen for all gas and for pest control. This amount did result in charges less than the allowed 10% calculation; therefore, the State Agency will not require a restoration of funds.

774. Verification of Indirect Cost Documentation

Finding 9140: Indirect cost calculation errors.

Mathematical errors were found in the SFA's calculations of its indirect costs.

It is no longer allowable as of October 1, 2024, to charge indirect costs against the non-profit school foodservice account for private schools sponsoring the Child Nutrition Programs. Since pest control was previously charged as an indirect cost and is billed to the church and school, it is not considered an allowable direct cost and therefore cannot be charged to the non-profit school foodservice account. Going forward pest control may only be charged to foodservice if it is charged directly, meaning a separate bill must be provided listing only the charges for pest control in the foodservice areas.

Corrective Action:

As corrective action, funds from the non-profit school foodservice account paid for pest control as of October 1, 2024 must be restored using non-federal funds.



SNP Administrative Review Findings

St Paul's Lutheran School (K020)

Program Year 2025

St. Paul Lutheran School (A245)

1125 S. Barr Street
Fort Wayne, IN 46802-3107

Food Service Contact

Mrs. Stephanie E Bertz
Food Service Director
(260) 424-0049

Month of Review: March 2025

Date of Onsite Review: April 10, 2025

Meal Components & Quantities - St. Paul Lutheran School (A245)

410. Review Period- planned menu quantities meet the meal pattern requirements

Finding 10171: Standardized Recipes

Standardized recipes were not available for the following menu items: sloppy joe, French Fries and green beans served during the review period.

Corrective Action:

As corrective action, standardized recipes must be developed for the above-mentioned menu items. Submit copies of completed recipes to the State Agency.

Technical Assistance:

A standardized recipe template with instructions can be found here:

<https://drive.google.com/drive/folders/1TogadACpRuCsyzRu2doy9-9TDKwpKn8K>.

General Program Compliance - St. Paul Lutheran School (A245)

1409. On-site or off-site storage violations were observed

Finding 9150: Storage violations were observed.

Proper HACCP principles not observed:

- a) Foods in storage were missing "use-by", "preparation" and received dates.
- b) Manual thermometers were not found inside coolers and freezers.
- c) The checklist and monitoring forms for SOP's have not been developed, reviewed or updated.
- d) Teachers are using the microwave in kitchen during meal times without proper hair covering. The SFA stated they would move microwave to cafeteria.

Corrective Action:

As corrective action, a) Upload two examples of written Standard of Operations pertaining to date marking and hair restraints and provide proof of training to kitchen staff. b) Upload proof of manual thermometers inside coolers and freezers. c) Upload an updated and completed Food Safety Checklist. d) Upload proof that the staff microwave has been moved to an accessible area outside of kitchen.

Technical Assistance:

Food safety resources can be found at the following link: <https://www.in.gov/doe/nutrition/food-safety/>.