



**2015 Management Evaluation of the
District of Columbia
Summer Food Service Program of
Fiscal Year 2014**

Executive Summary

During the week of April 6, 2015 staff from USDA Food and Nutrition Service Mid-Atlantic Regional Office, Northeast Regional Office and Child Nutrition Division conducted a management evaluation (ME) of the administration of the Summer Food Service Program (SFSP) by the District of Columbia's Office of the State Superintendent (OSSE). Our evaluation focused on FY 2014 program operations. FNS staff interviewed State agency personnel and reviewed various records. The ME is not all-inclusive or a final review of State agency operations; therefore, the State agency must continue to monitor its operations at periodic intervals to assure compliance with program requirements.

We commend OSSE for its program administration. State agency SFSP staff are knowledgeable, capable and diligent. The State agency is to be commended for detailed sponsor training presentations and its efforts to expand the Program.

Our review of your State agency SFSP operations identified five *Findings* and two *Observations*. The *Findings* relate to staffing, verification of sponsor non-profit status, monitoring, appeals procedures and payment for claims. *Findings* are designed to correct regulatory deficiencies in the State agency's administration of the SFSP. *Findings* require corrective action plans that must be submitted to this office within 60 calendar days of the receipt of the ME report.

The *Observations* focus on the tracking of application approvals and the development of written procedures for reviewing applications and conducting reviews. *Observations* are non-regulatory in nature and are followed by *Suggestions* for the improvement of the State agency's administration of the SFSP. Implementation of these *Suggestions* is not mandatory, but a written response is requested within 60 calendar days of the receipt of the ME report.

RESOURCE AVAILABILITY: RESOURCE AVAILABILITY

Finding #1 (F-RA-7003): The State agency has not maintained adequate qualified managerial personnel to monitor performance, and measure progress in achieving Program goals as required in 7 CFR Part 225.6(a). [7 CFR 225.6(a)]

Historically, according to the annual Hunger Does Not Take a Vacation report issued each June by the Food Research and Action Center (FRAC), the District of Columbia has ranked number 1 in the country for providing meals to children in the summer. However, the percentage of children served in the summer compared to the number eligible for free and reduced price meals under the National School Lunch Program during the school year has dropped over the past several years. The 2011 FRAC report rated DC as reaching 80.2% of the eligible children in 2010. The 2015 FRAC report indicated that DC served summer meals to 59% of the eligible children in 2014.

Lack of staffing is a major factor. The Program Manager for the Child and Adult Care Food (CACFP) and SFSP is capable and knowledgeable. Because of the demands of the multifaceted CACFP, responsibility for SFSP operations is primarily on the SFSP Coordinator who is capable and dedicated as well. The SFSP Coordinator is also primarily responsible for the At Risk After School Program under the Child and Adult Care Food Program during the school year.

With the emphasis SFSP expansion in recent years, year around outreach efforts have multiplied. It is difficult to conduct additional SFSP outreach efforts while overseeing the At Risk After School Program. The SFSP application approval progress is largely manual. The ME Team discussed the possibility of getting help from CACFP during the application renewal period.

Because the payment system is outdated, claims must be reviewed prior to processing. This adds to the Coordinator's duties. The SFSP Coordinator conducts sponsor training in the spring and administrative reviews in the summer. Coordination of reviews and follow-up is conducted by the SFSP Coordinator. Four temporary staff are hired during the summer to assist with conducting site reviews. Maintaining review files and correspondence is also a manual process.

Required Corrective Action: The State agency must ensure that there is adequate managerial personnel to monitor staff performance and measure progress in achieving program goals in accordance with 7 CFR Part 225.6(a).

The State must provide adequate staffing to conduct year round program expansion activities to build partnerships , ensure program growth and integrity efforts. Having in-house staff is preferable. Cross training with CACFP staff is recommended along with the development of written standard operating procedures.

PROGRAM OPERATIONS: ELIGIBILITY AND APPROVAL FOR SPONSORS AND SITES

Finding #2 (F-POP-7231): The State agency did not review the IRS Automatic Revocation of Exemption List to determine if any of the State agency's approved sponsors are listed in accordance with Policy Memo SFSP 17-2011: Automatic Revocation of Tax Exempt Status, issued 06/30/11. [Policy Memo SFSP 17-2011]

The State agency checks the annual IRS list of organizations that have had their non-profit status revoked when reviewing new sponsor applications. It does not compare the revoked list to renewing sponsors.

Required Corrective Action: The State agency shall review the IRS Automatic Revocation of Exemption List to determine if any of the State agency's approved sponsors are listed in accordance with Policy Memo SFSP 17-2011: Automatic Revocation of Tax Exempt Status, issued 06/30/11.

The State agency must verify that all participating private non-profit sponsors have not had their IRS non-profit status revoked.

Observation #1 (ADHOC-O-1569): Application tracking logs were not available for validating pre approval visits of sponsors and sites.

Suggestion: Suggest that the sponsor application log include the columns: type of sponsor (Public, SFA, PNO), number of sites, vended sponsors and contract amounts, application received date, application approved date, comments like HUD sites, farmer's markets, etc.

PROGRAM OVERSIGHT: MONITORING/CORRECTIVE ACTION: SPONSOR AND SITE REVIEWS

Observation #2 (ADHOC-O-1587): There is lack of written procedures for reviewing applications, conducting reviews, etc.

Suggestion: Since the SFSP operations are mainly the responsibility of one person, the SFSP Coordinator, we suggest the State agency develop written procedures in case of her absence. Use of the following are recommended:

1. Application review and approval procedures
2. Procedures for conducting sponsor administrative and site reviews for training temporary summer monitors and cross training for other Child Nutrition staff.
3. Application review log with dates received, dates additional information requested and approval dates
4. Monitor log – showing three year review cycle, sponsors reviewed each year, sites reviewed along with note the Department of Parks and Recreation has more than 50% of reimbursement and is reviewed every year.

PROGRAM OVERSIGHT: MONITORING/CORRECTIVE ACTION: RECORDS

Finding #3 (F-POV-7098): The State agency did not maintain proper records as required by 7 CFR Part 225.7(d)(5). [7 CFR 225.7(d)(5)]

There are no automated systems at the State agency. All materials requested had to be retrieved manually by the SFSP Coordinator. When asked about review follow-up, she could pull up some information from her email. Due to staff time constraints, review follow-up was not documented with the review information.

The State agency must maintain documentation of review follow-up. Having a review log with the dates of the review, significant findings, follow-up and closure would be helpful. Email responses may be saved in word documents.

The SFSP Coordinator conducts sponsor administrative reviews during the summer often before the sponsor has submitted a claim. This is partly because of school year duties and the fact that sponsor staff may not be available after the summer ends. However, sponsors are required to have records available for review for up to three years.

The SFSP Coordinator compared validated meal counts to the claim prior to processing. Documentation of validated meal counts and non-profit food service was not available. The ME team provided excel formats used by other State agencies compare claim data with validated meal counts to assess over and under claims as well as log verified costs.

Because some sponsors participate in multiple Child Nutrition Programs, if SFSP excess reimbursement is a finding, a cross program review may be needed to verify the non-profit food service.

Required Corrective Action: The State agency must maintain documentation of records as required by 7 CFR Part 225.7(d)(5).

APPEAL PROCEDURES: APPEAL PROCEDURES

Finding #4 (F-AP-7120): The State agency could not demonstrate that it sent written notification of the complete appeal procedures to each potential sponsor applying to participate as required by 7 CFR Part 225.13(c). [7 CFR 225.13(b);7 CFR 225.13(c)]

Appeal procedures must be distributed annually, either at training, with applications or posted on the State agency website. At the time of the ME, the appeal procedures were not posted on the State agency website with application materials. The State agency indicated that appeal rights would be uploaded with the next batch of website updates. The ME review team suggested adding a slide with the link to appeal procedures to the training powerpoint.

Required Corrective Action: The State agency must amend its procedures to ensure compliance with 7 CFR Part 225.13(c) and provide a copy to the Regional Office.

The State agency must ensure that appeal rights are provided to potential and renewing sponsors annually via the application process, training or the OSSE website.

WAIVERS

There are no Findings or Observations associated with this Functional Area.

STATE AGENCY CIVIL RIGHTS AND ADMINISTRATION

There are no Findings or Observations associated with this Functional Area.

FINANCIAL MANAGEMENT: FINANCIAL MANAGEMENT

Finding #5 (F-FM-7163): The State agency does not reimburse sponsors correctly which operate different types of meal preparation for breakfast and lunch as required by 7 CFR Part 225.9(d). [7 CFR 225.6(b);7 CFR 225.9(d)]

The payment system cannot reimburse by site as rural/self prep sites or urban/vended. Reimbursement rate is determined on a sponsor level. If the sponsor has both rural/self prep sites and urban/vended sites, the sponsor is paid based on the majority type of site. If a site has self-prep breakfast and vended lunch, the system cannot pay by appropriate meal rates.

The State agency SFSP application and payment systems are outdated and are not able to interface and share data to conduct automated edit checks. Many functions are done manually. A report of payment system edits was not available.

The application and payment systems need to be replaced with software that will 1) meet current program and data reporting requirements, 2) provide sponsors with the ability to enter applications on line and 3) allow communication between the application and payment modules. Currently sponsors download application materials submit handwritten forms. Data must be entered manually at the State agency.

Required Corrective Action: The State agency must implement a system to reimburse sponsors the appropriate level of reimbursement by meal type and site in accordance with 7 CFR Part 225.9(d).