



Palo Verde Union Elementary School District

Food Services Review

March 31, 2009

Joel D. Montero
Chief Executive Officer



CSIS California School Information Services

March 31, 2009

John Manning, Superintendent
Palo Verde Union Elementary School District
9637 Avenue 196
Tulare, California 93274-9529

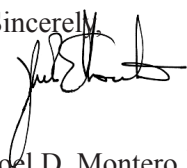
Dear Superintendent Manning:

In December 2008, the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for a food services review with the Palo Verde Union Elementary School District. The request specified that FCMAT would:

1. Conduct a review of the Palo Verde Union Elementary School District's current child nutrition program operations, staffing, policies and procedures, and menu planning; and provide recommendations for enhancing revenues or implementing changes to reduce the level of general fund contribution needed to support the program.
2. Conduct an analysis of eliminating or significantly reducing scratch cooking and baking vs. maximization of food commodities with regards to labor costs. The results of this analysis will assist the district in determining the design of a new multi-purpose building or the design of modernizing the existing multi-purpose building.

The district is eligible for new construction monies through the state building fund and has applied for full funding of a new multi-purpose building including a kitchen/cafeteria/stage and additional classrooms. If funded, the district is considering either building a serve-only kitchen in the new facility or possibly the construction of a fully-equipped kitchen for scratch cooking and baking. If sufficient new construction funds are not available, modernization funds are also available to remodel the existing multi-purpose facility. These modernization funds could be used to redesign the existing kitchen/cafeteria areas and the decision to convert to a warm and serve only kitchen would assist in design efforts.

The attached final report contains the study team's findings with regard to the above areas of review. We appreciate the opportunity to serve you, and we extend our thanks to all the staff of the Palo Verde Union Elementary School District.

Sincerely,


Joel D. Montero
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

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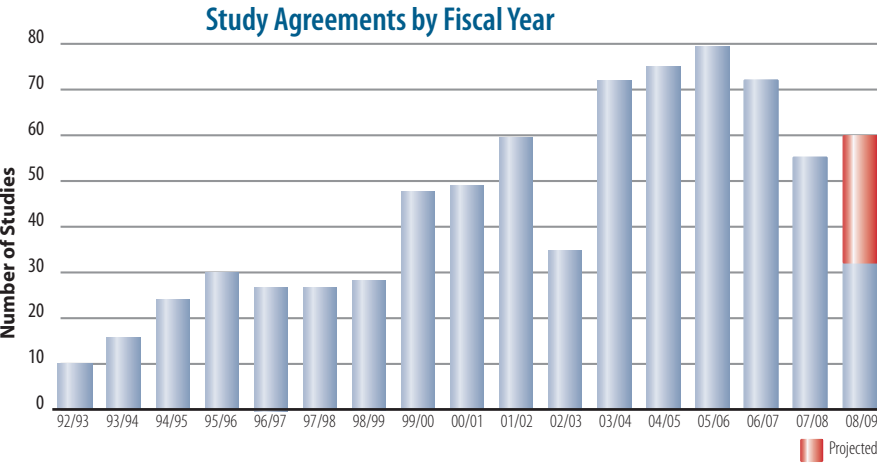
Foreword - FCMAT Background

The Fiscal Crisis and Management Assistance Team (FCMAT) was created by legislation in accordance with Assembly Bill 1200 in 1992 as a service to assist local educational agencies (LEAs) in complying with fiscal accountability standards.

AB 1200 was established from a need to ensure that LEAs throughout California were adequately prepared to meet and sustain their financial obligations. AB 1200 is also a statewide plan for county offices of education and school districts to work together on a local level to improve fiscal procedures and accountability standards. The legislation expanded the role of the county office in monitoring school districts under certain fiscal constraints to ensure these districts could meet their financial commitments on a multiyear basis. AB 2756 provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans. These include comprehensive assessments in five major operational areas and periodic reports that identify the district’s progress on the improvement plans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT’s services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 750 reviews for local educational agencies, including school districts, county offices of education, charter schools and community colleges. Services range from fiscal crisis intervention to management review and assistance. FCMAT also provides professional development training. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The agency is guided under the leadership of Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.



Total Number of Studies.....	743
Total Number of Districts in CA.....	982
● Management Assistance.....	705 (94.886%)
● Fiscal Crisis/Emergency	38 (5.114%)
Note: Some districts had multiple studies.	
● Districts (7) that have received emergency loans from the state.	(Rev. 1/22/09)

Introduction

Palo Verde Union Elementary School District is located in the city of Tulare and provides instruction to approximately 594 students enrolled in pre-school through 8th grade. Enrollment is projected to grow to 800 students within five years. Actual growth is slower, with an increase of approximately 20 students per year.

The district Superintendent contacted FCMAT in November 2008 to request a review of the cafeteria/food services program and to make recommendations to assist the district in operating the program more efficiently. A FCMAT study agreement was approved by the district in December with the following scope and objectives:

1. Conduct a review of the Palo Verde Union Elementary School District's current child nutrition program operations, staffing, policies and procedures, and menu planning; and provide recommendations for enhancing revenues or implementing changes to reduce the level of general fund contribution needed to support the program.
2. Conduct an analysis of eliminating or significantly reducing scratch cooking and baking vs. maximization of food commodities with regards to labor costs. The results of this analysis will assist the district in determining the design of a new multipurpose building or the design of modernizing the existing multipurpose building.

The district is eligible for new construction monies through the state building fund and has applied for full funding of a new multipurpose building including a kitchen/cafeteria/stage and additional classrooms. If funded, the district is considering either building a serve-only kitchen in the new facility or possibly the construction of a fully-equipped kitchen for scratch cooking and baking. If sufficient new construction funds are not available, modernization funds are also available to remodel the existing multipurpose facility. These modernization funds could be used to redesign the existing kitchen/cafeteria areas and the decision to convert to a warm and serve only kitchen would assist in design efforts.

Study Team

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Study Guidelines

FCMAT assigned its independent consultant to visit the district on January 20-21, 2009 to conduct interviews with district employees, review information, collect documentation, and observe the child nutrition program in operation. This report is the result of that effort and is divided into the following sections:

- Executive Summary
- Program Operations
- Staffing
- Menu Planning
- Commodity Use
- Policies and Procedures
- Facilities

Executive Summary

Two of the areas included in this report relate to the child nutrition program's budget and proposed facility upgrades, and improvements or actions in these areas should be near the top of the list for action. Overall general fund support for the program in the 2007-08 fiscal year was equivalent to 48.8% of the total expenditures. A primary goal in operating a school food service program should be that it is self-supporting, although economy of scale in operations is more difficult for a small district to achieve. This report includes recommendations that can be used to reduce existing food costs and labor hours by incorporating a greater use of commodity food products and pre-wrapped foods into the menu.

Based on its eligibility and desire to have a new kitchen and multipurpose room, the district submitted a hardship application for new construction funding in July 2008 but has not received any response to inquiries on the status of the application. On February 17, 2009, state officials announced the intent to shut down many state-funded projects in an effort to conserve cash. This would include funding for school hardship and modernization projects. FCMAT found that the existing kitchen and cafeteria is sufficient to support current enrollment and could be reorganized to more efficiently meet the district's needs for now.

The district's participation in Provision 2, an alternative method of determining student eligibility and daily meal counts by type, is nearing the end of its four-year cycle. Under Provision 2, the district's burden of collecting applications to determine eligibility for free and reduced price meals for students was reduced and meal counting and claiming procedures were simplified. While the district's five-year enrollment projection suggests that enrollment will increase from just under 600 students to 800 students, the current economy is increasing unemployment that could push the district's free and reduced percentage from 74% to as high as 84%. If that happens, the district could increase revenues through additional reimbursements if it transitions out of Provision 2 and returns to traditional meal counting and claiming procedures. The district needs to implement direct certification regardless, as it is now mandatory for all school districts.

The food service program is staffed with two eight-hour employees and one seven-hour employee and is charged for one-third of the district secretary's time to implement Provision 2 requirements, consolidate meal counts, and submit reimbursement claims and receive money for adult meals. The program is also charged for 1.5 hours per day of the school clerk's time to collect meal tokens and report the number of tokens to the secretary. The meals per labor hour (MPLH) calculation included in this report shows the district's food production is 30 meals per labor hour. The time needed for some tasks, such as grating commodity cheese, could be reduced by purchasing grated commodity cheese. The district could reduce daily food production hours from 23 to 19 by following recommendations in the report and revising the work schedule to begin later than the current 4:30 a.m. start time for two of the employees.

Implementation of the enhanced food-based meal pattern and offer versus serve could reduce food waste. Taste tests with students should be conducted and student surveys considered in updating menu options. The district should consider joining a commodity cooperative to take advantage of bid pricing and ensure that all commodity entitlement dollars are used each year.

The district should develop a food service department manual of procedures and guidelines. Other school districts may be willing to share their manual with Palo Verde as a starting point. Employee evaluations should be conducted regularly.

Whether or not the district receives state funding for new construction or modernization of the existing kitchen and multipurpose room, a number of old or obsolete pieces of equipment should be replaced when funds are available. Replacement or addition of some of the items listed in this report would help reduce the number of labor hours needed. Palo Verde students enjoy the foods prepared on site, yet the district must control its costs. Savings can be achieved by incorporating more heat-and-serve foods that use commodities into the menu, and doing less scratch cooking. Balance in what is served is important, and careful selection of pre-wrapped products will help the district serve meals that are appealing to students and won't cause a decrease in meal participation.

Program Operations

Palo Verde Union Elementary District is a single-site school district serving approximately 594 students in pre-school through eighth grade. The current enrollment projection anticipates an enrollment of approximately 800 students within five years. Enrollment data from the California Department of Education (CDE) Educational Demographics Unit for five prior fiscal years is reflected in the following table:

2003-04	2004-05	2005-06	2006-07	2007-08
516	513	509	531	560

The district provides student meals through the National School Lunch and the School Breakfast programs but does not offer the After School Snack Program. According to staff, 74% of the students are eligible for free and reduced price meals and an average of 520 lunches and 350 breakfasts are served every school day. In 2009-10 the district expects an increase in the number of needy families as a result of the economic downturn and a high unemployment rate in this rural area.

The district participates in Provision 2, an alternate method of determining eligibility for free and reduced price school meals and daily meal counts by type. This method requires the school to serve meals to participating children at no charge, reduces the burden of collecting applications to once every four years, and simplifies meal counting and claiming procedures by allowing a school to receive meal reimbursement based on confirmed claiming percentages. The 2005-06 fiscal year was the base year for the district, and the four-year cycle ends with the 2008-09 school year. Although eligible, the district does not plan to request a four-year extension due to the expectation that local demographics will have changed.

The district reports a decline in the number of middle-income families living in the area and an increase in job layoffs and unemployment. The district anticipates that the current rate of 74% eligible for free and reduced price meals will increase by 10%. In transitioning out of Provision 2, the district may realize an increase in revenues through additional reimbursements with traditional counting and claiming procedures.

In Provision 2 schools, all students are served meals at no charge. The school does not receive money (co-pay) from households that would normally pay for reduced price and full price meals. The school must make up the difference between the amount received from federal and state reimbursements and actual meal costs. It is not required that a minimum percentage of students enrolled are eligible for free and reduced price meals. However, Provision 2 may be a good choice for schools with a very high percentage of free and reduced price eligible students.

Statistical information collected by the United States Department of Agriculture shows that a free and reduced student population of 85% or higher is required for successful implementation and sustainability. However, districts may choose to implement the program in sites with a slightly lower percentage to continue a universal feeding program. At the end of the Provision 2 cycle, the district must notify the CDE's Nutrition Services Division of its decision to either continue with Provision 2 or return to standard counting and claiming procedures.

Under Provision 2 the district has not been required to implement direct certification. Since meal applications must be completed in 2009-10 for either the traditional method or a new base year, the district must implement direct certification. This is a process through which school-age recipients of food stamps and CalWORKS benefits are certified as eligible for free school meals without completing a meal application. Refer to Nutrition Services Division Alert # NSD-SNP-05-2008, Mandatory Direct Certification: <http://www.cde.ca.gov/ls/nu/sn/iadirectcert.asp>

The 2009-10 school year is the new base year for implementing Provision 2, and the district is required to collect meal applications to determine claiming percentages. The district should evaluate whether the savings in administrative costs associated with reducing application responsibilities and simplifying meal counting and claiming procedures offsets the financial burden of providing meals to all children at no cost. If the percentage of eligible free and reduced price students does not increase by 10% as projected, the district should evaluate the possible income differences between remaining on Provision 2 and returning to the traditional methods. Detail of the team's calculations for income from breakfast and lunch participation is included as Appendix B to this report. A summary of those calculations is included below:

The three scenarios used the same total number of meals served as claimed in 2007-08. F/RP is free and reduced price meal participation.

a. <u>Actual Income Provision 2 2007-08 with 74% F/RP</u>	<u>\$241,745.45</u>
b. <u>Projected Income Provision 2 with 85% F/RP</u>	<u>\$277,219.68</u>
c. <u>Projected Income Traditional Counting with 74% F/RP and Meal Price of \$1.50 for Lunch and \$.75 for Breakfast</u>	<u>\$293,249.70</u>

Although option "c" reflects a significant increase in income, it means the staff is responsible for the entire meal application process throughout the year, every year, which will affect staff time. New responsibilities include, at a minimum, distributing and approving meal applications, direct certification, changes in student eligibility, verification, database updates when students enter or leave the district, implementing a different meal counting system in the cafeteria, daily cash counts and deposits, and collection of meal charges from students.

Findings and recommendations included later in this report indicate that staff time may be available to cover the increased responsibilities and that collecting meal money from students is manageable.

Information requested from the district reflects that the cafeteria fund encroaches on the general fund by an estimated \$70,000 above and beyond the cost of salaries already supported by the general fund. The efficiency of the food service program, including staffing, menus, and food production is under scrutiny, as the Board of Trustees would like the department to become more self-sufficient. Employees are not union represented.

A budget report was used to confirm the revenues, expenditures, and net loss for the food service program in the 2007-08 fiscal year. The cafeteria fund is not charged any direct or indirect costs. The cafeteria fund in most school districts is expected to break even. Overall general fund support in the 2007-08 fiscal year was equivalent to 48.8% of the total expenditures. Revenue and expenditure detail by category is included as Appendix C to this report.

2007-08 Data	Total	Supported by Fund 13 Cafeteria	Supported by Fund 010 General
Income from Federal, State, and Local Sources	\$245,600.82		
Expenditures			
Salaries/Benefits	\$153,497.17	\$72,345.00	\$81,152.17
Food Costs	\$154,926.11	\$154,926.11	0
Operating Expenses	\$12,982.11	\$12,982.11	0
Total	\$321,405.39	\$240,253.22	\$81,152.17
Operating Loss	(\$75,804.57)		\$75,804.57

In food service it is common to report information on expenses as a percentage of earned income. The information shown in the following table was taken from the district's 2007-08 unaudited actuals financial report:

Unaudited Actuals, Fund 13, 2007-08			
Federal Income, Object 8220	\$220,309.16		
State Income, Object 8520	\$17,346.98		
Local Sales, Object 8634	\$2,835.30		
Interest, Object 8660	\$4,217.31		
Other Local Income, Object 8662	\$892.07		
Total Income	\$245,600.82		
		Actual	Industry Standard
		% of Income	% of Income
Food Cost	\$154,926.11	63.1%	35 to 40%
Labor Cost	\$153,497.17	62.5%	45 to 50%
Operating Expense	\$12,982.11	5.3%	7 to 10%
Total Expense	\$321,405.39	130.9%	100%
Net Balance	(\$75,804.57)	-30.9%	

Single schools and small districts sometimes face significant challenges and difficult decisions to maintain a positive ending balance in the cafeteria fund. Nevertheless, steps should be taken to reduce costs with as little impact to quality and service as possible. The goal in operating the food service program should be that it is self-supporting.

Some steps to consider in reducing food costs from 63% to 40% of income include:

- Determining if other area school districts award bids or requests for pricing for food and supplies. If this is the practice, contact the district to confirm if Palo Verde would be able to piggyback on their bids.
- Requesting several vendors to provide written price quotes to compare pricing on high use items such as cereal, lunch trays, and paper goods.
- Requesting price quotes from produce and milk suppliers to compare pricing.
- Contacting the State Food Distribution Division to learn about Advance Offering Orders and commodity processing. Request a list of current processors and ask for a list of their charges to process various items.
- Working with prime vendors to reschedule deliveries weekly or twice a month instead of twice a week.
- Managing quantities of food produced carefully to avoid excessive leftovers. Students may enjoy the extra pizza, hamburgers, and spaghetti, but the second meals may not be claimed for reimbursement and the food is given away at a cost to the department's bottom line.
- Working with staff to assure correct portions are served to students and adults.

- Assuring the department is credited for the cost of all labor, food, and supplies used for special meal functions and student rewards.
- Maintaining a monthly physical food inventory to monitor costs, excessive inventory, and losses.

The district has done an excellent job promoting the breakfast program. Breakfast is available from 7:35 a.m. to 8:25 a.m., and students arriving late are encouraged to eat. October 2007 reimbursement records indicate 43% of students participated in the program; October 2008 records indicate the percentage of students served breakfast increased to 63%. This is a significantly higher percentage of participation, and the district has achieved a “best practice” goal for food service by increasing participation.

Three separate lunch periods are scheduled for pre-kindergarten through 3rd grade, 4-5th grades, and 6-8th grades. Records for the 2007-08 school year indicate 88% of enrolled students participated in the lunch program. Only a few students were observed eating sack lunches brought from home. On average, students have 20 minutes to eat and 10 minutes for recess. Three or four student helpers assist employees in serving lunch and cleaning cafeteria tables each period.

The food service staff takes pride in the meals prepared for students. Homemade items such as lasagna, tacos, dinner rolls, chicken and gravy, and pups in a blanket are lunch-time favorites. Most items are made from scratch; and a few, such as corndogs and pizza are purchased as heat and serve items.

On the day of FCMAT observation, only two adults purchased lunch in the cafeteria. Others stated they chose not to eat in the cafeteria as part of their weight management plan. Of the staff interviewed, most stated that the adult portion was often significantly larger than the student portion. This issue was addressed in the 2006 Coordinated Review Effort (CRE) audit, which reported that adult lunch price did not cover the cost of the meal. At the time the district increased the meal price, but over-portioning has not been controlled. Staff training on maintaining consistency in student serving portions should be conducted, since something as minor as rounding the top of a ½-cup measure can increase food costs and contribute to food waste.

According to 2007-08 cafeteria summary records, an average of 6.5 meals per day were served to adults as “earned” meals and 5.8 meals served as paid adult lunches. It should be noted that a balance of \$311.50 in unpaid adult meal charges remained at the end of the fiscal year. Adult lunch price is \$2.75 for a complete meal.

Management Bulletin 00-111 from the Nutrition Services Division of CDE states: “In order for a school food authority (SFA) to provide meals for any persons other than those specified in Education Code section 38082, the school board must adopt a policy specifically stating the means for serving those other persons. Moreover, the cost of

meals served to non-students may not be subsidized by federal or state reimbursements, children's payments, other nonprofit food service revenues, or United States Department of Agriculture (USDA) commodities. Refer to your School Nutrition Programs Guidance Manual, Sections 2340 and 3340 (Adult Meal Pricing) for guidance on setting prices for adult meals," available online at <http://www.cde.ca.gov/ls/nu/sn/mb00111.asp>

The district does not provide an After School Snack Program where students enrolled in approved programs are served nutritious snacks at no charge. The district can receive reimbursement, currently valued at \$.71 per snack, which covers the cost of food, especially if commodity items are used. After-school snacks provide children with nutrition during after-school care and may enhance their learning abilities by contributing to their physical and mental well-being. Studies have shown that children whose nutritional needs are met throughout the day have fewer attendance and discipline problems and are more attentive to learning. No additional food service labor hours would be required to implement the program. Further information is available online at <http://www.cde.ca.gov/ls/nu/sn/snack.asp>

Recommendations

The district should:

1. Ensure that the food service budget reflects earned revenues and the complete cost of operating the program. Categorize support from the general fund for salary and benefit costs in the budget as a transfer in to Fund 13 to clarify the overall level of general fund support needed to maintain an annual zero or positive ending fund balance.
2. Evaluate whether the savings in administrative costs will continue to offset the financial burden of providing meals to all children at no cost. If the percent of eligible free and reduced price students does not increase by 10% as the district projects, consider returning to the traditional methods of collecting applications.
3. Implement direct certification, which is now mandatory in all school districts.
4. Train food service staff to serve correct adult and student meal portions, and charge the appropriate cost.
5. Implement a monthly food inventory system to ensure that all products are used in a timely manner and only items needed are stored.
6. Consider steps to reduce food costs, as described above.
7. Consider implementing the After School Snack Program where students enrolled in approved programs are served nutritious snacks at no charge.

Staffing

The Food Services staff includes the following three positions that are entitled to district benefits:

- Cafeteria Manager (8.0 hours, 205 days)
- One Assistant Cook (8.0 hours, 205 days)
- One Cook's Helper/Dishwasher (7.0 hours 183 days).

In addition, one third of the district's Secretary position is charged to the cafeteria program. This position is responsible for implementing Provision 2 requirements, consolidating meal counts, submitting reimbursement claims, receiving money for adult meals, end of year inventory, and other clerical duties. During lunch, a school clerk offers and collects meal tokens from students and then reports the total number of meals served to the secretary. Food Services is charged for 1.5 hours per day of the clerk's salary.

The Manager and Assistant Cook's hours are from 4:30 a.m. until 1 p.m.; the Cook's Helper works from 6 a.m. until 1:30 p.m.

The Manager has worked in the district for 17 years, beginning as a substitute worker. She is responsible for planning staff workloads, helping with food preparation and service, developing menus, maintaining production records, placing orders, receiving food and supplies, ensuring a clean and safe work environment, and assisting with catered meals and snacks for board meetings and other school functions. Although she supervises two workers, she does not perform their evaluations. She does not recall the last time she was evaluated.

The Assistant Cook has worked in the district for 15 years and works closely with the manager in preparing and serving meals, baking, assisting with ordering and receiving food and supplies, and helping maintain a clean and sanitary facility. On the day of the interview she stated she had shredded 80 pounds of bulk commodity cheese in 1.5 hours and was pleased to learn shredded commodity cheese is available to order.

The Cook's Helper prepares and serves breakfast, assists with lunch preparation and clean-up, collects, inventories, stores unopened milk cartons and wrapped food items, and dumps and stacks lunch trays after students finish eating. Between meals she was observed sweeping the cafeteria floor and washing tabletops.

Three to four students help serve lunch each period. FCMAT observed that although these students received a complete meal, they were not offered a token and their meals were not claimed for reimbursement by the district, resulting in lost income since the beginning of the school year. When this was pointed out to the Manager, the students were handed tokens that were then placed in the container for counting after lunch service.

Breakfast and lunch meal service was observed. Most students ride a bus to school and only a few arrive by private car. Students immediately enter the cafeteria and receive a tray if they wish to eat breakfast. When they have finished eating students dump any leftover food into the garbage can, place unopened milk cartons in a reuse container, and carefully stack the used foam trays without adult supervision.

Lunch is served in three separate meal periods. A clerk, stationed at the beginning of the lunch line, is responsible for giving every student a token, which is used as the medium of exchange to receive a reimbursable meal. The student immediately drops the token into a covered container and proceeds to the serving line. The Assistant Cook assists in serving the entrée and replenishes the food as necessary. Students are required to take every item offered. The Manager may also assist on the serving line and tries to make sure every student receives a complete lunch; however, no adult is stationed at the end of the line to check the tray. Three or four students help to serve pizza, fruit, vegetables, and cookies. Students pick up milk as they exit the serving line. After eating their lunch and before exiting the cafeteria, students place unopened milk cartons and bags of cookies into appropriate containers. The Cook's Helper stands at the trash can and takes trays from the students, dumps uneaten food, and stacks the trays. When asked why students do not dump and stack their own trays, staff said the students could not do so without making a mess. However, the team had observed that students dumped and stacked their own trays at breakfast quickly and neatly.

Two custodians were in the cafeteria during lunch service. One stated they acted as noon duty aides, ensuring that the students behaved during their meal period.

The meals per labor hour (MPLH) calculation is an industry tool used to create a proportional level of staffing levels to the number of meals produced. This calculation helps validate a reasonable number of labor hours needed to produce meals for students and adults. The number may vary between school sites within a district depending on how many students are served, the menu items served, and production requirements. For example, a school preparing all menu items from scratch requires more labor hours and produces fewer meals per labor hour than a school preparing ready-to-use or heat-and-serve items.

MPLH are determined by converting all meals served to a meal equivalent used to determine costs based on a standard unit of production. At Palo Verde, 23 hours are assigned to food preparation with an average of 701 meal equivalents served per day. Production at this rate results in a calculation of 30 meals per labor hour.

For schools preparing all items listed below from scratch, 20 meals per labor hour may be reasonable:

- Hamburger and hot dog buns
- Pizza crust
- Homemade spaghetti sauce
- Peeling carrots and potatoes
- Portioning/cooking raw hamburger patties or oven baked chicken parts
- Roasting whole turkeys for turkey and homemade gravy
- Cleaning and chopping head lettuce for salads
- Baking all breakfast items, desserts and other items

On the other hand, 40 to 50 meals per labor hour would be sufficient for sites relying on all processed, prepackaged, ready-to-use, and heat-and-serve items. For sites that receive ready to serve meals from another school or district requiring no food preparation and only meal service, 75 or more MPLH would be reasonable.

Other menu items prepared from scratch, such as chicken and gravy, hot rolls, lasagna, spaghetti, and tacos, require more preparation time than those listed above. However, the district should compare and taste test equivalent quality commodity processed or purchased items. Consistent product, decreased labor cost, reduced concern for possible food-borne illness, decrease in possible staff injuries, and an increase in student satisfaction are reasons many districts choose processed or prepackaged foods. By doing so, the district could potentially reduce production hours by four hours, from 23 to 19 hours per day. Staff would still have sufficient time to prepare menu choices such as a fruit and vegetable bar and two entrees every day. If the district decides to eliminate Provision 2, the four hours cut from production could be of use in approving meal applications and implementing standard meal counting and collection procedures.

Palo Verde's January 20, 2009 lunch menu listed pizza, salad, peaches, cookies, and milk. The actual menu served included pizza, carrot and celery sticks, orange wedges, bag of cookies, and milk. Although the ready-to-use purchased pizza needed only warming to the correct temperature, it had been prepared several hours in advance and held in a warming cabinet/oven for lunch service. The carrot and celery sticks were purchased pre-cut and ready to serve; the Assistant Cook cut the oranges into wedges; and the cookies were purchased in packages. The breakfast menu listed cereal, fruit, crackers, and milk; all items purchased ready to use. Both of these menus are easy to prepare and require little labor.

The January 21 lunch menu offered hamburger on a bun, fries/potato rounds, mixed vegetables, pears, and milk. The purchased raw hamburgers were cooked by staff and placed on buns prior to service; frozen mixed vegetables and potato rounds were heated prior to service; and the purchased pears/fruit were in sealed portion cups. Breakfast that morning consisted of fruit, milk, and heat-and-serve breakfast pizza.

Recommendations

The district should:

1. Reschedule staff work hours and make better use of commodity processed foods to eliminate the need for a 4:30a.m. start time. Consider rescheduling one position to work later in the day to cover the After School Snack Program requirements.
2. Reassign the 1.5 hours of the clerk position charged to the food service program. Have the Cook's Helper distribute the tokens at the beginning of the lunch line rather than stack used lunch trays. Assign supervision of the disposal of student trash at the end of meal service, if needed, to one of the two custodians/aides.

Menu Planning

The breakfast and lunch menus written by the Manager follow a traditional meal pattern. However, the department's most recent Coordinated Review Effort (CRE) state audit indicates the enhanced food-based meal pattern should be used. A traditional food-based menu planning approach requires specific food group components in specific amounts for defined age/grade groups. Additional servings of fruits/vegetables and low-fat grains/breads may be needed to meet the calorie level requirements while limiting total fat and saturated fats for the age/grade groups. Like the traditional approach, enhanced food-based menu planning requires specific food components in specific amounts for defined age/grade groups. In addition, enhanced food-based menu planning also requires increased portion sizes and amounts of vegetables/fruits and grains/breads.

Current menu production records were incomplete and the required meal pattern content could not be verified at the time of the FCMAT visit. The portion size for carrot and celery sticks appeared to be too large. When questioned about the serving size, the Manager stated she cut the celery into smaller pieces and placed it in a measuring cup to confirm the accurate portion.

The lunch menu served on the day of observation was pizza, celery and carrot sticks, orange wedges, bag of cookies, and milk. Students had one menu choice to consider - 1% strawberry, white, or chocolate milk. Identical items were served to each grade level. Students are required to take **every** item offered in order to claim a reimbursable meal.

The team observed that most students threw uneaten celery sticks into the garbage and approximately half of the oranges were thrown away as well. When asked, students said they did not like celery sticks but were required to take them. Several older students requested salad.

Interviews with older students revealed a desire for new and different menu items such as salad bars, choices of fruit, fresh fruit instead of canned, ranch dressing for the vegetable sticks, and for a reason not shared with the team, no meatloaf.

An offer versus serve approach would allow students to decline some of the food offered in school lunch and breakfast. For example, at lunch, five food items must be offered in specific minimum amounts. Under offer versus serve, students may select any three of the five items. At breakfast, four items must be offered, and students must select any three items to claim the meal as reimbursable. The goals are to reduce food waste and to allow students to select the foods they prefer and will consume.

As mentioned above, half of the oranges were thrown into the trash. Staff cut the oranges into wedges by hand since a sectioning tool is not available. Approximately 520 oranges

were prepared. According to Sysco 1/16/09 food invoice, one case of 113 oranges costs \$26.27. The cost of one orange is 23 cents. If 260 oranges were thrown away, the program realized a food loss of \$59.80 plus the labor cost to section the oranges, and the additional space in the garbage dumpster required to hold the waste. Under offer versus serve, students would not be required to take an orange. Perhaps students could choose a fruit they would like to eat from a bowl containing oranges, bananas, kiwi, and apples. The \$59.80 could be used to purchase desirable food items or support the cost of salaries.

Recommendations

The district should:

1. Implement the enhanced food-based meal plan as outlined in the 2006 CRE.
2. Follow the Grade K-6 meal pattern for preschool through 6th grade students and follow the Grade 7-12 meal pattern for grades 7-8.
3. Provide training for all food service staff on menu planning, offer versus serve, menu production records, and food production, commodity ordering and usage.
4. Review resources and training materials that are available at the following Web sites:
 - California School Nutrition Association: <http://www.calsna.org/>
 - California Association of School Business Officials: <http://www.casbo.org>
 - California Department of Education Nutrition Services Division: <http://www.cde.ca.gov/ls/nu/>
 - CalProNet: <http://retrieve.fresnocitycollege.edu/placement/calpronet/>
 - National Food Service Management Institute: <http://www.nfsmi.org>
 - Cooking for A New Generation and other training materials
 - USDA healthy meals resource system: <http://healthymeals.nal.usda.gov>
5. Provide the Governing Board with information and the rationale for implementing offer versus serve, and request approval to do so (see Offer versus Serve Resource Guide provided separately from this report).
6. As part of the Wellness Policy implementation, conduct taste tests with students and ask for feedback on the current menus and requests for revised menus
7. Develop the 2009-10 fiscal year menus to reflect offer versus serve, limited menu choices, and use of processed commodity foods.

Commodity Use

The U.S. Department of Agriculture (USDA) purchases commodity foods through direct appropriations from Congress. As one of three agencies authorized to do so, the Food and Nutrition Service (FNS) distributes commodities to designated outlets. Commodity entitlement is the dollar value of donated food a district is eligible to receive. Each December, districts receive the state's Food Distribution Division (FDD) commodity information, entitlement value, and commodity advance order request. As an "offering district," Palo Verde is eligible to receive five offerings of commodity food throughout the school year in addition to an advance order.

The cafeteria Manager and district Secretary stated they had not received advance order information for the 2009-10 fiscal year, nor were they familiar with the process. The team contacted FDD to request a copy of the advance order to be faxed to the district. February 2 was the deadline to submit the order for the 2009-10 school year. If the deadline was not met, the district will need to order all of their commodities through the five offerings.

The advance order is a means of joining with other districts in California and combining small amounts of commodity foods into truckloads of foods that are shipped to approved food processors. Foods such as raw, coarse ground beef; raw, whole-body chilled chicken and turkey; barrel cheese and raw, boneless pork are processed into convenient, ready-to-use end products. The district may realize considerable food cost savings by processing raw product into usable items students will enjoy. The cost is less than purchasing a similar non-commodity item from a vendor because the district uses its food obtained through the entitlement and pays only the processing/shipping fees.

By using the advance order, the manager could specify how much of the annual entitlement would be spent on beef, cheese, poultry and other commodities for processing. The unused entitlement balance would be used for the five offerings to select fruit, vegetables, and other usable items.

The cafeteria Manager does a good job ordering as many commodities as possible using only the five offerings. The offerings make a wide variety of foods available, but the commodity entitlement dollars could be put to better use and the department would realize lower food costs by taking advantage of the advance offer provision. Two examples of savings that could be achieved are shown below:

<u>Item One</u>	Current Practice Non-Commodity Price <u>No bid pricing</u>	Proposed Practice Processed Price <u>Bid pricing</u>
Don Lee beef patty 102 – 2.6 oz/case	Sysco cost \$0.385/serving	\$0.280/serving

If hamburgers were included on the lunch menu once a month or nine times per school year the cost would be:

500 servings	500 servings
<u>x \$.385</u>	<u>x \$.280</u>
\$192.50	\$140.00
<u>x 9 menus</u>	<u>x 9 menus</u>
\$1,732.50	\$1,260.00

Savings of \$ 472.50 would be realized using commodity processed hamburgers.

Additional labor savings would be realized as the items are precooked and need to only be heated to temperature. Additional advantages include improved food safety in not dealing with raw meat patties that could be a possible source of food-borne illness. Student taste tests in other districts indicate a preference for the commodity product, as the raw product is often overcooked in the attempt to achieve correct temperature.

<u>Item Two</u>	Current Practice Non-Commodity Price <u>No bid pricing</u>	Proposed Practice Processed Price <u>Bid pricing</u>
Tony’s 4x6 pizza	Sysco cost \$0.651/serving	\$0.426/serving

If pizza was included on the lunch menu once a month or nine times during the school year, the cost savings would be:

500 servings	500 servings
<u>x \$.651</u>	<u>x \$.426</u>
\$325.50	\$213.00
<u>x 9 menus</u>	<u>x 9 menus</u>
\$2,929.50	\$1,917.00

Savings of \$1,012.50 would be realized by using commodity processed pizza and commodity cheese.

Recommendations

The district should:

1. Begin using the advance order system for purchasing commodity processed entrée items such as hamburgers, chicken and turkey products, and pizza.
2. Contact Amy Bell, CDE Food Distribution at 916-322-5051 or at abell@cde.ca.gov for information and commodity training opportunities.
3. Attend California School Nutrition Association annual conference commodity food show to see and test commodity processed foods. The Web site is: <http://calsna.org>
4. Contact processing vendors and set up taste tests with students.
5. Consider joining a commodity cooperative to obtain bid pricing and rebates.
6. Contact other districts in the Tulare area to learn how they use the advance order system to maximize savings on food costs.
7. Make every effort to use all of the commodity entitlement dollars each year, as the remaining funds are not carried over to the following year.

Policies and Procedures

The food service staff appears competent in performing their daily duties. Although an infrequent practice, substitute workers have been called in if a staff member is ill. Having written job duties and assignments for review by substitute workers would be beneficial. Annual performance evaluations have not been completed recently and staff could not recall their last review.

The county health department reviews the food service production area two times a year as required. Temperature logs are not consistently maintained for food production or for equipment readings from ovens, walk-ins, and the milk cooler. The food service staff could not provide the Hazard Analysis Critical Control Point (HACCP) based food safety plan, including standard operating procedures as required by Coordinated Review Effort guidance General Area 4. (See CRE guidance information as Appendix D to this report.)

District Wellness Board Policy 5030 was available for review in the school office. Food sales by student groups take place after the school day and the cafeteria does not sell any a la carte items.

Recommendations

The district should:

1. Develop a Food Service Department Manual including, at a minimum, job descriptions, written procedures for each position, daily work hour schedule, number of contract days, pay scale, meal counting procedures, food safety training, cleaning schedules, basic food production requirements, and school calendar.
2. Establish and implement a regular annual written performance evaluation for all staff.
3. Develop a Hazard Analysis Critical Control Point manual and use it to provide staff training to ensure food safety from the time product is received until it is served and stored. (See HACCP Guidance USDA documentation provided separately from this report.)
4. Post the district's Wellness Policy in the cafeteria along with the implementation and evaluation reports. Refer to CRE Guidance Program Review Area 12.

Facilities

The district Superintendent stated that the district is eligible for approximately \$5 million in new state construction funding. A hardship application was submitted in July 2008. Although the district meets eligibility requirements, the state's budgetary and cash problems will likely preclude its ability to receive funds to build a new multipurpose building. On February 17, 2009, state officials announced the intent to shut down many state-funded projects in an effort to conserve cash. Funding for school hardship and modernization projects would be included in this proposal.

The proposed multipurpose building would include a kitchen, cafeteria, stage, and additional classrooms. If funded, the district would consider building either a serve-only kitchen or a fully equipped kitchen for scratch cooking and baking. The thought is that if new construction funds were not available the district would qualify for modernization funds, which would be used to redesign the existing kitchen/cafeteria areas.

The five-year enrollment projections suggest a future enrollment of 800 students. Although the district has experienced growth of approximately 20 students per year, 2007-08 CBEDS enrollment recorded just 560 students. Since the economic downturn, housing projects in the area have slowed or stopped, making the need for a new kitchen seem unlikely. Modernizing or remodeling the current facility could adequately address the district's needs.

The team observed that although the kitchen was built over 50 years ago, it is large enough to support current operations. A new walk-in freezer and walk-in cooler were added recently and provide adequate cold storage space for current and future needs. A new fire suppression system was installed over the stove and oven area and is sufficient for current and future needs. Dry storage items are stored in several locations in the kitchen and at the far end of the multipurpose room.

Food preparation and serving equipment is old and in need of replacement and repositioning. The counter in the dish room is worn and rusted. The condition of sewer lines and grease traps is unknown. The floor mixer is located in the dish room and the meat slicer is stored in the closet at the opposite end of the multipurpose room and must be wheeled to the kitchen when needed. The old, small walk-in cooler has been converted to a dry storage area. The age of the building makes it possible that asbestos and lead may be uncovered during a possible remodel or modernization, requiring proper abatement procedures to be completed.

During meal service the serving line is set up on a long counter between the kitchen and multipurpose room. As students enter the serving line a clerk gives them a token, which the student then drops into a closed container. The tokens are counted at the end of each meal period to identify the number of meals served.

The cafeteria staff is interested in the prospect of preparing meals in a remodeled or new kitchen and would like to visit other schools, both new and old, to look at equipment, how commodity processed foods are used, menus, work schedules, offer versus serve procedures, and other aspects of school food service. Annual food shows are another resource for new ideas.

With state funding now in question, the district should analyze whether it is cost effective to renovate the old kitchen. The current space is large enough but needs to be reconfigured. The serving line could be moved forward toward the cafeteria, and students could enter the serving line from both sides of the cafeteria and exit the line in the middle. Forming two lines would ensure quick service and result in less time waiting in line. In addition to working with an architect, the district could consider discussing kitchen plans, ideas, and menu needs with a kitchen designer familiar with school facilities. Those who design restaurants may not understand the critical timing for all food to be prepared at the same time and served within a short period.

As it considers replacing old or obsolete equipment, the district should review these items that could help improve efficiency or reduce labor hours:

- Two or three sets of double stack convection ovens
- Two cabinet-style food warmers
- New dishwasher with tall doors to accommodate large bun pans
- New two- or four-burner gas cooktop
- Additional racks in walk-in cooler
- Can racks for all dry storage areas
- New stainless steel counters, shelves, and drawers
- New double serving line with wells for hot food
- Two countertop cabinet steamers
- Ice machine
- Salad bar
- Orange sectioner
- Sufficient small wares such as steam table pans, bun pans, scales, and measuring tools for producing new menu items

Palo Verde students enjoy being served foods prepared on site, yet the district must control its costs. Savings can be achieved by incorporating more heat-and-serve foods that use commodities into the menu, and doing less scratch cooking. Balance is important, however, as pre-wrapped products are not appetizing to most students and could cause a decrease in meal participation. Student taste testing and surveys should be conducted and the results used in deciding menu changes.

Recommendations

The district should:

1. Continue to monitor the status of the critical hardship application for new construction and the availability of modernization funds. In view of the state's cash shortages, revisit reconfiguring the layout of existing facilities in an effort to maximize efficiency and potential cost savings for now.
2. Contact other school districts to set up a visit by cafeteria staff to observe successful food service operations.
3. As funding opportunities move forward, include cafeteria staff in planning discussions for the design and layout of the kitchen.
4. Develop a series of new menu and required food preparation processes.
5. As funds become available, consider the purchase of new equipment that will help improve efficiency or reduce labor.

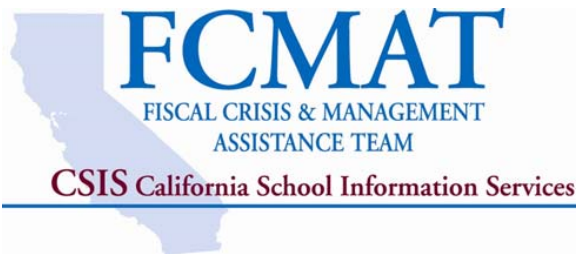
Appendices

Appendix A - Study Agreement

Appendix B - Summary of Income

Appendix C - Food Service Report Information

Appendix D - Coordinated Review Effort (CRE) Guidance



FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
November 24, 2008

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Palo Verde Union Elementary School District, hereinafter referred to as the District, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Palo Verde Union Elementary School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The scope and objectives of this study are to:

- 1) Conduct a review of the Palo Verde Union Elementary School District's current child nutrition program operations, staffing, policies and procedures, and menu planning; and provide recommendations for enhancing revenues or implementing changes to reduce the level of general fund contribution needed to support the program.
- 2) Conduct an analysis of eliminating or significantly reducing scratch cooking and baking vs. maximization of food commodities with regards to labor costs. The results of this analysis will assist the district in determining the design of a new multi-purpose building or the design of modernizing the existing multi-purpose building.

The district is eligible for new construction monies through the state building fund and has applied for full funding of a new multi-purpose building including a kitchen/cafeteria/stage and additional classrooms. If

funded, the district is considering either building a serve-only kitchen in the new facility or possibly the construction of a fully-equipped kitchen for scratch cooking and baking. If sufficient new construction funds are not available, modernization funds are also available to remodel the existing multi-purpose facility. These modernization funds could be used to redesign the existing kitchen/cafeteria areas and the decision to convert to a warm and serve only kitchen would assist in design efforts.

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the District to brief District management and staff on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct on-site meetings at the District office to gather documentation and conduct interviews. The Team will request assistance from the District in setting up interview schedules with staff.
- 3) Progress Reports - The Team will hold an exit meeting at the conclusion of the on-site reviews to inform the District representatives of significant findings and recommendations to that point.
- 4) Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
- 5) Draft Reports - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
- 6) Final Report - Sufficient copies of the final study report will be delivered to the District following completion of the review.
- 7) Follow-Up Support – Six months after the completion of the study, FCMAT will return to the District, if requested, to confirm the District’s progress in implementing the recommendations included in the report, at no costs. Status of the recommendations will be documented to the District in a FCMAT Management Letter.

3. PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- A. FCMAT Fiscal Intervention Specialist
- B. FCMAT Child Nutrition Consultant

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member, while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. Based on the elements noted in section 2 A, the total cost of the study is \$3,000. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District.
- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools-Administrative Agent.

5. RESPONSIBILITIES OF THE DISTRICT

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
 - 1) A map of the local area
 - 2) Existing policies, regulations and prior reports addressing the study request
 - 3) Current organizational charts
 - 4) Current and four (4) prior year's audit reports
 - 5) Any documents requested on a supplemental listing
- C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to

completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with District pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for key study milestones. Scheduling of this review is contingent on approval by the District’s governing board by December 15, 2008 and availability of FCMAT staff and consultant.

<i>Orientation:</i>	<i>Estimated January/February 2009</i>
<i>Staff Interviews:</i>	<i>to be determined</i>
<i>Exit Interviews:</i>	<i>to be determined</i>
<i>Preliminary Report Submitted:</i>	<i>Six weeks following the exit interview</i>
<i>Final Report Submitted:</i>	<i>to be determined</i>
<i>Board Presentation:</i>	<i>to be determined</i>
<i>Follow-Up Support:</i>	<i>If requested</i>

7. CONTACT PERSON

Please print name of contact person: John Manning, Superintendent

Telephone 559 688-0648 FAX

Internet Address JManning@palo-verde.k12.ca.us

John Manning, Superintendent	Date
Palo Verde Union Elementary School District	

Barbara Dean, Deputy Administrative Officer	Date
Fiscal Crisis and Management Assistance Team	

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report.

Appendix C

FCMAT Food Service Review, Susan Murai, Consultant		
Palo Verde UESD Food Service Report Information		
Information provided by Business Manager		
January 20-21, 2009		
Summary:		
Fund 13 Actual Balance		
Total Income	\$245,600.82	
Total Salaries/Benefits	\$153,497.17	
Total Food Cost	\$154,926.11	
Total Operating Exp	\$12,982.11	
Total Expenditure	\$321,405.39	
Net Loss	(\$75,804.57)	
		Unaudited Actuals
		Income Fund 13
Income		2007-08
Federal Reimbursement 8220		\$220,309.16
State Reimbursement 8520		\$17,346.98
Food Service Local Sales 8634		\$2,835.30
Interest 8660		\$4,217.31
Net Increase Investment 8662		\$892.07
Total Income		\$245,600.82

	Budget Report 7/1/07-6/30/08 Function 37000 Fund 010 Actual Costs of	Budget Report 7/1/07-6/30/08 Function 37000 Salary/Benefit Abatement & Actual Costs	Cafeteria (Fund 013) Expenses Paid by (Fund 010) General Fund
Expenditures	Fund 13 Sal/Benefit	Charged to 013	
Classified Support Sal 2200	\$80,742.10	\$30,000.00	\$50,742.10
Clerical Salaries 2400*	\$14,710.44	\$10,000.00	\$4,710.44
Total Salaries Expense	\$95,452.54	\$40,000.00	\$55,452.54
Benefits			
PERS 37000-32020	\$8,752.53	\$3,725.00	\$5,027.53
FICA, Medicare, Alt 37000-33021	\$0.00	\$2,500.00	\$2,500.00
OASDI 37000-33022	\$5,907.90	\$0.00	\$5,907.90
Medicare 37000-33023	\$1,384.09	\$0.00	\$1,384.09
Health/Welfare 37000-34020	\$39,332.09	\$25,000.00	\$14,332.09
State Unemploy 37000-35020	\$47.62	\$20.00	\$27.62
Workers Comp 37000-36020	\$2,319.40	\$1,100.00	\$1,219.40
PERS Reduction 37000-38020	\$301.00	\$0.00	\$301.00
Total Benefit Expense	\$58,044.63	\$32,345.00	\$25,699.63
Total Salary + Benefit Expense	\$153,497.17	\$72,345.00	\$81,152.17
Materials/Supplies 43000	\$0.00	\$12,869.11	\$0.00
Food 47000	\$0.00	\$154,926.11	\$0.00
Op Exp Revolving Fund 58000	\$0.00	\$113.00	\$0.00
Expense 40000-50000	\$0.00	\$167,908.22	\$0.00
Total Expenditures		\$240,253.22	\$81,152.17
* Note: 1/3 secretary's salary and 1.5 hr/day clerical salary charged to Cafeteria Fund (per Bus. Mgr.)			

Appendix D

National School Lunch Program Coordinated Review Effort ADMINISTRATIVE REVIEW GUIDANCE

THE INFORMATION BELOW WILL HELP YOU PREPARE FOR REVIEW: PLEASE HAVE RECORDS FOR SITES SELECTED FOR REVIEW:

- Column (1) lists the Compliance Areas that will be reviewed.
- Column (2) details the documents you must make available to the reviewer.
- Column (3) is provided for you as a checklist for documents that are ready.
- Column (4) gives additional information to help you prepare for review.
- Organized by site.
- Available at a central location, such as the agency office.

(1) COMPLIANCE AREA TO BE REVIEWED	(2) THE AGENCY SHOULD HAVE THESE DOCUMENTS AVAILABLE	(3) AGENCY (✓) CHECKLIST	(4) ADDITIONAL INFORMATION																		
<p>SITE SELECTION</p> <p>The number of sites to be reviewed is determined by Table A. However, ALL sites must be reviewed which meet CRE's criteria of 100 or more free Average Daily Participation (ADP) and a free Participation Factor (PF) of 100% or more (100/100 sites). This is true even if the total of the schools to be reviewed exceeds the number of sites to be selected using Table A.</p>	<p>ATTACHMENT A, "Site Selection Worksheet" OR ATTACHMENT B, "Site Selection-Schools With Tracks"</p> <p>TABLE A Minimum Sites to be Reviewed</p> <table border="1"> <tr><td>Total Number of Sites</td><td>1 - 5</td></tr> <tr><td>1</td><td>6 - 10</td></tr> <tr><td>2</td><td>11 - 20</td></tr> <tr><td>3</td><td>21 - 40</td></tr> <tr><td>4</td><td>41 - 60</td></tr> <tr><td>6</td><td>61 - 80</td></tr> <tr><td>8</td><td>81 - 100</td></tr> <tr><td>10</td><td>101 or more*</td></tr> <tr><td>12</td><td>*plus 5% of the number over 100</td></tr> </table>	Total Number of Sites	1 - 5	1	6 - 10	2	11 - 20	3	21 - 40	4	41 - 60	6	61 - 80	8	81 - 100	10	101 or more*	12	*plus 5% of the number over 100		<ul style="list-style-type: none"> If the number is less, using USDA's 100/100 criteria, than the number to be selected using Table A, then: Selection of additional schools to meet the minimum number required must be based on an ADP of 100 or more and a Participation Factor (PF) of: <ul style="list-style-type: none"> 97% for elementary schools 87% for combination (of elementary and high) 77% for high schools (PF = free meals claimed divided by number of serving days divided by free eligible) If the required minimum number of sites to be reviewed (based upon the total number of sites in the SFA) is not met by the above criteria, additional State Agency (SA) criteria will be used to select the remaining number of sites required.
Total Number of Sites	1 - 5																				
1	6 - 10																				
2	11 - 20																				
3	21 - 40																				
4	41 - 60																				
6	61 - 80																				
8	81 - 100																				
10	101 or more*																				
12	*plus 5% of the number over 100																				
<p>CRITICAL AREA</p> <p>PERFORMANCE STANDARD 1: PART 1 CERTIFICATION AND BENEFIT ISSUANCE</p> <p>Each child's application for free and reduced-price lunches is correctly approved or denied in accordance with the application provision of 7 CFR Part 245</p>	<p>A. Eligibility applications for each site selected for review for the month of review.</p> <p>B. Any CalWORKS, FDPIR, Kin Gap, Migrant Homeless or Food Stamp direct certification documentation.</p> <p>C. Any migrant homeless or runaway approved documentation.</p> <p>D. Rosters or other benefit issuance documentation for the review month for sites selected.</p> <p>E. Copy of current guidelines and instructions for correct completion of applications.</p> <p>F. The letter to parents explaining the free and reduced price policy.</p> <p>G. Eligibility rosters from home school districts/sites for inter-session/visiting students included in meal counts.</p> <p>H. School year calendar with serving days by site and, if applicable, track.</p> <p>NOTE: it is helpful if the filing system used for applications matches the roster order.</p>		<ul style="list-style-type: none"> For sites with year round education, applications must have an indication of the appropriate track. For districts that file applications by family for children at multiple sites, include original or copies of applications for the children attending the site reviewed. Include applications for students who have withdrawn or transferred out since the review month. Include applications pulled for verification for the review sites. Include list of students directly certified. Include County Welfare Department's official certification. Include migrant homeless or runaway approval documentation. Rosters must show changes to eligibility made within the required time frames (within 3 operating days for increased benefits, must give 10 calendar days for decreased benefits, i.e. F-D, R-D, and F-R). <p>Reference 7 CFR 210.18 FISCAL ACTION MAY BE TAKEN UNDER CRE IF: A SITE'S ELIGIBILITY APPLICATIONS OR OTHER CERTIFICATION DOCUMENTATION RELEVANT TO THE REVIEW MONTH ARE NOT COMPLETE, CORRECT AND AVAILABLE FOR REVIEW. ROSTERS OR OTHER BENEFIT ISSUANCE DOCUMENTS FOR EACH MONTH ARE NOT CONSISTENT WITH ELIGIBILITY DOCUMENTATION.</p>																		

1) COMPLIANCE AREA TO BE REVIEWED CRITICAL AREA	(2) THE AGENCY SHOULD HAVE THESE DOCUMENTS AVAILABLE	(3) AGENCY (4) CHECKLIST	(4) ADDITIONAL INFORMATION
<p>PERFORMANCE STANDARD 1: PART 2 COUNTING AND CLAIMING All free, reduced price, and paid lunches claimed for reimbursement are served only to children eligible for free, reduced price, and paid lunches, respectively; and are counted, recorded, consolidated and reported through a system which consistently yields correct claims.</p>	<p>A. The completed reimbursement claim form for all the months in the current program year.</p> <p>B. Daily meal count records and monthly meal count totals reported separately by site, for all months from the first month in session after June 30 through the review month for the current year for sites selected for review.</p> <p>C. Written collection procedures which describe adequate meal count systems as implemented at the sites selected for review.</p> <p>D. SFA's average daily attendance figure for the entire district and/or sites selected for review, if used for edit checks.</p>		<p>An adequate counting system is one that meets the following criteria:</p> <ul style="list-style-type: none"> ▪ Provides accurate point of service, the point at which it may be determined that a complete, reimbursable meal HAS BEEN SERVED) meal counts of the number of reimbursable free, reduced price, and paid meals served to eligible children on a daily basis. ▪ Records and reports those counts accurately to the SFA. ▪ Prevents overt identification of the eligible needy; and, ▪ Is monitored by SFA to ensure internal controls exist. <p>Reference 7 CFR 210.18</p> <p>FISCAL ACTION WILL BE TAKEN UNDER CRE IF A SITE'S MEAL COUNT SYSTEM FAILS TO MEET THE ABOVE CRITERIA</p>
<p>CRITICAL AREA PERFORMANCE STANDARD 2: MEAL ELEMENTS Lunches claimed for reimbursement contain meal elements (food items and components, menu items or other items) as required under 7CFR 210.10</p>	<p>A. Site list of lunch program showing Menu Planning approaches selected for each site (Enhanced FBMP, Traditional FBMP (94-95), NSMP or SHAPE NSMP, SHAPE RMP).</p> <p>B. Daily listed menus for the month of review listing all required components or menu items.</p> <p>C. Menu records or other documentation for the review period that clearly indicate that all required components or menu items are offered for daily and weekly requirements.</p>		<ul style="list-style-type: none"> • Lunches claimed for reimbursement within the SFA must contain items for all NSMP approaches or food components for all nutrient Enhanced or Traditional Food Based Menu Planning as required by program regulations. Meals observed during review must contain required number of menu items or components. • Lunches claimed provide adequate calories and other nutrients as required by program regulations <p>Reference 7 CFR 210.10 and 210.18</p> <p>FISCAL ACTION MAY BE TAKEN UNDER CRE IF A SITE'S MENU OR MEAL SERVICE FAILS TO MEET THE ABOVE CRITERIA</p>
<p>GENERAL AREA 1 FREE AND REDUCED PRICE PROCESS AND VERIFICATION</p>	<p>1. Free and reduced price policy statement (Include ATTACHMENT C Meal Count/Collection Procedures for Lunch and Breakfast).</p> <p>2. ATTACHMENT D - SFA Verification Summary</p> <p>3. ATTACHMENT E - Verification Findings by Individual Student. Include:</p> <p>a. Copies of the free and reduced-price applications selected for verification</p> <p>b. Documentation used to verify each application prior to November 15 of each year.</p> <p>c. Electronic verification summary submitted to the State and backup documentation.</p> <p>d. Records showing that eligibility changes are made within required number of days – 3 operating days for increased benefits (R to F), 10 calendar days for decreased benefits (F to R or F to D).</p> <p>4. Evidence of no overt identification of the needy students.</p>		<ul style="list-style-type: none"> • Policy Statements and Agreements MUST BE KEPT UNTIL REPLACED by new documents. Since these documents have no expiration date they are valid until replaced. • Renewal Annual Participation Statements and other yearly documentation must be available for 3 years plus the current year. • Collection Procedures need to on hand as reference documents at each site. The district's plan for direct certification should be included. The County Welfare Department's official certification letter with a signature and date should be available for review. Changes to collection procedures must be sent to the reviewer. • Provide annual verification report submitted to the State. <p>Reference: 7 CFR 245</p> <p>FISCAL ACTION MAY BE TAKEN UNDER CRE IF BENEFIT CHANGES FROM VERIFICATION ARE NOT MADE WITHIN REQUIRED TIME FRAMES.</p>

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GENERAL AREA 2 MEAL PATTERNS/ NUTRIENT STANDARDS	<p>A. Menu Planning Approach chart or components/nutrient standard chart that is followed at each site.</p> <p>B. Menu Production and Transport Records for the month selected for review including portion size and quantity of food used.</p> <p>C. Current specifications or product analyses for commercial prepared food items used for the review month.</p> <p>D. Standardized recipes used in food preparation for the month of review.</p> <p>E. Food purchase invoices and inventory records for the foods served in the month of review.</p>		<p>SFAs shall ensure the following:</p> <ul style="list-style-type: none"> That sufficient quantities of food are planned and produced so that lunches provided contain all the required food items/components in at least the amounts indicated in the appropriate school lunch pattern. The weight and portion size of grain/bread servings are documented. Records are kept to prove that lunches contain adequate calories and other nutrients as required by program regulations. <p>NOTE: This area will be covered in depth in the School Meals Initiative Review.</p> <p>References: Healthy School Meals Training Manual 7 CFR 210.18</p>
GENERAL AREA 3 CIVIL RIGHTS AND CHILDREN WITH SPECIAL NEEDS SAs and SFAs shall comply with requirements of Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1991, and Section 504 of the Rehabilitation Act of 1973,	<p>The Civil Rights Coordinator for the SFA should be prepared to answer questions about the following:</p> <p>A. Civil rights poster displayed in a visible place at all sites (lunch service area and school office).</p> <p>B. Program materials showing the non-discrimination statement.</p> <p>C. Public release announcing the availability of the lunch program as sent to public media and community/grass roots organizations.</p> <p>D. Foreign language translations of program materials when a significant number of persons in the population speak only a foreign language.</p> <p>E. Written complaint procedure for Child Nutrition Programs to handle complaints alleging discrimination.</p> <p>F. Evidence that admission procedures do not restrict enrollment of minority persons.</p> <p>G. Evidence to prove that minority applications are denied correctly and appropriately.</p> <p>H. Racial/Ethnic data of participants by site. CBEDS reports are acceptable.</p> <p>I. Evidence that handicapped students have equal access to the Program.</p> <p>J. Medical documentation on file for special diets for children with specific food needs. Documentation on menu production sheets/transport records for special dietary foods served.</p>		<p>The following nondiscrimination statement is to be posted in all administrative office and food service areas:</p> <p>The U.S. Department of Agriculture (USDA) and the Nutrition Services Division (NSD) prohibit discrimination in all their programs and activities on the basis of race, color, national origin, gender, religion, age, or disability.</p> <p>To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA and the NSD are equal opportunity providers and employers.</p> <p>On a one page flyer, public service announcement Internet or other media the following short statement may be used: "USDA and NSD are equal opportunity providers and employers".</p> <p><u>The non-discrimination statement does not have to be on menus</u></p> <p>References: A current sample of the "AND JUSTICE FOR ALL" poster is included in Management Bulletin 99-600 Complaint procedures in Management Bulletin 99-601 Special Dietary Needs in Management Bulletin 03-107</p>

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<p>GENERAL AREA 4</p> <p>MONITORING</p>	<p>A. Site Monitoring of Meal Counts for Reimbursable Meals Site monitoring reports for SFAs with multiple sites, including on corrective action needed and completion dates See ATTACHMENT F (both sides) for a sample monitoring report.</p> <p>B. Meal Count Edit Checks Completed daily meal count edit checks by site for the month of review. See ATTACHMENT G and H for sample edit check formats.</p> <p>C. Safety and Sanitation 1. Compliance with California Cal Code; 2 food safety inspections required annually. 2. Health Permit posted in kitchen or documentation of local alternative. 3. Reports of ongoing inspections and documentation that non-compliance findings were resolved. Two health inspections required per program year per site. If not, documentation that you requested 2 inspections per year from the county health department. 4. HACCP-based food safety plan, which includes Standard Operating Procedures (SOPs) and HACCP principles. Documentation that the plan has been implemented. 5. Evidence that at least one employee AT EACH SITE is a "certified food handler" and has passed an approved food-safety examination. 6. Documentation that the site meets the definition of a satellite food distribution facility (one that serves only prepackaged food, beverages and whole fruit is therefore exempt from "certified food handler" requirement).</p>		<ul style="list-style-type: none"> Site monitoring must be completed by February 1 each Program year. Before submitting the monthly reimbursement claim, each SFA must "edit check" meal counts by comparing each site's DAILY free and reduced price meal counts with: <ul style="list-style-type: none"> Total number of children eligible by category. The number of children currently approved for free and reduced price meals times the current federal attendance factor. The site or SFA attendance factor, which must exclude excused absences, may be used in place of the national attendance factor. Submitted claims will be "edit-checked" using the current National factor (times) the days meals were served (times) the number eligible by category. If you are using site specific or SFA attendance factor and reported counts exceed the SA edit checks, you will receive a notice of potential overclaim. You are responsible for the analysis of supporting meal count data to determine if claim adjustment is required. Thermometers must be placed in each refrigerator and freezer. HACCP-based food safety plan may be modeled after USDA Guidance for School Food Authorities located at http://www.fns.usda.gov/fns/food_safety.htm References: 7 CFR 210.18 California Health and Safety Code Division 104, Part 7, Chapter 4 and Management Bulletin 99-808 on Food Safety Certification, Information Sheets #22 and 23
<p>GENERAL AREA 5</p> <p>REPORTING AND RECORD KEEPING</p>	<p>A. Agreements and policy statements.</p> <p>B. Verification procedures.</p> <p>C. Monthly enrollment, free and reduced price eligible data.</p> <p>D. Meal count data by site - edit checks, on-site reviews, internal controls.</p> <p>E. Claims for reimbursement and supporting data.</p> <p>F. Menu and food production records.</p> <p>G. Revenue and expense records including net cash resources.</p> <p>H. Audit reports and written responses.</p> <p>I. Civil rights complaints and resolutions.</p>		<ul style="list-style-type: none"> Agreements and policy statements must include: <ul style="list-style-type: none"> Copy of the SA recommended free and reduced price application or an <u>approved</u> alternate. Copy of the letter to households. Written collection procedures. Direct Certification Agreement, plan and procedures for free meals, if applicable. If used, request to implement Claiming Provision 1, 2, or 3. Agreements MUST BE KEPT UNTIL REPLACED by a new agreement. NSLP and SBP agreements are permanent. SFA records must be kept for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. If audit findings have not been resolved, the records must be kept beyond the 3-year period, for as long as required for resolution of the issues raised by the audit. Net Cash resources can not exceed three months' operating expenses.

J.	Corrective action documentation.		References: 7CFR 210.23(c) and School Nutrition Program Guidance Manual
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(1) COMPLIANCE AREA TO BE REVIEWED	(2) AGENCY HAVE THESE DOCUMENTS AVAILABLE	(3) AGENCY (N) CHECKLIST	(4) ADDITIONAL INFORMATION
PROGRAM REVIEW AREA 6 MEALS FOR NEEDY STUDENTS (Public Schools Only)	A. Evidence that meals are provided to all eligible needy pupils in kindergarten through grade twelve, including continuation high schools and other special schools or documentation of an approved waiver. B. Evidence that nutritionally adequate meals are available on all school days when children are present, including "Minimum Days" and field trips.		California Education Code (EC) Section 49650. "Notwithstanding any other provision of law, each school district and county superintendent of schools maintaining any kindergarten or any of grades 1 to 12 shall, commencing on July 1, 1977, provide for each needy pupil enrolled therein, one nutritionally adequate free or reduced-price meal during each school day..."
PROGRAM REVIEW AREA 7 USDA DONATED FOODS	A. USDA donated or purchased food inventory records. B. Records of ordering, receiving, processing, and contracts. C. Local health department inspection reports or a letter indicating alternative system in place. D. Current Storage Facility Review form.		<ul style="list-style-type: none"> STORAGE: Facilities for the handling, storage, distribution and preparation of purchased and donated foods shall be such as to properly safeguard against theft, spoilage and other loss. RECORD KEEPING: Accurate and complete records must be maintained for the receipt, use, disposal and inventory of donated foods, including processed donated foods. Reference: 7 CFR 250.48
PROGRAM REVIEW AREA 8 SCHOOL BREAKFAST PROGRAM For sponsors with NSLP and SBP Agreements, a review of the breakfast program is incorporated into the CRE review and required in a follow-up review.	A. Daily meal counts by category of Free, Reduced Price, and Paid Standard followed. B. Daily Menu Production Records and Meal Pattern or Nutrient Standard followed. C. Free and reduced price applications by category or roster that ties to NSLP applications. ESPECIALLY NEEDY BREAKFAST PROGRAM – Monthly summary meal counts for the second preceding year to substantiate the number reported on the Annual Participation Statement site list and verify eligibility to participate. Refer to ATTACHMENT I, Especially Needy Breakfast Program Verification		The same type of records should be kept for the School Breakfast Program as are required under CRE regulations for the National School Lunch Program, including but not limited to A, B, and C at left. Reference: 7CFR 220.7 and 220.8
PROGRAM REVIEW AREA 9 AFTER SCHOOL SNACK PROGRAM Meal Supplement (After School Snack) Programs are reviewed under the same provisions as the School Breakfast Program. If not reviewed during the initial CRE they must be reviewed at the sites selected during a follow-up review.	A. Documentation of site "area eligibility" or documentation from the school of students' free or reduced price eligibility. B. Attendance records to support meal counts at all sites. C. Daily meal count records at "area eligible" sites. "P-oint of service" meal counts by eligibility (free, reduced price, and paid) at pricing or non-pricing other sites. D. Menu Production Records for After-School Snacks which indicate food and quantity served to meet requirements of a minimum of two food components in the appropriate quantity. E. Documentation of the structured and supervised care in an after school setting. Description of the education/enrichment activity. F. Records of snack program site monitoring, conducted at least 2 times per program year, with intervals no greater than 6 months. Refer to ATTACHMENT K		<ul style="list-style-type: none"> "AREA ELIGIBLE SITE": Documentation that 50% or more of students enrolled are approved for free or reduced price meals. Allows eligible site to be reimbursed at the free rate. The site may operate as "NON-PRICING" meaning no separate charge for children's snacks, but meals are counted in the eligibility category by child (free, reduced price, paid) and claimed in the appropriate category. The site may operate as "PRICING" where each child pays a snack charge and the meals are counted in the appropriate eligibility category (free, reduced price, and paid) and claimed in the appropriate category. Reference: 7CFR 226.16(d)(4)(iii), Management Bulletin 99-111 and 00-100, http://www.fns.usda.gov/cnd/Care/Regs-Policy/Snacks/Snacks_QAs.htm

<p>PROGRAM REVIEW AREA 10 SEAMLESS SUMMER FEEDING OPTION</p> <p>A review of the seamless summer feeding option is incorporated into the CRE review. One seamless summer feeding site must be reviewed the summer before or the summer after the CRE. If more than one site is reviewed in your district, the seamless summer feeding site will be one site for the CRE.</p>	<p>PLEASE HAVE THE FOLLOWING DOCUMENTS READY FOR THE FOOD PROGRAM REVIEWER AT THE BEGINNING OF THE REVIEW.</p> <p>A. Seamless Summer Feeding Option Agreement B. Site/Sponsor Agreement for sites not under the direct supervision of the sponsor C. Eligibility applications and rosters for enrolled sites selected for review. Rosters should show student's name; eligibility category; date enrolled; withdrawal date; and official signature (if applicable). PLEASE MAKE SURE EACH ROSTER LISTS ALL ELIGIBLE STUDENTS IN THE SAME ORDER AS THE ELIGIBILITY APPLICATIONS D. Any CalWORKs, FDIPIR, or Food Stamp "direct certification" documentation E. List for the lunch program showing Menu Planning approaches selected for each site (Enhanced FBMP, Traditional FBMP (94-95), NSMP or SHAPE NSMP, SHAPE RMP). F. Completed Reimbursement Claim G. Daily meal count records and monthly meal count totals reported separately by site for review period Note: This would be for the month the site was reviewed last summer. H. Daily meal counts for five days prior to the day of review (for site selected for review). I. Site monitoring documentation J. Copies of advertising materials K. Daily listed menus and menu production records for the day and month of review listing all required components or menu items, serving sizes and quantity used in food preparation. L. Transport records for day and month of review if used</p>		<p>Area eligible sites - Documentation that 50% or more of students enrolled are approved for free or reduced price meals allows eligible sites to be reimbursed at the free rate. Open sites must be open to the community and advertised to the community.</p>
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<p>PROGRAM REVIEW AREA 11 COMPETITIVE FOODS/A LA CARTE FOOD AND BEVERAGE SALES</p>	<p>A. List of all organizations/individuals that sell food on campus from half hour before to half hour after school for each site selected for review.</p> <p>B. List of all types and kinds of food and beverages sold by organizations, individuals, and food service for each site selected for review (e.g. apple juice, orange juice, etc.). Procedure to evaluate a la carte foods to determine compliance with regulations.</p> <p>C. Evaluate and document that beverages sold on elementary and middle school campuses meet Ed Code 49531.5 requirements.</p> <p>D. Evaluate and document that foods sold on campuses meet Ed Codes 49431 & 49431.2 requirements</p> <p>E. Policy that foods of minimal nutritional value are not sold where reimbursable meals are served and/or eaten. MB 00-810 and MB 05-110</p>	<p>Beverages: Elementary School (K-6) and Middle and Jr. High Schools Only certain beverages may be sold to pupils. See MB 06-110 for list of allowed beverages.</p> <p>Foods: Elementary Schools (K-6) Only full meals and certain foods may be sold to a pupil during the school day. Middle and Junior High Schools Snacks and entrée items sold to a pupil, except food served as part of a USDA meal program, must meet all the required standards: See MB 06-110 for list of required standards MB 06-110 and Ed Codes 49431, 49431.2 and 49431.5</p>
<p>PROGRAM REVIEW AREA 12 WELLNESS POLICY</p>	<p>A. Wellness policy that includes all 5 topics area:</p> <ol style="list-style-type: none"> 1. Involvement of parents, students, school food service representatives, school board, school administrators and community in the development of the school wellness policy. 2. Goals for nutrition education, physical activity, and other school-based activities designed to promote student wellness. 3. Nutrition guidelines for all food available on each school campus during the school day. 4. Assurance that guidelines for reimbursable meals will not be less restrictive than federal regulations and guidance issued by the USDA. 5. A plan for measuring the implementation of the local wellness policy and designation of one or more persons in the district or at each school to oversee the implementation of the adopted wellness policy. <p>B. The wellness policy posted in public view within all school cafeterias or other central eating areas.</p>	<p>Letter to County and District Superintendents and School Food Service Directors dated December 14, 2005, guidance for the Development of California School Wellness Policies http://www.californiahealthkids.org</p> <p>USDA Team Nutrition web site - http://www.teamnutrition.usda.gov</p> <p>California School Boards Association - http://www.csba.org/ds/ft.htm</p> <p>School Nutrition Association (formerly ASFSA) http://www.asfsa.org/index.aspx?id=1075</p>

<p>PROGRAM REVIEW AREA 13 FISCAL MANAGEMENT</p>	<p>A. Prior June reimbursement claim which includes revenue and expenses</p>		<p>MB 95-107, Use of Cafeteria funds MB00-109 Use of Cafeteria Funds Update Procurement bid threshold web site http://www.cde.ca.gov/fg/ac/co/bidthreshold122006.asp 2007 bid threshold - \$69,000</p>
	<p>B. Independent school district auditor report from prior year that shows net cash resources</p>		
	<p>C. Budget - Unaudited Actuals – Cafeteria Special Revenue Fund Expenditures By Object Report for account 13. This will include the prior year budget for unaudited expenses and revenues and proposed current year budget.</p>		
	<p>D. Prior month financial activity report for fund 13 to show all expenses paid from the cafeteria fund.</p>		
	<p>E. Payroll labor distribution for prior month for fund 13, including names and percentage paid from the cafeteria account.</p>		