

**SNP Administrative Review Findings**

**MSD of Pike Twp (5350)**

*Program Year 2022*

**MSD of Pike Twp (5350)**

6901 Zionsville Road  
Indianapolis, IN 46268-2106

**Food Service Contact**

Mrs. Maxine Brown  
Food Service Specialist  
(317) 387-2236  
MJBrown@pike.k12.in.us  
FSMC: Chartwells

**Executive Contact**

Dr. Larry Young  
Superintendent  
(317) 387-2223  
LDYoung@pike.k12.in.us

No. of Sites / Reviewed: 15 / 3  
Month of Review: December 2021

**Technical Assistance**

- \* Cashiers were specifically instructing students to take an apple when they had not selected a fruit or vegetable with their meal. Staff were provided technical assistance reminding them they should ask students to select a fruit or vegetable which would allow students to choose which item they select.
- \* Some canned foods in storage were marked as received in 2019. Foodservice staff was instructed to look into the storage guidelines for the specific food item.
- \* Please review student negative balances to ensure negative debt is actively being pursued. Debt that cannot be recovered is considered bad debt which is not an allowable non-profit foodservice account expenditure.
- \* The sponsor monitoring visit of the Nathaniel Jones Early Learning Center resulted in corrective action required. The SFA is reminded to document a follow-up visit to ensure the corrective action as implemented during the initial review was sustained.
- \* It was noted during the review process that Pike Freshman Center (PFC) and Pike High School (PHS) claims were combined as the PFC is not a separate site in CNPweb. Since the PFC is recognized as its own school site, has a separate kitchen, and keeps separate meal counts and production records, it was determined by the State Agency that it should be a separate site in CNPweb. The site was added during the review process. Please file the May 2022 claim for reimbursement correctly, reporting PHS and PFC reimbursable separately. The site information sheet for PFC must be completed prior to filing the claim.
- \* Wellness policy goals for nutrition education are very similar. Nutrition promotion goals should also be well defined. In your next wellness policy review please update these goals.

**Meal Counting & Claiming - MSD of Pike Twp (5350)**

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

**Finding 9000: Charging Policy**

The following concerns were noted regarding the school charging policy:

- The SFA has two different policies regarding student meal charges. One policy is specified in the student handbook stating a maximum of two meals can be charged. The board policy does not specify the number of student meals that can be charged.
- The definition of significant negative lunch account balance is unreasonable. The policy should address a per-student significant balance, but one that is still manageable for a household to pay.
- The prepaid deposits in 8400 are held in Trust on behalf of the students. The current policy does not address a plan to notify households of leftover money in students accounts once a student has graduated or transferred. It currently only states that if the parent requests and can document entitlement to the positive balance in the account, the parent is entitled to a refund of that amount.
- The line at the end of the bad debt policy contradicts the requirement to remove bad debt from the non-profit food service account.
- An additional compliance policy states that surplus funds from a la carte foods may accrue to the foodservice program.

**Corrective Action:**

As corrective action the school charging and bad debt policies must be updated.

- The policies communicated to parents must be consistent between the board policy and the student handbook.
- The number of meals or dollar amount that can be charged must be indicted in the board policy.
- The LEA's definition of a significant negative lunch account must be updated to a reasonable, per-student amount.
- A plan to notify households of leftover money in student accounts must be added to the charging policy. Per USDA regulations, when any child leaves the district or graduates, SFAs must attempt to contact the child's household to return any funds remaining in the student's account.

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Program Year 2022

- The bad debt policy must be updated by removing the contradicting line, which currently states bad debt MAY be removed from accounts receivable in accordance with Policy 6151.
- The additional compliance policy would only be correct if a la carte foods were purchased using non-federal funds. The revenue from any and all a la carte foods purchased using federal funds MUST accrue to the non-profit foodservice account.

Provide a timeline for the review and update of the policy. Once the policy is updated, please submit it to the State Agency for review.

**Technical Assistance:**

The meal charge policy must be communicated in writing to all households at the start of each school year and to households transferring to the school during the school year. While posting the policy online or sending it to families by email is helpful, it will not ensure the information reaches all households, particularly those households without access to a computer or the internet.

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

**Finding 9000: Negative Student Debt**

Significant negative student debt was noted on individual student accounts, some in excess of \$300 each. At the time of the review, it was noted total negative student debt was over \$200,000. Please keep in mind, the balance of the pre-paid account is not considered in offsetting the amount student debt owed. Students with a positive pre-paid balance would not have any student meal debt. Since the COVID waivers have been in effect for the last two years, this debt is at least two years old and in conflict with the school corporation's bad debt policy which states that significant negative lunch account balances that are not collected in the year when the debt was incurred shall be classified as bad debt.

**Corrective Action:**

Regardless of how the debt occurred (excessive charging, staff not following the charging policy restrictions, bad checks, etc.) for school meals accounts, this debt cannot be written off after normal collection processes have been exhausted. Per the LEA's definition of bad debt, all student meal debt now meets the definition of bad debt. Once a delinquent debt is reclassified as a bad debt, non-profit foodservice account resources may not be used to cover costs related to the bad debt, such as continued legal and collection costs. Instead, these losses must be restored using non-Federal funds. These funds may come from the school district's general fund, special funding from State or local governments, or any other non-Federal sources. The transfer to cover bad debt must occur on a reasonable, regular basis, such as annually. As corrective action a transfer of non-federal funds must be made to cover the cost of the debt into the food service account. The LEA may then continue to pursue bad debt using non-federal resources.

**Technical Assistance:**

Charging policy requirements were reviewed with the SFA food service contact during the review process. To help avoid future student meal debt it may be a best practice to add to the charging policy that notifications will be given when balances are low, maybe 3 meals left, but before an account becomes negative. This will help you all be proactive and avoid negative balances but will only be helpful if enforced. It should be standard practice and included in the meal debt policy that a la carte items cannot be purchased unless there is enough money in the student account to cover the cost of the purchase.

Resource Management Comprehensive Review - MSD of Pike Twp (5350)

750. Year End Available Balance

**Finding 9000: Revenue and Expenses Validation Require More Documentation**

The revenue and expenses for the 20-21 school year could not be validated at this time.

**Corrective Action:**

Please submit documentation to support the 2021 Annual Financial Report. Please ensure documentation supports the beginning balance as of July 2020, including total revenue received and expenses reported.

**SNP Administrative Review Findings****MSD of Pike Twp (5350)****Program Year 2022****753. Internal Controls****Finding 9000: Lack of Administrative Oversight of the Food Service Management Contract \*Repeat Finding**

It was noted during the Summer Food Service Program review in July 2021 that over the course of many years there was a lack of oversight of the activities of the FSMC Chartwells. Decisions that should have been made by MSD of Pike Township administration were being made by FSMC representatives without informing, including or asking permission of MSD of Pike Administration staff.

**Corrective Action:**

MSD of Pike Township administration must develop specific processes and procedures to fully provide oversight of the FSMC contract. USDA highly recommended a rebid or a negotiation to a fixed price contract. Additionally, procedures must be implemented to ensure that prior to the paying of the FSMC invoice, the detailed itemized charges are reviewed to ensure there are no unallowable expenditures, prior to the authorization of payments to the FSMC.

**755. Allowable Costs****Finding 9117: Unallowable general expenses charged to the nonprofit school food service account.**

Based on the SFA's records for the most recently completed program year, general expenses charged to the nonprofit school foodservice account were not reasonable, necessary and/or allocable. On the day of review at PHS the reviewer observed snacks being prepared just for student athletes. Since PHS is not enrolled in the afterschool snack program the cost of the snacks and labor to prepare them would not be an allowable foodservice expenditure. It was determined these snacks were charged in FSMC billing to the non-profit foodservice account and invoices to back up the billing were discovered by State Agency staff.

**Corrective Action:**

As corrective action the SFA must review the invoices and determine the amount of unallowable costs charged to the non-profit foodservice account. The unallowable charges must be reported to the State Agency and then restored to the account by the FSMC as it was billed without consideration of regulatory requirements.

**Technical Assistance:**

It was initially stated that the snacks for athletes were provided to the SFA as a perk of the contract. All parts of the contract with the FSMC must be fully disclosed and the SFA must prove that there is a separation of all associated expenditures.

**756. Equipment Purchases****Finding 9000: Other Finding**

Equipment purchases reported for the 20-21 school year could not be validated at this time.

**Corrective Action:**

Please submit documentation to validate the equipment purchased or rented during the 20-21 school year and reported on the 2021 AFR. Please ensure any equipment over the capitalization threshold is itemized. Please include all transportation, software and technology rentals.

**757. Allowable Costs Test****Finding 9000: FSMC Invoice Review**

During the invoice validation for the month of review it was found that unallowable costs were charged to the SFA from the Food Service Management Company (FSMC). The scope of the review was expanded to the entire 20-21 school year.

**Corrective Action:**

Please submit documentation to validate the FSMC monthly invoices. Please ensure any expense paid for by a personal or company credit card is accompanied with an original receipt. Self-made invoices and screenshots of excel documents will not be accepted to validate these purchases. Please ensure an explanation or methodology for any allocated cost passed on to the SFA and reported on the monthly invoice are included.

**SNP Administrative Review Findings**  
*Program Year 2022***MSD of Pike Twp (5350)***764. Catering/School Events***Finding 9000: Catering and Concessions**

During review of the nonprofit food service account it was found that catering and concession charges are charged directly on the FSMC monthly invoice and paid for with federal funds.

**Corrective Action:**

Please review all FSMC monthly invoices for the entire 20-21 school year to ensure federal funds were not used to cover unallowable costs. Please create and submit a catering procedure ensuring unallowable cost are not paid for by federal funds and caterings are billed directly to the catering customer.

*770. Correct Rate/Base Calculation***Finding 9000: Indirect Cost rate**

Indirect cost were charged to the Non-profit food service account for the 20-21 school year and reported on the 2021 AFR.

**Corrective Action:**

Please submit documentation to validate the modified total direct cost (MTDC) calculated for the 20-21 school year and reported on the 2021 AFR.

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*Program Year 2022*

**Nathaniel Jones Early Learning Center Food Service Contact (Z022)**

6901 Zionsville Road  
Indianapolis, IN 46268-2106

Ms. Tracy Butler  
Kitchen Manager  
(317) 387-5329

Month of Review: December 2021

Date of Onsite Review: January 31, 2022

**Meal Counting & Claiming - Nathaniel Jones Early Learning Center (Z022)**

*318. Day of Review- each meal service line provides an accurate count by eligibility category at the point of service*

**Finding 9000: Point of Service Counting**

On the day of review meals for the first class through the serving line were marked just before meal service but in the classroom using a name roster.

**Corrective Action:**

Immediate training was provided, and corrections were immediately implemented to ensure names were checked as meals were served at the point of service. Additional response not required.

**Technical Assistance:**

Training was provided to the teacher taking the meal count on the day of review. Supervisors were also reminded of the point of service count requirement.

*325. Review Period- meal counts by category were correctly used in the claim for reimbursement*

**Finding 9074: School's meal counts by category not used correctly in the SFA's claim for reimbursement.**

Meal count sheets were not completed correctly for breakfast service on three days during the month of review. Some numbers were not marked on the count sheet but were claimed. The block of numbers not marked cannot be validated and therefore results in an incorrect claim for reimbursement. The problem is considered systemic because the contributing factors are built into the process and would likely recur if the process is not changed. Missing "tick marks" are often an indication that meals are not counted at the point of service.

**Corrective Action:**

Meal count sheets have been phased out at this site as an electronic point of sale system has been implemented. The systemic problem has been corrected. However, this is a repeat finding from the Summer Food Service Program. Future use of manual daily meal count sheets will require documented training for all staff prior to use. Additional response not required.

**Technical Assistance:**

The requirement was discussed with the SFA the day of review. The SFA must be aware of various meal count procedures within the SFA and must ensure a system is in place to ensure claims are accurate.

**Meal Components & Quantities - Nathaniel Jones Early Learning Center (Z022)**

*400. Day of Review- all required meal components were available to all students during the entire meal service*

**Finding 9002: Meal components missing on Day of Review.**

The entrée for the day of review was planned to include a meat component but due to delivery issues a meat was not included in the recipe and a substitution was not provided.

**Corrective Action:**

As corrective action the SFA must explain the procedure that will be used going forward to ensure kitchen staff are trained in meal pattern compliance and recipe substitution. Staff must know how to handle substitutions when food items are not available to make a recipe as planned.

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**Program Year 2022**

**Technical Assistance:**

The school was advised and given the opportunity to add missing meal component(s) before the meal service started to avoid fiscal action.

**General Program Compliance - Nathaniel Jones Early Learning Center (2022)**

*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.**

Although the health inspection is part of a larger report, a copy of the health inspection portion of the report must be posted.

**Corrective Action:**

The SFA agrees to post the most current health inspection. Additional response is not required.

**Technical Assistance:**

The requirement was explained to the SFA the day of review.

## SNP Administrative Review Findings

MSD of Pike Twp (5350)

Program Year 2022

### Pike High School (5353)

6901 Zionsville Road  
Indianapolis, IN 46268-2106

### Food Service Contact

Mr. Josh Linder  
K12 Director  
(317) 387-2686

Month of Review: December 2021

Date of Onsite Review: February 1, 2022

### Meal Counting & Claiming - Pike High School (5353)

325. *Review Period- meal counts by category were correctly used in the claim for reimbursement*

#### **Finding 9074: School's meal counts by category not used correctly in the SFA's claim for reimbursement.**

For Pike High School, seven non-reimbursable meals were claimed for reimbursement. The wrong line on the claim report was used in calculating the claim for reimbursement.

#### **Corrective Action:**

Going forward only the reimbursable total will be used in the claim for reimbursement. This was a single oversight, so the issue is not considered systemic. Additional response is not required.

#### **Technical Assistance:**

The requirement was explained to the school food contact during the review process.

### Meal Components & Quantities - Pike High School (5353)

401. *Day of Review- all meals observed and counted for reimbursement contained all of the required meal components*

#### **Finding 9000: Offer Versus Serve**

Offer Versus Serve (OVS) was implemented inconsistently at breakfast. At one serving line both fruit options were pre-plated for all students. The other serving line was implementing OVS correctly, allowing students to decline food items they did not intend to consume while still selecting at least three items, one being a fruit or vegetable.

#### **Corrective Action:**

As corrective action OVS training must be provided and documented for breakfast serving line staff.

#### **Technical Assistance:**

OVS requirements were discussed with a foodservice manager the day of review.

401. *Day of Review- all meals observed and counted for reimbursement contained all of the required meal components*

#### **Finding 9000: Other Finding**

One student did not select a fruit or vegetable with their lunch meal.

#### **Corrective Action:**

As corrective action please provide documentation that staff involved in taking the point of service count have been re-trained on OVS requirements.

#### **Technical Assistance:**

The foodservice workers were instructed that it is a best practice to assist students in selecting a reimbursable meal prior to the point of service.

**SNP Administrative Review Findings**

**MSD of Pike Twp (5350)**

**Program Year 2022**

402. *Day of Review- the minimum daily quantity requirements are met for the age/grade group being served*

**Finding 9052: Day of Review portion sizes insufficient.**

During the observation of meal preparation portion sizes for some items were insufficient (cheese on pizza, tortilla wrap for sandwiches, and yogurt for parfaits). It was noted that the recipe for the pizza did not contain instructions indicating the amount of cheese to put on each pizza. In all instances recipes were not utilized or followed by staff preparing the food. While the insufficient tortilla portion size was due to a food substitution, the foodservice managers were informed the menu needed to be altered to ensure the minimum portion size was still provided.

**Corrective Action:**

The reviewer provided the SFA with the opportunity to correct all portions prior to service which prevented the assessment of potential fiscal action. As corrective action training must be documented for staff preparing the above-mentioned food items and recipes must be updated to ensure proper portion sizes are used going forward (pizza recipe at a minimum must be updated). Please submit training documentation and the updated pizza recipe as corrective action. Monitoring of staff recipe utilization should be implemented consistently going forward.

**Technical Assistance:**

The school was advised and given the opportunity to correct the insufficient quantity of meat and grain meal component(s) before the meal service started.

409. *Review Period- all required meal components per weekly meal pattern requirements were offered and served to students*

**Finding 9075: Production records/supporting documentation indicate weekly meal pattern requirements for the age/grade group(s) not met.**

Based on a review of production records and other supporting food crediting documentation for 1 week during the Review Period (December 2022), some meals served during the week reviewed did not meet the appropriate daily and weekly meal pattern requirements for the age/grade group(s) being served. A starchy vegetable was not planned on one of the serving lines that only offers nachos and tacos. Students did not have the option to select vegetables from other serving lines. Repeat violations for this finding may result in future fiscal action.

**Corrective Action:**

As corrective action the SFA must ensure all serving lines meet all vegetable subgroups. Please provide a corrected menu showing a starchy vegetable is now offered on the nacho and taco line.

**Technical Assistance:**

The school was provided technical assistance during the on-site visit.

**General Program Compliance - Pike High School (5353)**

1104. *Foods sold to students meet Smart Snacks standards*

**Finding 9000: Other Finding**

Additional servings of some menu items were sold to students, but a smart snacks calculation was not provided for the item (i.e., French Fries).

**Corrective Action:**

As corrective action the SFA must determine if the menu item meets smart snacks standards. If standards are met, the SFA must ensure the correct portion is served to students by provided training to staff. If standards are not met the SFA must discontinue the sale of extra portions of the above-mentioned menu item. Please provide the results of calculation with reviewer.

**Technical Assistance:**

Keep in mind only entrees sold a la carte the day they are on the menu or the day after are exempt from smart snacks standards. All other menu items must be calculated for smart snacks compliance when sold a la carte.



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MSD of Pike Twp (5350)

Program Year 2022

**Pike Preparatory Academy (101000)**

6901 Zionsville Road  
Indianapolis, IN 46268-2106

**Food Service Contact**

Mr. Misa Porales  
Food Service Utility Worker  
(317) 347-8352

Month of Review: December 2021

Date of Onsite Review: February 1, 2022

**Meal Counting & Claiming - Pike Preparatory Academy (101000)**

322. Review Period- daily meal counts by category do not exceed the number of eligible students by category

**Finding 9000: Other Finding**

The breakfast and lunch meals served for PPA were claimed with PHS for the month of review.

**Corrective Action:**

As of SY 21-22 PPA is a separate serving location and site within CNPweb, and therefore, the meal counts must be separated in the point of service system. As corrective action please explain how this will be accomplished.

**Technical Assistance:**

The requirement was explained the day of review.

**Meal Components & Quantities - Pike Preparatory Academy (101000)**

407. Day of Review- the school has complied with the planned menu, or changes made are acceptable substitutions

**Finding 9059: For Day of Review, meals offered on meal service line(s) were not consistent with planned menu(s).**

As observed on the Day of Review, the planned menu(s) for the Day of the Review did not reflect what was actually offered on the meal service line. The recipe for fresh fruit was not followed as only two of the four fruits were offered.

**Corrective Action:**

The production record must be completed to reflect actual food items served. When a recipe cannot be followed the substitution must be documented on the production record. Provide and document training regarding production record documentation to staff completing the records as corrective action. A dated sign-in sheet and agenda must be submitted to the State Agency.

**Technical Assistance:**

While a recipe for fresh fruit is acceptable to assist staff in menu preparation, it is recommended and preferred that each fruit choice served is documented separately to ensure invoices can be tied back directly to items served.

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

**Finding 9000: Other Finding \*Repeat Finding**

The following insufficiencies were noted for PPA:

-As planned on the pre-printed production record, the R/O veggie subgroup was insufficient for two weeks during the month of review. However, due to substitutions made the requirement was met by substituting tomatoes and/or carrots. In this instance the menu did not match the pre-printed production record.

-Insufficient grains were noted one day during the month of review. Dinner rolls were not available for the salads and additional grain was not provided in substitute. This is a repeat finding from the previous review. As a result, one meal is disallowed.

**Corrective Action:**

As corrective action training must be documented for staff to ensure appropriate substitutions are made. Please submit a dated and signed training agenda to the State Agency once the training is completed.

**Technical Assistance:**

Substitution requirements were discussed with the foodservice staff on the day of review.