



Board Agenda Item #	Action Item II D
Date:	April 6, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Nanie Montijo, CFO/David Yilmaz, Chief Accountability Officer
RE:	Arts in Action Charter School Agreement

**Proposed Board Recommendation**

I move that the board ratify and approve the agreement with Arts in Action to provide National School Lunch Program Meal Claim Services for fiscal year 2016-17 in an amount not-to exceed \$35,000.

**Background**

Approximately eight years ago, it was discovered that many independent charter schools were unable to access free meals for their students. Many charters lack the internal infrastructure to apply and administer the National School Lunch Program. At that time, it was suggested by the State and other charter advocates that a well-established Charter School Management company may be able to take the lead and serve as the principal agent for those schools who were unable to act as their own School Food Authority.

In order to be in compliance with National School Lunch Program and School Breakfast Program, MPS has contracted with Arts in Action Charter School for the following services:

- Complete audit of each school’s current lunch program processes through an on site monitoring review as well as ongoing compliance oversight.
- Set up under our processing using *Meal Time* with training and support.
- Accurate and timely monthly lunch claim form submission and reimbursement.

**Budget Implications**

The cost of these services are:

- Annual Audit Fee: \$750.00 -due upon execution and yearly renewal of agreement
- Per Pupil Fee: \$3.00 -per student participating in lunch program on monthly average, due within 30 days of invoicing (Free and Reduced eligibility)

### **How Does This Action Relate/Affect/Benefit All MSAs?**

Schools in Action provides supports in the area of meal program support services. As an approved School Food Authority (SFA), Schools in Action can provide effective school food program management that will contribute to students' accessing a nutritious breakfast, lunch, snack and supper meal. For the small monthly fee equivalent to the cost of about one student lunch a month, a school can benefit from the meal program of their choice and guaranteed effective reimbursement claims from Schools in Action's School Food Authority (SFA), herein called SIA SFA.

### **Additional Benefits**

- SFA will provide each school with Wellness Policy and guidelines for implementation.
- SFA will provide each school with NSLP Civil Rights compliance posters and all HACCP related posters.
- SFA will conduct periodic internal audits and make recommendations for improvement ensuring full compliance with all USDA and CDE NSLP regulations.

### **Name of Staff Originator:**

Nanie Montijo, Chief Financial Officer

### **Attachments**

Copy of the Agreement



act as their own School Food Authority. This structure would allow thousands of high need students to access meals immediately and assist hundreds of charter school leaders in providing a well rounded quality education.

**What is offered:**

SIA SFA is offering:

- Complete audit of a school’s current lunch program processes through an on site monitoring review as well as ongoing compliance oversight.
- Set up under our processing using *Meal Time* with training and support. See Standard Operating Procedures below.
- Accurate and timely monthly lunch claim form submission and reimbursement.

**Cost:**

The cost of these services is:

- One Time Set Up Fee: \$1500.00 -due upon execution of agreement
- Annual Audit Fee: \$750.00 -due upon execution and yearly renewal of agreement
- Per Pupil Fee: \$3.00 -per student participating in lunch program on monthly average, due within 30 days of Invoicing (Free and Reduced eligibility)

If desired, there will also be a one-time discounted cost for acquisition of *Meal Time* software and hardware purchased from and paid to directly with the company:

- *Meal Time* Point of Sale Software: special discounted pricing
- Touch and Go Finger Scanner/Pin pad or bar code scanner: discounted price per item

**Meal Program Standard Operating Procedures:**

**Applications and Verification**

1. Provide official lunch eligibility applications that can be handed out 30 days prior to the start of school.
2. Applications must be copied and originals sent in a safe and secure manner. Only SFA staff will review to determine student’s lunch eligibility. Schools must keep copies for their records.
3. A status verification letter will be sent to the school and parents within 10 days of receipt of the application.
4. School must send SFA a complete general roster of student information before September 1<sup>st</sup> which SFA will upload into *Meal Time*.

**Ordering**

1. Breakfast, lunch and snack orders are called in by school per vendor instructions.

**Set-up and Serving**

1. School is responsible for setting-up and cleaning the lunch area per established food handling hygiene norms and processes.
2. One or more designated school staff member must be a Certified Professional Food Manager and/or handler and HACCP trained.

3. Food arrives with a production sheet (or transportation record) - sheet must be checked for accuracy and signed.
  - a. Check if the correct number of orders was sent- if not, cross out the number on the production sheet and write-in the correct number on your copy and the vendors copy.
  - b. If after serving lunch it was determined that there were not enough lunches contact the vendor so that the production sheet can be changed- be sure to make the changes to your copy and the vendors copy.
  - c. All production sheets must be kept on file at the school site and readily available for site monitoring review.
4. As breakfast/lunch/snack is being served, students and staff must be monitored at point of sale and finger scanned for proper confidential identification and tracking.

### **Quality Control**

1. Check the temperature of the food when it arrives and log the reading.
2. Call in major complaints to the vendor and notify the SFA.
3. If there is a particular meal that students are dissatisfied with, feel free to call the vendor to adjust the menu using National School Lunch Program standards.

### **Lunch Count Entry**

1. At the end of each month check that all counts are inputted and accurate.
2. Send counts to SFA by 5<sup>th</sup> day of month for reimbursement claims processing.

### **Depositing Lunch Money**

1. Paid and reduced lunch monies should be deposited weekly.
2. Food money SHOULD NOT BE HELD.
3. Money should be separated by month for fiscal tracking purposes.
  - a. If a week consists of two partial months, create two cash receipts forms (or separate on two different lines of the same form)
  - b. Keep a record of money owed by students per month. When the money is paid, the deposit form should state what dates the money is for.

### **Vendor Reconciliation**

1. At the end of each month the school will receive an invoice for breakfast, lunch and snack.
  - a. Compare the invoice to the *Meal Time* reports to ensure that the amounts listed are the amounts received. If amounts do not match cross-off and write-in correct amount.
  - b. SFA will also reconcile invoice and support school's accounts payable if necessary.
2. Once all information has been reconciled by SFA, school site and vendor, SFA will submit accurate reimbursement claim and provide school with expected revenue report.
3. SFA will distribute the reimbursement funds to the school within 10 days of its receipt from the CDE.

### **Annual Verification of Meal Applications**

1. SFA staff will randomly select error prone applications and notify the selected households using the *Meal Time* program.
2. The Charter School will be notified which households from their site are selected for verification.
3. The Charter School will contact each household to set up a confidential appointment in a timely manner if necessary for verification.
4. It is mandatory that they participate and they have 10 days to respond.

5. The Charter School and SFA will follow-up with the families and collect all information. Photocopy all received materials.
6. Once the information has come in, the Charter School will verify that the income provided is consistent with the original meal application.
  - a. If income matches the application- no action is required
  - b. If income does not match the application- determine if the new income changes the status of the student. If so, fill out "Letter of Verification Results" for families to notify the family of the change.
  - c. If family fails to respond within the allotted 10 days their status automatically changes to Paid until they verify their income.
7. Report all verification results to the SFA staff and send copies of all the verification information gathered.
8. SFA will complete and submit the verification report to CDE.

**Additional Benefits**

1. SFA will provide each school with Wellness Policy and guidelines for implementation.
2. SFA will provide each school with NSLP Civil Rights compliance posters and all HACCP related posters.
3. SFA will conduct periodic internal audits and make recommendations for improvement ensuring full compliance with all USDA and CDE NSLP regulations.



# FOOD SERVICE AGREEMENT

<b>Administering Sponsor: Schools in Action</b>	
Agreement Number:	Vendor Number: 521800

<b>Receiving Charter School:</b> <u>Magnolia Academy Public Schools</u>	
Agreement Number: 1	Vendor Number:

This Agreement, executed in duplicate and entered into on \_\_\_\_\_ between **SCHOOLS IN ACTION**, hereinafter referred to as the **School Food Authority (SFA)**, and \_\_\_\_\_ hereinafter referred to as Newman, is created for the purpose of the **SFA** representing the **Charter School** as the Child Nutrition Program “Sponsor”.

### It is hereby agreed that:

As a site under the **SFA**’s child nutrition program agreement(s), the **Charter School** will provide meals to enrolled students under the (check all that apply):

- National School Lunch Program
- School Breakfast Program
- Meal Supplements in the National School Lunch Program

- (1) The **SFA** will include all participating sites from the **Charter School** in its application/agreement with the California Department of Education (CDE).
- (2) The **SFA** will represent the **Charter School** as the Child Nutrition Program “Sponsor” and will claim reimbursement from the CDE for all meals served to participating children enrolled in the **Charter School**. Reimbursement will be claimed at the rate of one breakfast/lunch/snack per child per day, only for complete meals/snacks counted at the point of service, and according to each child’s eligibility category.
- (3) The **Charter School** will provide to the **SFA** by the 5<sup>th</sup> day of each month daily meal count records for the **SFA**’s use in claiming reimbursement. The **Charter School** understands that failure to submit daily meal count records may result in loss of reimbursement to the **Charter School**.
- (4) The **SFA** will distribute the child nutrition program reimbursement funds to the **Charter School** within 15 days of its receipt from the CDE.

- (5) The **SFA** and the **Charter School** will ensure that all reimbursement funds and other Program revenues are utilized solely for the operation and improvement of the school food service program. The **Charter School** will maintain an accounting system that clearly documents the receipt and use of program revenues.
- (6) The **Charter School** will provide to the **SFA** by the 5<sup>th</sup> day of each month copies of all records pertaining to the receipt and distribution of all Program revenues. The **SFA** will retain these records for a period of not less than 3 years, including current year, in accordance with their agreement with the CDE.
- (7) The **Charter School** will distribute and accept Free and Reduced Price Meal applications to all households. All applications submitted to the **Charter School** will be scanned and email forwarded to the **SFA** immediately, daily and/or within 2 business days in order to ensure timely processing and benefit issuance to eligible students. If scanning/emailing is not possible, application must be mailed to **SFA** immediately upon receipt.
- (8) The **SFA** will review and approve all Free and Reduced Price Meal applications within 10 days for the contracted **Charter School**. The **SFA** will create and update the eligibility roster and provide current lists to the **Charter School** as soon as possible after changes occur.
- (9) The **Charter School** will designate a Fair Hearing Officer in order to collect and forward to the **SFA** any concerns from parents and guardians regarding eligibility and ensure all communication with **SFA** is site-based.
- (10) The **Charter School** will perform the point of service meal counts utilizing the *Meal Time* software recommended or another approved means. The **SFA** will provide training as necessary to **Charter School** staff regarding point-of-service meal counts and completion of all required documents.
- (11) The **SFA** will perform the required daily and monthly edit checks.
- (12) The **SFA** will maintain Errors and Omissions Coverage for its role as the Sponsor.
- (13) The **SFA** will reimburse the CDE for over-claims and other fiscal sanctions imposed by the CDE resulting from errors identified during audits and/or reviews.
- (14) The **Charter School** will ultimately be responsible for meal count and claiming accountability and will assume financial responsibility for any over-claims or other program exceptions identified during a review or audit, and promptly reimburse the **SFA** accordingly.
- (15) The **SFA** will perform the verification process and will notify the **Charter School** of its findings.
- (16) The **SFA** will conduct all federally required procurement processes and approve vendor(s) to provide meals to the **Charter School** that comply with the nutrition standards established by the United States Department of Agriculture for the Nutrient Standard menu planning option.
- (17) The **Charter School** may customize the vendor agreement only to the extent provided for in the agreement between the **SFA** and the vendor. The **Charter School** will provide copies of the customized amended agreement to the **SFA**.



- (18) The **Charter School** will notify the vendor of the number of meals/snacks needed no later than the time indicated on the vendor/charter school agreement each day. The **Charter School** will be obligated to accept and pay for the number of meals requested except that the **Charter School** may not accept meals that are spoiled or unwholesome at time of delivery and will ensure that those meals are not included in invoices from the vendor.
- (19) The **Charter School** will be responsible for payment to the meal vendors.
- (20) The **Charter School** will be responsible for maintaining the proper temperature of the meals/snacks post delivery.
- (21) The **Charter School** will make vendor equipment/property ready for pickup on a basis indicated in the vendor/charter school agreement.
- (22) The gift or exchange of commodities is not permitted. Until students are served a meal/snack, all commodities remains the property of the **SFA**.
- (23) The **Charter School** will comply with all mandatory training and certification requirements including, but not limited to annual health certification of each site, completion of CDE food handler training, and **SFA** training.
- (24) The **Charter School** will indemnify and hold the **SFA** and its officers, employees, and agents harmless from any claims or liability relating to the preparation, transportation, storage, or delivery of food.
- (25) The **Charter School** will pay the **SFA** a One Time, Non-Refundable, Set Up Fee, Annual Audit Fee and Per Pupil Fee as delineated below:

The cost of these services is:

- One Time Set Up Fee:\$1500.00      -due upon execution of agreement
- Annual Audit Fee:      \$750.00      -due upon execution and yearly renewal of agreement
- Per Pupil Fee:      \$3.00      -per student participating in lunch program, per monthly average, due within 30 days of invoicing
- Per Pupil Fee:      \$1.50      -per student participating in lunch program on monthly average, due within 30 days of Invoicing (Paid eligibility)

- (26) The **Charter School** if interested will acquire directly from *Meal Time* the Point of Sale software and hardware to be implemented in accurate and efficient monitoring of the school lunch program. There will be a discounted cost of this acquisition of which more information can be acquired by contacting *Meal Time* directly.
- (27) The **Charter School** will keep and maintain liability insurance, including extended coverage for product liability in an amount no less than \$5 million for each occurrence and will provide the **SFA** with a certificate evidencing insurance in the amount, naming the **SFA** as an additional insured and specifying that the coverage will not be canceled or modified without 30 days prior written notice to the **SFA**.

- (28) Both parties will comply with all applicable federal, state, and local statutes and regulations with regard to the preparation and service of National School Lunch Program and/or School Breakfast Program meals, including, but not limited to, all applicable regulations relating to the overt identification of needy pupils, the nutritional content of meals, and nondiscrimination. All records maintained by both parties shall be open and available to inspection by Federal, State, and local authorities in accordance with applicable statutes and regulations.
- (29) All business and information relating to the execution of this agreement and the services thereof, including kitchen visitations, will be directed to the Director of Food Services, **SFA**.

Once site addition is approved by the California Department of Education, this agreement is permanent and automatically renewable each year. Either party may terminate this agreement for cause upon thirty days written notice or in a mutually agreeable time frame. Notice of termination will be provided in writing to both parties and to the California Department of Education, Nutrition Services Division.

Name and Title of SFA Official	Telephone Number
<b>Glenda Alemán, Executive Director</b>	( 323) 266-4371
Signature of SFA Official	Date
Name and Title of Receiving Charter School Official	Telephone Number
	(       )
Signature of Receiving Charter School Official	Date