SCHOOL NUTRITION UPDATE

SD Associated School Business Officials

Fall Conference

September 19, 2017

School Nutrition Association (SNA) of South Dakota

- Gay Anderson, Brandon Valley School District
- Liz Marso, Pierre School District
- Laura Duba, Brookings School District

SCHOOL NUTRITION ASSOCIATION OF SOUTH DAKOTA

Child and Adult Nutrition Services, SD Dept. of Ed (CANS)

- Mikayla Hardy
- Geriann Headrick
- Cheriee Watterson

south dakota DEPARTMENT OF EDUCATION
Learning. Leadership. Service.

Agenda

- ✓ NonProgram Foods
- ✓ 3 Bids & a Buy Informal Procurement
- ✓ Unpaid Meal Charge Policy
- ✓ Hot Topics

NON PROGRAM FOOD REQUIREMENT

NonProgram Foods

Any non-reimbursable foods and beverages **purchased** using money from the **nonprofit school food service account**

Common Examples:

Purchased second entrees

a la carte foods

second milks

adult meals

catering and vending machines

NonProgram Food Revenue Tool

USDA FOOD AND NUTRITION SERVICE

Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food		
Cost of Nonprogram Food		
Total Food Costs	$ -	
Total Nonprogram Food Revenue		
Total Revenue		
Minimum portion of revenue from nonprogram funds	0%	
Minimum Revenue Required from the Sale of Nonprogram Foods	$ -	
Additional Revenue Needed to Comply	$ -	

1. Cost for Reimbursable Meal Food
2. Cost of Nonprogram Food
3. Total Food Costs
4. Total Nonprogram Food Revenue
5. Total Revenue

NonProgram Food Revenue Tool

- What are nonprogram foods?
  - Adult meals, extra milk, seconds – any food item that you pay for out of the foodservice account that you cannot claim reimbursement for
- How to fill out the tool:
  - You can enter information into the peach colored boxes
  - Use a week, month or year of information
  - What the tool does:
    - Determines whether or not your school is charging enough for their nonprogram foods

NonProgram Food Revenue Tool

- What information goes into the tool?
  - Cost for Reimbursable Meal Food
  - Cost of NonProgram Food
    - Total Food Costs – this is calculated for you
  - Total NonProgram Food Revenue
  - Total Revenue

  - REMEMBER: any nonprogram food dollars going through the school food service account need to be included

Daily Meal Costs - Calculated

- Write down everything used and what the current cost is
  - Food, commodities, paper products, wage, etc.
- Take that number by how many people served to get cost per meal
- Recently looked at adding wages/salaries into that equation
- This gives us a good idea of which meals are our most expensive to prepare
- Helps us stay in check

Adult Meal Prices…Why are they higher?

- Schools do not get reimbursed for adult meals
- Adult portions should reflect the same portions as student meals
- Staff meals directly involved in operation and admin of SNP

- Simple method to figuring the least amount allowed to charge adults:

  Your Free Rate of Reimbursement + Federal Performance Rate of Reimbursement + Value Of USDA Foods

  Ex: $3.25 + $0.06 + $0.2325 = $3.5425 ~ $3.54

  - Adult breakfast must simply be higher than your free rate of reimbursement, ex: $2.09

Definition of Nonprofit School Food Service Account

Nonprofit school food service account means the restricted account in which all of the **revenue** from all food service operations conducted by the school food authority principally **for the benefit of school children is retained and used only for the operation or improvement of the nonprofit school food service**. This account shall include, as appropriate, non-Federal funds used to support paid lunches as provided in §210.14(e), and proceeds from nonprogram foods as provided in §210.14(f).

https://play.kahoot.it/#/intro?quizId=df1d2014-6530-4bc9-ae50-0cababfd22c9

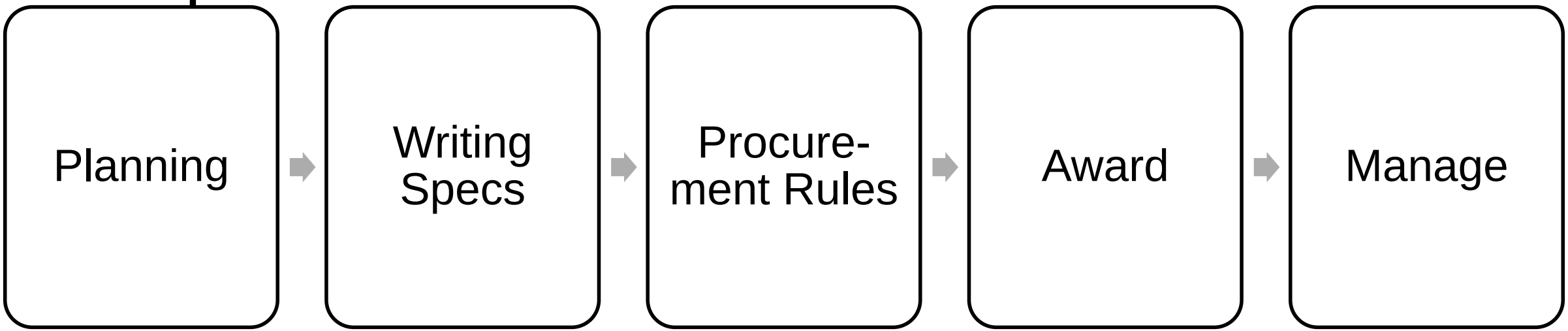
Informal Procurement

QUICK REVIEW

Purchasing Requirements: Federal, State, & Local

What is Procurement?

- Purchasing of goods & services
- You must use the most restrictive of federal, State, and local requirements
- The process involves:



Procurement rules apply to all Schools and Agencies

- NSLP & SBP
- Special Milk Program
- Child & Adult Care Food Program
- Summer Food Service Program
- Fresh Fruit & Veg Program

Everyone Must Follow

Why are Procurement Rules Important?

To ensure that program benefits (and taxpayer dollars!):

Are received by eligible schools & children

Are used effectively & efficiently, with no waste or abuse

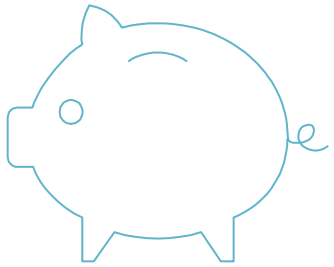
Formal Procurement Methods

Services $25,000 or more	**Supplies** (not perishable) $25,000 or more	**Food/ Perishables** $150,000 or more
SDCL 5-18A-14	**SDCL 5-18A-14** **SDCL 5-18A-22(12)**	**2 CFR 200.88**

Informal Procurement Methods

Services less than $25,000	**Supplies** (not perishable) less than $25,000	**Food/ Perishables** less than $150,000
SDCL 5-18A-14	**SDCL 5-18A-14**	**2 CFR 200.88**

SDCL 5-18A-22(12)



Nonprofit School Food Service Funds

- Can only be used to purchase allowable goods and services
- All funds that go into nonprofit school foodservice account must be used within program regulations

3 BIDS & A BUY

Let’s Begin!

- Write menus
- Forecast: Identify products & quantities
  - Velocity Report
  - Include USDA Foods entitlement
  - Include current food inventory
- Estimate costs
- Review your procurement plan

Step 1: Prep

ITEMS PURCHASED - BY CUSTOMER
7/01/2016 THRU 6/27/2017

ITEM #	PACK QTY	PACK DESC	ITEM DESC	BRAND	QTY SHIPPED	SALES PRICE
306096		72/2.33 OZ	WAFFLE STICKS MINI MAPLE WG IW	KRUSTEAZ	9.00	356.40
305405		1860/.25 OZ	Y CHICKEN POPCORN BRD CKD CN WG	TYSON	5.00	351.75
194964		240/.72 OZ	CORN DOG MINI TURKEY LOWFAT	STATE FAIR	17.00	349.86
160679		6/2#	HAM SLICED .5 OZ	BREAD READY	8.00	340.01
620017		20#	PASTA SPAGHETTI WG BULK 2-2.75"	MARZETTI	11.00	316.80
504904		96/2 OZ	DONUT LONG JOHN WG	BAKER BOY	9.00	302.41
126314		6/#10 CS	FRUIT MIX CHOICE EXTRA LT SYRUP	NUGGET BLACK	8.00	299.66
178691		24/8 OZ	PIZZA CHEESE GLUTEN FREE 6" IW	DELI INTL	6.00	291.12
143502		50/3 OZ	BEEF PATTIES SALISBURY CKD CN	ADVANCE	12.00	271.92

Velocity Report

- Specifications are accurate, clear, and not overly restrictive
- Specifying a brand name item and specifying "brand name or equal”
  - Better to specify a grade or quality level
- Describe quality & quantity of foods

Step 2: Writing Specs

Item #	Product Cat.	Description	Mfr. #	Pack	Qty	Bid Price	Total $
7	Meat-Chicken	Chicken. Fully Cooked. Whole Grain Breaded Popcorn Chicken, 1 serving = 2 MMA and 1 OEG (ounce eq. grain). Calories per serving not to exceed 250, sodium per serving not to exceed 400 mg. no added trans fat.	Tyson #70368-928 Equal or better	6/5# bags			

Specification Example

- Specifying 1 brand name
- Drafting specs, terms & conditions, and award criteria so only 1 source can respond
- Allowing a vendor to draft terms/specs
- Changing award criteria without notifying all potential vendors

Overly Restrictive Specs

- Determine procurement method
  - Formal vs. Informal vs. Micro
- Develop solicitation document

Step 3: Procurement Rules

- Get quotes by phone, email, fax, or catalogs
- 2-3 vendors must be included in the solicitation
- Purchase from lowest price
  - Fixed price
  - Fixed price tied to a public cost index with a time frame (vendor must specify index)
- **Retain documentation for 3 yrs. or longer**

Informal

2 CFR 200.320

Request for Fax Quote

*****This is not an order*****

Part 1

TO: Vendor A	FROM: Extraordinary Elementary School
TO: Bob BlaBlaw	FROM: Sally B. Buyer
FAX: 605-773-6846	PHONE: 605-773-3413
Number of Pages: 1	Date: 7/3/2017
Quote good for: _____days	

Fax Example

www.doe.sd.gov/cans

Part 2
Return by fax to Sally B. Buyer by 5:00 pm CT on 9/1/2017 to 605-773-6846

Date that product is needed at SFA: August 7, 2017

Buy American Provision, to the maximum extent practicable, domestic agricultural commodities or products substantially processed in the United States must be purchased. Substitute for 51% domestically grown agricultural products.

Alternate bids will be considered on products, which meet or exceed these specifications. Please include dietary specifications for the product to include: CN Label. If these dietary specifications are not included, bid will be considered non-responsive to bid proposals.

Any reference to brand names is meant as descriptive, not restrictive.

"OR EQUAL": any brand name listed in the specifications as "or equal" or "or equivalent" shall establish the minimum requirements for quality, utility, durability, function, purpose, etc. Other product brands may be offered that are equal to or better than the product brand name. Bidder may show cost differences, alternates, and options in the space provided in the quote. This clause is not meant to be restrictive, but to set the minimum standard. AGENCY SHALL DETERMINE, IN ITS SOLE DISCRETION, WHETHER A PRODUCT OFFERED IS "EQUAL". When the designation is "or equal" or "equivalent" Agency shall make it decision after Bid Closing.

The Small Print

Fax Example

www.doe.sd.gov/cans

Part 3

A. Description	B. Mfg. #	C. Quantity	D. Price Per Unit	E. Total
Chicken. Fully Cooked. Whole Grain Breaded Popcorn Chicken, 1 serving = 2 MMA and 1 OEG (ounce eq. grain). Calories per serving not to exceed 250, sodium per serving not to exceed 400 mg. no added trans fat. 6/5# bags	Tyson #70368-928 Equal or better	15	$	$
Click here to enter text.	####	#	$	$

Part 4 Special Considerations. Please provide a written response to the following:

Delivery Frequency: Prefer twice a month shipments to the **Extraordinary Elementary School, 800 Governors Drive, Pierre, SD 57501-2294**.
Key drop available.

Signature of Distributor (required): _____

www.doe.sd.gov/cans

- Select Lowest Prices for responsive and responsible vendor
- Be sure:
  - You have a signed Agreement if needed
  - Know the length of your Agreement

Step 4: Make the Award

- Monitor:
  - Pricing
  - American grown & processed products
  - Quality and Condition of Food at Receipt
  - Substitutions and Shorts
- Provide Feedback to Vendor/Distributor

Step 5: Management

How often do your prices change?

- Milk
- Bread
- Frozen food
- Canned food

- Produce
- Chemicals
- Preventative Maintenance Contracts

How long is it good for?

MICROPURCHASE

An Informal Procurement Flexibility when Needed

Informal Procurement Methods: Micro-purchase

Services <$3,500	**Supplies** <$3,500	**Food/ Perishables** <$3,500

2 CFR 200.67

- Aggregate purchase amount cannot exceed $3,500
- Micro-purchases to be distributed equally to suppliers
- Prices must be reasonable
- Can be awarded **without** informally soliciting competitive quotes

Micro-purchase

2 CFR 200.320 (a)

Micro-purchase Misconceptions

- Using one vendor is ok as long as all purchases are under $3,500 **NO**
- My SFA can shop for the best price using this method **NO**
- My SFA can choose how to “share the wealth” **NO**

A FEW MORE THINGS TO CONSIDER

- Response includes items that were not in original solicitation
  - e.g. new signage for your cafeteria
- **Items cannot go into consideration for contract award if it was not in original solicitation!**

Overly Responsive

American grown, made, and processed food is required whenever possible.

210.21(d)

Buy American

Conflicts of Interest

- No one person can benefit at the expense of their school or public interest
- Excuse yourself if involved in the conflict of interest
- **Vendors that help write the bid, cannot respond to the bid.**

- SFA's working together to make some or all purchases
- **These groups must follow same procurement requirements as individual SFAs**

SFA Only Group Buying Coops

Group Buying Organizations (GBO)

- **SFAs must properly procure price lists and memberships from GBO's**
- Examples in SD: Avera PACE, Buy Board, NJPA, Shared Purchasing Solutions, Cooperative Purchase Connection, etc.

Geographic Preference

- SFA can define & use local area to buy unprocessed locally grown or locally raised agricultural products
- Memo SP18 – 2011 *Procurement Geographic Preference Q&As* dated February 1, 2011 contains more information

Procurement Templates
CANS website: doe.sd.gov/cans

PROCUREMENT IN THE 21ST CENTURY & WORKSHOP - AND FINANCIAL MANAGEMENT TRAINING Registration	
Federal Procurement Standards Power Point, USDA 2/2016 – 38 slides	Procurement Power Point 4/2016 – 46 slides
Procurement Plan Example	ICN Procurement in the 21st Century
Informal Bid Quote Worksheet *Example*	Email Quote Request (Fillable) *Example*
Fax Quote Request (Handwritten) *Example*	Fax Quote Request (Fillable) *Example*
Phone Quotes (Printable) *Example*	Running Quote Log (Fillable) *Example*
Running Quote Log (Word/Printable) *Example*	Running Quote Log (PDF/Printable) *Example*
Bid Specification *Examples*	Instructions to complete Request for Proposal *Example*
Request for Proposal (Fillable) *Example*	Micro Purchases Explanation
Procurement Terms in Plain English	Code of Conduct Example
Food Procurement Flow Chart	

UNPAID MEAL CHARGE POLICY

New Requirement for July 1, 2017

Healthy Hunger-Free Kids Act of 2010

- Required USDA to examine and report to Congress on current charge and alternate meal policies and practices
- Final report submitted to Congress in July 2016

Special Nutrition Program Operations Study in School Year 2011-2012

- 58% of SFAs incurred unpaid meal costs during SY 2010-2011
- Only 35% of States had a policy or standard practice regarding the service of meals to students without funds to pay for their meal

Unpaid Meal Requirements

- Each district must have a policy in place by July 1, 2017
- Required to have a policy or standard procedure on how unpaid meal charges are handled
- Local discretion
- Memo SP 23-2017 (https://www.fns.usda.gov/school-meals/policy/all)

Key Policy Considerations

- Maintain the **financial integrity** of the Programs
- Provide children with **adequate nutrition** to focus in school
- Minimize **stigmatization** children with meal charges

Preventing Student Distress

Discouraged Actions	Encouraged Actions
Announcing or publicizing the names of children with unpaid meal charges	Communicating privately with families about a child's outstanding balance
Using hand stamps, stickers, or other physical markers to identify children with unpaid meal charges	Communicating payment reminders directly and discreetly to adults in the household
Sending clearly marked notices home when children have an outstanding balance	Sending discrete reminders in a plain, white envelope
Throwing a child's meal in the trash if they are unable to pay	Serving children the regular reimbursable meal while working with the family to obtain payment

Stakeholder Involvement

- School administrators
- School board members
- School food service professionals
- Social workers
- Families

Policy Recommendations: Alternate Meals

***If alternate meals are offered*, SFAs should explain:**

- The meal service(s) that offer alternate meals
- The duration of the provision of alternate meals
- If applicable, the cost of the alternate(s)
- How alternate meals are presented

Alternate Meal Requirements

- **Reimbursable** alternate meals must meet meal pattern requirements
  - Also meet Paid Lunch Equity (PLE) requirements, when served to students eligible for “paid” meals

- **Non-reimbursable** alternate meals must be paid for using non-Federal funds
  - Also meet Smart Snacks and non-program food requirements, if students are charged for the meal

Policy Recommendations: Debt Collections

- Focus on adults responsible for providing funds
- Consider costs vs. benefits of debt collection efforts

Policy Communications: Families

- SFAs **must** communicate the policy, in writing, to:
  - All families at the start of the school year
  - Families with students who transfer in to the SFA mid-year
- Additional communication strategies:
  - “Back-to-School” packets
  - School or district websites
  - Student handbooks
  - Written notices

Policy Communications: SFA Staff

- SFAs **must** communicate policy, in writing, to staff members responsible for collecting payment

- Notify families of low/negative balances
- Enforce the policy

Recordkeeping

- SFAs **must** provide policies to the State agency during the Administrative Review
- SFAs **must** maintain documentation of policy communication methods

Best Practices

- **Community Eligibility Provision**
  - Allows eligible schools to offer free school meals to all students
  - Saves time and money by streamlining paperwork and administrative requirements
- **Application Outreach**
  - Summer Outreach
  - School Year Outreach
  - Community Outreach
- **Changes in Household Circumstances**
  - Families may apply (or reapply) for free/reduced meals any time during the school year

Best Practices

- **Transfer Students**
  - Schools are encouraged to accept transfer student's previous eligibility determination
  - Schools are not liable for the accuracy of the previous determination
- **Language Assistance:** 49 translations of the application available
- **Payment Options**
  - Provide on-line payment systems
  - Encourage families to track spending
  - Allow automatic deductions when balances are low
  - Provide repayment plans

Best Practices

- **Payment Reminders**
  - Email
  - Telephone
  - Automated
  - In-person
  - With other reminders
- **Discretionary Elimination of Reduced Price Charges**
  - An allowable foodservice cost (see FNS memo SP 17-2014: Discretionary Elimination of Reduced Price Charges in the School Meal Programs)
- **Charitable Funding Sources**

Resources

CANS NSLP website: http://doe.sd.gov/cans/nslp.aspx, Section "Unpaid Meal Charge Policy"

- 2017 Guidebook: Overcoming the Unpaid Meal Challenge
- USDA Power Point slides and webinar recording (April 2017)
- Checklists:
  - Local Meal Charge Policy Considerations for All SFAs
  - Alternate Meal Policy Considerations
  - Local Meal Charge Policy Communication Requirements
  - Recommended Topics for Delinquent/Bad Debt Policies
- USDA FNS policy memos
- South Dakota Example Unpaid Meal Charge Policy
- A link to even more Unpaid Meal Charge resources from the USDA FNS

HOT TOPICS!

What has you concerned?

How A Block Grant Would Have Impacted SY 16-17 In Brandon Valley

Total paid lunches for school year 16-17	X's .30	$114,526.00
Total lunches all categories	X's .06	$ 29,233.00
Total Breakfast reimbursements		$ 86,942.00
Total USDA foods received 16-17		$181,367.00
Summer Meals		$ 43,821.00

DISTRICT TOTAL $455,889.00

How A Block Grant Would Have Impacted SY 16-17 In Pierre

Total paid lunches for school year 16-17	X's .30	$58,738.00
Total lunches all categories	X's .06	$ 17,404.00
Total Breakfast reimbursements		$ 56,580.00
Total USDA foods received 16-17		$ 96,505.00

DISTRICT TOTAL $229,255

Professional Standards

- Annual training is a **requirement** and is an allowable cost that should be added to your budget
- Examples of school staff that generally require training
  - Business Managers in schools with FSMC (must meet FS Director training requirements)
  - Point of Sale cashier/meal count staff
  - Staff responsible for eligibility determination
  - Food service staff
- SNA membership is allowable program cost

Upcoming SNP Training Opportunities

- October 12, 2017: Procurement: A Practical Approach, Pierre
- October 16-20: Orientation to School Nutrition, Pierre
- October 23-24, 2017: Financial Management: A Course for School Nutrition Directors, Pierre
- November 15, 2017: Procurement: A Practical Approach (Repeat), Pierre
- Register on the CANS NSLP website under the “Professional Standards & Training Opportunities” section

Thank you for supporting your School Nutrition Program!!

Contact Us!

CANS Office

- Email: DOESchoolLunch.com
- Phone: 605-773-3413

Gay Anderson

Liz Marso

Laura Duba

This institution is an equal opportunity provider.

SD ASBO Child Nutrition Update
Sept. 2017

Professional Standards Training Credit print, sign, and date this certificate for your records

This training credits for 3 hours of training in

Key Area 2 - Operations 2000

2400: Purchasing/Procurement (1.5 hours)

Key Area 3 – Administration 3000

3300 Financial Management (1.5 hours)

Your Name:

Date of Training:

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