

SNP Administrative Review Findings

Emmaus Lutheran School (K017)

Program Year 2023

Emmaus Lutheran School (K017)

8626 Covington Rd
Ft Wayne, IN 46804-6018

Food Service Contact

Mrs. Candace Terrell
Kitchen Manager
(260) 459-7722
cterrell@emmauslutheranfw.org

Executive Contact

Mrs. Joann Olsen
Interim Principal
(260) 459-7722
jolsen@emmauslutheranfw.org

No. of Sites / Reviewed: 1 / 1
Month of Review: January 2023

Commendations

- * Staff were willing to work with reviewers to correct what they were able to correct on site.
- * Kitchens were clean and staff were personable, well-trained, and performed their duties with a great attitude. Batch cooking was taking place, which allows for a fresher meal for students.

Technical Assistance

- * When a student is found on the Direct Certification download, their application needs to be removed from the application file and the student is to be recorded as directly certified. This documentation will affect the number of applications that are part of the verification process so needs to be updated as students are found on the Direct Certification list.
- * It was noted during the review that the temperature of the freezer has risen from -10 to 8 degrees in the last two weeks. The increased temperature means that the freezer is slowly reducing in its capability to maintain temperature.

Certification and Benefit Issuance - Emmaus Lutheran School (K017)

128. Correct conversion factors used for applications with more than one income frequency

Finding 9019: Incorrect conversion factors used when processing applications

For applications that indicate more than one income frequency, the SFA did not use the correct conversion factors to determine monthly household income: weekly – times 52; bi-weekly – times 26; twice per month – 24; and monthly – times 12

Corrective Action:

The reviewer discussed the proper procedure of calculating annual income for all applications with different frequencies listed. The applications approved using the incorrect frequency did not have any changes to be made when calculated correctly. If implemented as discussed during the review, no further action is required.

Technical Assistance:

The reviewer discussed with the administrative assistant how applications with different frequencies are to be approved. Further guidance may be found on our web page at <https://www.in.gov/doe/nutrition/free-and-reduced-information/fact-sheets-and-training/>.

140. Direct Certification – updates to Benefits Issuance documents are made accurately and timely upon receipt of DC updates

Finding 9032: Direct Certification – updates to Benefits Issuance documents not made accurately and/or timely upon receipt of DC updates

The SFA did not make timely and accurate changes to the benefit issuance documents upon receipt of direct certification updates. None of the applications involved changed meal benefit status due to the direct certification updates.

Corrective Action:

The reviewer discussed with the administrative assistant the importance of changing the benefit status from application to directly certified to be sure further reports such as the verification report is accurate. If implemented as discussed, no further action is required.

SNP Administrative Review Findings**Emmaus Lutheran School (K017)***Program Year 2023***Verification - Emmaus Lutheran School (K017)**

209. *Verified applications were properly selected, correctly replaced (if necessary), and correctly verified*

Finding 9042: Selected applications not verified correctly.

Based on the verified applications selected for review, the post verification determination was incorrect for one application.

Corrective Action:

The administrative assistant sent a revised letter to the parent notifying them that the status had changed to denied. The fiscal action has been applied for this error. No further action required.

Technical Assistance:

The reviewer discussed with the Administrative Assistant on how to read pay stubs to determine the frequency. It was explained that when only one pay stub for weekly is presented, the administrator needs to request the pay stubs for the remaining month to determine the accurate monthly income.

Meal Counting & Claiming - Emmaus Lutheran School (K017)

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

Finding 9007: Meal Counting and Claiming information on the Off-site Assessment Tool not validated, or deficiencies found.

Some of the information gathered on the Off-site Assessment Tool regarding the SFA's Meal Counting & Claiming procedures could not be validated during on-site observations. Discrepancies or deficiencies found on-site: Charging Policy does not specifically address food service debt.

Corrective Action:

Corrective action required to address discrepancies or deficiencies in the SFA's Meal Counting & Claiming procedures identified from the Off-site Assessment Tool: The SFA is to write a bad debt (charging policy) to specifically address student meal debt. A copy of the policy is to be emailed to the Field Specialist.

Technical Assistance:

Technical Assistance provided to address discrepancies or deficiencies in the SFA's Meal Counting & Claiming procedures identified from the Off-site Assessment Tool: The reviewer discussed with the administrative assistant and principal that student bad debt for lunches may not be rolled over into the new school year without a payment plan in place. Their Bad Debt Policy or Charging Policy needs to address this issue. Further guidance may be found on our webpage at <https://www.in.gov/doi/nutrition/financial-management/> under meal charges.

Resource Management Comprehensive Review - Emmaus Lutheran School (K017)

753. *Internal Controls*

Finding 9000: Internal controls missing when tracking non-program cost and revenue.

The current process did not show accurate billing for non-program food.

Corrective Action:

The food service manager needs to send invoices to the school when preparing non-program meals for events hosted by the school. The payment for these meals needs to be transferred into the food service account on a timely manner. Documentation of the financial transactions needs to be available for the food service director to review that this transaction has taken place. This was discussed with the food service director and CFP, if implemented as discussed, no further action required.

Technical Assistance:

The Reviewer discussed with the CFO and FSD the issue of non-program food not being invoiced and paid or documentation available for the FSD to confirm the transaction happened. It is the responsibility of the FSD to ensure that non-program food costs are documented and paid in a timely manner.

SNP Administrative Review Findings**Emmaus Lutheran School (K017)****Program Year 2023***757. Allowable Costs Test***Finding 9118: Sample of expenses charged to nonprofit school foodservice account not reasonable and necessary.**

The State agency reviewed a sample representing 10% of expenses for the most recently completed 2022, using the SFA's detailed general ledger. The following recorded expenses did not represent an activity or function recognized as reasonable and necessary for the operations of the school food service programs: Transfer of funds for the Administrative Secretary listed as Greener and School Musical Expenses.

Corrective Action:

The funds are to be returned to the food service account and the Annual Financial Report updated. See Finding 9129 for the amount that must be restored to the food service account.

Technical Assistance:

The reviewer discussed with the CFO that employees must fill out a time sheet for funds to be paid for out of the food service account. If no time sheet is available, then this becomes an indirect cost.

*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. Documentation for the school musical and the grandparent day meal cost and revenue has not been documented.

Corrective Action:

The food service director is to ensure invoices are sent to the school for cost incurred for catering events such as the school musical and grandparents' meals. The reimbursement of these cost is to be transferred into the food service account. Documentation of the transfer is to be supplied as corrective action.

Technical Assistance:

The reviewer discussed with the Principal, CFO and Foodservice Director that expenses incurred from meals that are not a part of the reimbursable meals are considered non-program food and the cost must be covered by non-program revenue.

*769. Indirect Cost Rate Agreement***Finding 9129: SFA did not obtain an approved indirect cost rate from the State Education Agency (SEA) or other State Agency for the most recently completed fiscal year.**

Indirect cost rate agreements expire annually, and it is imperative that SFAs use the most current approved rate for each fiscal year. The SFA did not obtain an indirect cost rate from the State Educational Agency for the program year being reviewed. Approved indirect cost rate for the program year being reviewed: The maximum allowable rate is 10% de minimus. The annual financial report assessment indicates that more than 10% of the allowed indirect rate was charged to the food service account. The SFA is only allowed to charge 10% of the expenditures minus food cost and equipment. The Administrative Assistant cost of \$2,000.00 needs to be removed from the calculations of the Indirect cost. This total is \$62,400.60. The indirect cost may not be over \$6,240.06. The account was charged \$10,893.56. The food service account was over charged \$4,653.50.

Corrective Action:

The overcharged amount of \$4,653.50 are to be returned to the food service account. Documentation of this transfer into the food service account is required as corrective action.

Technical Assistance:

The reviewer met with the CFO to discuss the correct procedures in calculating indirect cost.

SNP Administrative Review Findings**Emmaus Lutheran School (K017)****Program Year 2023***773. Proper Classification of Costs (Direct/Indirect)***Finding 9138: Costs not consistently classified as direct or indirect**

The school food service accounts are charged directly for expenses that are included in the indirect cost pool (double dipping). Costs charged as direct expenses that are also included in the indirect cost pool: The cost of the Administrative Assistant was directly billed to the food service account and included in the indirect cost rate without a pars report showing hours spent on Food Service.

Corrective Action:

The Administrative Assistant cost needs to be removed from the calculations of the Indirect cost or a pars report/time sheet showing the hours worked. If implemented as discussed, no further action is required.

Technical Assistance:

The reviewer discussed with the CFO that without a time sheet calculating the number of hours the Assistant Administrator works for food service, it cannot be directly charged to the food service account. This expense is to be absorbed into the indirect cost charged to the food service account.

General Program Compliance - Emmaus Lutheran School (K017)

1007. On-site observations validate Off-Site Assessment Tool responses to Local School Wellness Policy questions and responses demonstrate compliance with FNS requirements

Finding 9011: Local School Wellness Policy information on the Off-site Assessment Tool not validated, or deficiencies found.

Some of the information gathered on the Off-site Assessment Tool regarding the SFA's Local School Wellness Policy could not be validated during on-site observations. Discrepancies or deficiencies found on-site: The current policy did not address marketing and have two goals for other activities. Parents have not been informed when the Wellness Team is meeting and when updates have been made to the Wellness Policy.

Corrective Action:

The staff updated the current policy with the marketing language and two goals for other activities. The administration discussed that they would communicate to the parents by putting the Wellness Policy on the website and will notify parents through school newsletter when meetings will be held and the results of the meetings. If the communication to family members is completed as discussed, no further action is required.

Technical Assistance:

The reviewer discussed with the Principal and Administrative Assistance the importance of assessing the Wellness Policy triennially and advertising to the parents of when the meetings will be held. Guidance for the Wellness Policy may be found on our website at <https://www.in.gov/doe/nutrition/policies-and-regulations/> select Wellness Policies.

SNP Administrative Review Findings

Emmaus Lutheran School (K017)

Program Year 2023

Emmaus Lutheran School (A220)

8626 Covington Rd
Ft Wayne, IN 46804-6018

Food Service Contact

Mrs. Candace Terrell
Kitchen Manager
(260) 459-7722

Month of Review: January 2023

Date of Onsite Review: February 15, 2023

Meal Components & Quantities - Emmaus Lutheran School (A220)

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

Finding 9000: Recipes are not standardized

The recipes for the oven roasted potatoes and mashed potatoes need to be standardized.

Corrective Action:

The food service director will complete the ICN training course on Recipe analysis workbook to learn out to analyze the recipe. A copy of the updated recipe is to be sent to the Field Specialist.

Technical Assistance:

The reviewer discussed with the food service director that recipes need to have specific information on them to meet the required standardization guidelines.