

SNP Administrative Review Findings

Damar Services Inc (K158)

Program Year 2022

Damar Services Inc (K158)

6067 Decatur Blvd.  
Indianapolis, IN 46241-9606

Food Service Contact

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Executive Contact

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No. of Sites / Reviewed: 6 / 2  
Month of Review: March 2022

Technical Assistance

- \* It may be advisable to post a simple food safety one-pager for staff serving foods in the group homes on campus. Handwashing, glove usage, cross-contamination, handling of leftovers, etc. may be good points to post for staff reference.
- \* The SFA is reminded of the requirement to evaluate the local school wellness policy by June 30th, 2023.
- \* The SFA is advised to utilize OVS for breakfast as several students desired to decline food items at breakfast.
- \* It was determined during the administrative review that Damar Services vends meals to Damar Charter Academy as opposed to just satelliting meals. Damar Charter Academy is billed monthly for these meals. The reviewer consulted with the IDOE finance team and was informed that the State Agency always requires a vended meals agreement when schools vend to another school. The service does not need to be procured, however, because Damar Services is already a sponsor of the Child Nutrition Programs. The invoice for meals must be separated in a way that allows for adult meals to be charged to the general (or other non-federal) fund and student meals to be charged to the non-profit foodservice account.
- \* Indirect costs must be applied consistently among all federal programs.

Resource Management - Damar Services Inc (K158)

710. SFA provided adult meals?

Finding 9000: Adult Meals

Non-program adults have been served but have not been charged for the current program year and the two prior program years for Damar Charter and Damar Services. This is likely the cause of a significant negative balance in the non-profit foodservice account. The SFA contact did indicate the sponsoring organization pays for non-program adult meals as a benefit, but a procedure has not been established to restore funds to foodservice for adult meals served.

Corrective Action:

As corrective action the SFA must calculate adult meals (breakfast and lunch separately) served at Damar Charter and Damar Services at least for program year 2022 (July 1, 2021-June 30, 2022). The amount served multiplied by the established adult meal price (\$2.50 for breakfast and \$4.60 for lunch) must be restored into the non-profit foodservice account as corrective action. Documentation of the transfers must be provided to the State Agency. Starting July 2022 non-program adults must be billed at least monthly for meals purchased through the school foodservice. The transfer of funds from the SFA to cover the amount provided as a benefit and not charged to each non-program adult must also be conducted at least monthly. As additional corrective action, please put in writing your procedure/policy for restoring funds to the non-profit foodservice account for non-program adult meals served. Please submit your procedures to the State Agency.

Technical Assistance:

The requirement was explained to the director and CFO the day of review. Please also note that the funds for adult meals must be represented in the AFR as non-federal income, as well as payment from Damar Charter for vended meals.

Resource Management Comprehensive Review - Damar Services Inc (K158)

764. Catering/School Events

Finding 9126: Revenue from all nonprogram foods did not accrue to the SFA's nonprofit school food service account.

The SFA did not ensure that all revenue from the sale of nonprogram foods accrued to the nonprofit school food service account. Revenue from adult meals and vended meals were not reflected in the Annual Financial report as submitted to the State Agency.

SNP Administrative Review Findings

Damar Services Inc (K158)

Program Year 2022

**Corrective Action:**

Revenue from non-program foods must be accurately reflected in the SFA's ledger as well as the annual financial report. Failure to do so inaccurately reflects a loss in the foodservice account. As corrective action an updated ledger and AFR must be submitted for program year 2021. Additionally, all corrections must carry forward.

**Technical Assistance:**

The requirements were explained to the sponsor the day of review.

766. *Assessing Compliance with the Nonprogram Foods Revenue/Cost Ratio*

**Finding 9000: Non-program food revenue**

The SFA did not assesses compliance with the Revenue from Nonprogram Food requirements. Damar Services vends meals to Damar Charter and bills monthly for these meals. This is considered non-program food revenue as is revenue from adult meals.

**Corrective Action:**

As corrective action the non-program food revenue tool must be completed using program year 2022 data. This will assist in determining if changes need to be made in pricing of vended or adult meals. The completed tool must be submitted to the State Agency.

**Technical Assistance:**

Revenue from non-program food requirements can be found here: <https://www.in.gov/doe/nutrition/financial-management/>.

770. *Correct Rate/Base Calculation*

**Finding 9000: Indirect Costs**

The amount of indirect costs charged to the non-profit foodservice account was incorrect.

1) The incorrect direct cost base was used as food and equipment was included in the calculation. The error was made by the prior CFO and is acknowledged by the current CFO. The calculation of indirect costs was discussed the day of review with the current CFO and is understood.

2) It is unclear as to whether the AFR only reflected revenue and expenses related to participation in the School Nutrition Programs as the indirect cost rate can only be applied against allowable program costs. The cost of other meals such as dinner and snacks cannot be included. It does appear that expenses were almost three times the amount of revenue.

**Corrective Action:**

As corrective action, please complete the following:

1) Determine if foodservice expenditures were prorated on the AFR to only include allowable program costs (not suppers or non-reimbursable snacks). If expenditures were incorrectly prorated, then the correction must be made before the correct indirect cost calculation can be applied.

2) Show that indirect costs have been recalculated using the correct, prorated expenditure amount (if applicable), the correct indirect cost rate, and the correct direct cost base.

3) Provide proof that the excess indirect costs have been restored to the non-profit foodservice account. Going forward, food and equipment will be excluded in the calculation of indirect costs as well as unallowable, non-program costs.

Please note that indirect costs cannot be charged when the non-profit foodservice account has a negative balance.

**Technical Assistance:**

The requirement was explained the day of review. Additionally, it was clarified that a maximum of a 10 percent indirect cost rate can be charged for private/non-profit sponsors of the Child Nutrition Programs. The rate listed in the CNPweb AFR is 14 percent.



**SNP Administrative Review Findings**

**Damar Services Inc (K158)**

*Program Year 2022*

**Damar Services, Inc (C257)**

6067 Decatur Blvd.  
Indianapolis, IN 46241-9606

**Food Service Contact**

Ms. Jessica Thirlby  
Director of Dietary Services  
(317) 856-5201

Month of Review: March 2022

Date of Onsite Review: April 26, 2022

**No Findings during Site C257 Review**

**SNP Administrative Review Findings**

**Damar Services Inc (K158)**

*Program Year 2022*

**Tenrab Group Home (Z088)**

6067 Decatur Blvd.  
Indianapolis, IN 46241-9606

**Food Service Contact**

Ms. Jessica Thirlby  
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Month of Review: March 2022

Date of Onsite Review: April 26, 2022

**General Program Compliance - Tenrab Group Home (Z088)**

1406. *The most recent food safety inspection report is posted in a publicly visible location*

**Finding 9147: Most recent food safety inspection report is not posted in a publicly visible location.**

**Corrective Action:**

As corrective action the sponsor agrees to post a copy of the most current food safety inspection. Additional response is not required.

**Technical Assistance:**

The requirement was explained the day of review.