



**ARIZONA DEPARTMENT OF
EDUCATION**

Health and Nutrition Services Division

Administrative Review Summary Report

School Food Authority Name: Friendly House, Inc.

CTD: 07-86-11

Site: Friendly House Academia Del Pueblo Elem

Contacts: Jerry Mendoza, Interim. Ceo and Lorena Gutierrez, Operations Manager

Review Date: February 20, 2024

Review Period: January 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

No findings.

Performance Standard 1: Meal Counting and Claiming – Critical Area

1	Breakfast service observed on the day of review did not support that reimbursable meal counts are accurate. Specifically, a majority of classrooms operating Breakfast in the Classroom service did not have an accurate way of counting reimbursable breakfasts at the point of service. This was deemed a systemic error and contributed towards fiscal action calculations. A full recalculation of breakfasts served for the months of August 2023–February 2024 was conducted.	Discussed how current system allowed for this to happen and potential changes that could be made to ensure it doesn't continue. Specifically, discussed alternate packaging of breakfasts, types of breakfast service, and training for teachers.	<i>Appropriate changes to the procedures of meal counting and claiming have been made and a recalculation was conducted.</i>
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Performance Standard 2: Meal Components & Quantities – Critical Area

2	On the day of review, several breakfasts counted for reimbursement did not contain all of the required components. Specifically, the reviewer observed 10 breakfasts counted for reimbursement did not contain all of the required meal components. This 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. Discussed with cafeteria staff how to properly identify and count reimbursable meals, as well as procedures if a student does not select a reimbursable meal. The Recognizing a Reimbursable Breakfast Meal at the Point of Service Recorded Webinar & Webinar Slides can be found on ADE's website at https://www.azed.gov/hns/nslp/training under the Online Training Library accordion.	<i>Please provide a written description of the changes that have been made to ensure that all breakfasts counted for reimbursement contain all of the required meal components. Additionally, the certificate of completion of Recognizing a Reimbursable Breakfast Meal at the Point of Service must be submitted.</i>
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- 3 Quantities observed during the review period did not meet minimum amounts required by the meal pattern. Specifically, daily vegetable quantities at lunch were insufficient on January 8, 2024 and January 10, 2024. This was determined to be a repeat finding from the previous cycle 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 (e.g., changes in products, increasing quantities of leafy greens, etc.). Meal pattern requirements for the National School Lunch Program can be found on ADE's website at <http://www.azed.gov/hns/nslp> under the Meal Pattern accordion. The Using Appropriate Serving Utensils Recorded Webinar & Webinar Slides can be found on ADE's website at <http://www.azed.gov/hns/nslp/training> under the Online Training Library accordion. Please note that repeated violations involving food quantities may result in fiscal action and/or termination of performance-based reimbursement (extra 8 cents).
- Please provide a written description of the changes that have been made to ensure that daily vegetable quantities at lunch meet minimum amounts required by the meal pattern. Additionally, the certificate of completion of Using Appropriate Serving Utensils must be submitted.*
- 4 Quantities observed during the review period did not meet minimum amounts required by the meal pattern. Specifically, weekly vegetable quantities at lunch were insufficient. This was determined to be a repeat finding from the previous cycle 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 (e.g., changes in products, increasing quantities of leafy greens, etc.). Meal pattern requirements for the National School Lunch Program can be found on ADE's website at <http://www.azed.gov/hns/nslp> under the Meal Pattern accordion. Please note that repeated violations involving food quantities may result in fiscal action and/or termination of performance-based reimbursement (extra 8 cents).
- Please provide a written description of the changes that have been made to ensure that weekly vegetable quantities at lunch meet minimum amounts required by the meal pattern.*
- 5 Meals served to preschool students did not meet meal pattern requirements. Specifically, Apple Jacks served at breakfast on January 8, 2024 contained 8g of sugar per dry ounce which exceeded the sugar limit of 6g per dry ounce. This contributed toward fiscal action calculations.
- Discussed cereal served must not have more than 6 grams of sugar per 1 dry ounce. Referred to SP 01-2018 Updated Infant and Preschool Meal Patterns in the National School Lunch Program and School Breakfast Program; Questions and Answers. Meal pattern requirements for CACFP can be found on ADE's website at <https://www.azed.gov/hns/cacfp> under the Meal Pattern accordion. ADE Shopping Guide for Cereal can be found on ADE's website at <https://www.azed.gov/hns/cacfp/programs/forms/> under the Identifying and Preparing Nutritious and Creditable Foods section.
- Please provide supporting documentation (i.e., product label and Nutrition Facts label) for the cereal product that will replace the Apple Jacks. Additionally, provide written assurance that cereal served to preschool students will not exceed the sugar limit.*

<p>6 Meals served to preschool students did not meet requirements. Specifically, an unallowable grain-based dessert item was served to preschool students at breakfast on January 12, 2024: French Toast Breakfast Bar. This contributed toward fiscal action calculations.</p>	<p>Discussed grain-based desserts such as cookies, sweet pie crusts, doughnuts, cereal bars, breakfast bars, granola bars, sweet rolls, toaster pastries, cakes, and brownies are not creditable as part of the reimbursable meal but may be served as an extra meal item. Referred to SP 01-2018 Updated Infant and Preschool Meal Patterns in the National School Lunch Program and School Breakfast Program; Questions and Answers. Meal pattern requirements for CACFP can be found on ADE's website at https://www.azed.gov/hns/cacfp under the Meal Pattern accordion. Team Nutrition Training: Grain Based Desserts in the CACFP can be found on ADE's website at https://www.azed.gov/hns/cacfp/cacfptraining under the Nutrition Virtual Trainings accordion.</p>	<p><i>Please provide one week of breakfast production records which demonstrates that allowable grain items were served to preschool students. Additionally, please provide a written description of the changes that have been made to ensure grain-based dessert items will not be served to preschool students.</i></p>
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Performance Standard 2: Dietary Specifications and Nutrient Analysis – Critical Area

No findings.

Meal Access & Reimbursement: Certification and Benefit Issuance

No findings.

Meal Access & Reimbursement: Verification

No findings.

Meal Access & Reimbursement: Meal Counting and Claiming

No findings.

Meal Pattern & Nutritional Quality: Offer Versus Serve

No findings.

Meal Pattern & Nutritional Quality: Meal Components and Quantities

<p>7 Signage which explains what constitutes a reimbursable meal was not displayed to students at breakfast.</p>	<p>Discussed feasible options for signage and potential content, plan for creating and posting. Printable POS Signage can be found on ADE's website at https://www.azed.gov/hns/nsfp/forms under the Menu Planning accordion.</p>	<p><i>Please provide the sign that will be displayed to students that demonstrates what constitutes a reimbursable meal at breakfast. Additionally, please provide written assurance that this sign will be displayed for all students to see during breakfast service.</i></p>
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Resource Management

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| 8 | Unallowable costs were paid for by the nonprofit school food service account. Specifically, coffee and creamer totaling \$121.36 were purchased on July 28, 2022 using funds from the nonprofit school food service account. | Discussed specific unallowable expenses. An extensive list of allowable and unallowable costs can be found in 2 CFR 200 Subpart E General Provisions for Selected Items of Cost. | <i>Please provide a copy of existing procedures or develop procedures for determining the allowability of costs as required by 2 CFR 200.303(b)(7). Please also provide written assurance that all expenses of the nonprofit school food service account will be limited to those costs which are necessary, reasonable, allocable; and also that these costs are in accordance with 2 CFR 200 Subpart E Cost Principles. Additionally, please provide supporting documentation which reflects that the total amount of unallowable costs (\$121.36) was reimbursed to the nonprofit school food service account.</i> |
| 9 | Indirect costs were incorrectly calculated. Specifically, the direct cost base used to calculate indirect costs did not account for excluded/distorted costs. This resulted in an overcharge of \$39,980.86 to the nonprofit school food service account. | Discussed proper classification of direct/indirect costs. Reviewed requirements that indirect costs be charged consistently across the SFA as required in 2 CFR 200.412-414. Referred to the USDA's Indirect Cost Guidance Manual located at https://www.azed.gov/hns/nslp under the Guidance Manuals accordion, which can be used as a resource when determining allowable indirect costs. | <i>Please provide the calculation or tool that will be used to determine the amount of indirect costs charged to the nonprofit school food service account. Additionally, please provide supporting documentation which reflects that any indirect costs charged in excess of the allowable rate (\$39,980.86) have been returned to the nonprofit school food service account.</i> |

Procurement

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| 10 | Small purchase procedures were not in compliance with procurement requirements. Specifically, insufficient documentation was provided to support that price or rate quotations were obtained from an adequate number of qualified sources for the following small purchase: Holsum Bakery, Inc. | Discussed that when purchasing multiple times from the same vendor for the same products/services, small purchase procedures must be used including obtaining price or rate quotations from an adequate number of qualified sources. | <i>Please provide a written description of procurement procedures that will be followed prior to making a small purchase including the title of the individual within the SFA responsible for obtaining quotes for small purchases. Additionally, please provide written assurance that all records will be maintained for 5 years.</i> |
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General Program Compliance: Civil Rights

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| 11 | The USDA nondiscrimination statement used on program materials is not the most current USDA statement. Specifically, the posted menus did not contain the most current nondiscrimination statement. | Discussed where to find nondiscrimination statement on ADE's website at https://www.azed.gov/hns/civilrights and whether long or short statement would be most appropriate. | <i>Please provide an updated program material (posted menu) with the correct nondiscrimination statement. Additionally, please provide written assurance that all program materials have been updated with the proper language.</i> |
| 12 | The public/media release was not provided to local media, the unemployment office and local employers considering large layoffs. | Discussed requirements and timeframe for public/media release, and best options locally for submitting the release to. Showed where template release can be found on ADE's website at https://www.azed.gov/hns/nslp/forms/ . Discussed who would be responsible for doing this. | <i>Please provide written procedures for distributing the public/media release and written assurance that the public/media release will be submitted to the local media, the unemployment office and local employers considering large layoffs prior to the start of each school year.</i> |

13 The current "And Justice for All" poster was not displayed in a prominent location and was not visible to all program participants. Specifically, an outdated "And Justice for All" poster was displayed.	Discussed requirements of where poster must be placed and where to find a printable "And Justice For All" poster on ADE's website at https://www.azed.gov/hns/civilrights . Referred to HNS 08-2019 USDA Nondiscrimination And Justice for All Poster Clarification.	<i>Please provide a picture to demonstrate the most current "And Justice for All" poster has been displayed in a prominent location and visible to all program participants.</i>
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General Program Compliance: SFA On-Site Monitoring

No findings.

General Program Compliance: Local Wellness Policy

14 A Local Wellness Policy (LWP) has not been developed.	Discussed preliminary planning, such as identifying who will be designated as the Local Wellness Policy official and how required stakeholders will be invited to participate in the process. Reviewed handouts and discussed developing a LWP with required elements. Local Wellness Policy resources can be found on ADE's website at https://www.azed.gov/hns/nslp/forms under the Local Wellness Policy accordion. The Local Wellness Policy Final Rule: Guidance and Tools From ADE Webinar can be found on ADE's website at https://www.azed.gov/hns/nslp/training under the Online Training accordion.	<i>Please provide the Local Wellness Policy that will be implemented by the school. Additionally, please provide the individual(s) who will be responsible for ensuring compliance and who will be invited to participate in the development process.</i>
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General Program Compliance: Competitive Food Services

No findings.

General Program Compliance: Professional Standards

No findings.

General Program Compliance: Water

No findings.

General Program Compliance: Food Safety, Storage and Buy American

No findings.

General Program Compliance: Reporting and Recordkeeping

No findings.

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

No findings.

Other Federal Program Reviews: Afterschool Snack Program

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| 15 The Afterschool Snack Program (ASP) monitoring review was not conducted within the first four weeks of operation. Specifically, the site began claiming afterschool snacks in August and a monitoring review was not conducted until October 2, 2023. | Discussed Afterschool Snack Program (ASP) monitoring requirements. A sample ASP monitoring form can be found on ADE's website at https://www.azed.gov/hns/nslp/forms under the Operational accordion. | <i>Please provide a written description of changes that will be made to ensure that the Afterschool Snack Program will be monitored once within the first four weeks of operation.</i> |
| 16 Snack counts were not accurately consolidated and reported on the claim. This contributed to fiscal action calculations. | Discussed ways to improve the counting system or alter it to ensure accurate counts are submitted in the claim for reimbursement. | <i>Please provide a written description of the system that will be implemented to ensure snack counts are accurately consolidated prior to submitting the claimf or reimbursement.</i> |

Other Federal Program Reviews: Seamless Summer Option

Will be reviewed in Summer 2024 if applicable.

Other Federal Program Reviews: Fresh Fruit and Vegetable Program

Not applicable.

Other Federal Program Reviews: Special Milk Program

Not applicable.

Other Federal Program Reviews: At-Risk Afterschool Meals

Not applicable.

Comments/Recommendations:

Congratulations, Friendly House, Inc. has successfully completed the administrative review for the 2023-2024 school year. It is recommended that internal compliance checks are conducted throughout the year to ensure Breakfast in the Classroom meal counts are being recorded correctly to maintain program integrity. Thank you for your hospitality and cooperation during the review process.

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?

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| <input type="checkbox"/> No- SBP | <input checked="" type="checkbox"/> Yes- SBP | \$2,621.68 |
| <input type="checkbox"/> No- NSLP | <input checked="" type="checkbox"/> Yes- NSLP | \$2,657.67 |

Fiscal Action under \$600 will be disregarded.

Corrective action was received on May 6, 2024.

Reviewer Signature Date

Program Director 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
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This institution is an equal opportunity provider.