



# **NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION**

Maurice "Mo" Green, Superintendent of Public Instruction

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## **STATE AGENCY ADMINISTRATIVE REVIEW SUMMARY**

Section 207 of the HHFKA amended section 22 of the NSLA (42 U.S.C. 1769c) to require State agencies (SA) to report the results of the administrative review to the public in an accessible, easily understood manner in accordance with guidelines promulgated by the Secretary. Regulations at 7 CFR 210.18(m) requires the SA to post a summary of the most recent final administrative review results for each School Food Authority (SFA) on the SA publicly available website no later than 30 days after the SA provides the results of the administrative review to the SFA. The SA must also make a copy of the final administrative review report available to the public upon request.

**School Food Authority (SFA) Name: Wayne STEM Academy**

**SFA Agreement Number: 96G**

**Date of Administrative Review (Entrance Conference Date): May 12, 2025**

**Date review results were provided to the SFA: August 12, 2025**

### **General Program Participation**

1. What Child Nutrition Programs does the School Food Authority participate in? (Select all that apply)

- ☐ School Breakfast Program
- ☒ National School Lunch Program
- ☐ Fresh Fruit and Vegetable Program
- ☐ Afterschool Snack
- ☐ Special Milk Program
- ☐ Seamless Summer Option

2. Does the School Food Authority operate under any Special Provisions? (Select all that apply)

- ☐ Community Eligibility Provision
- ☐ Special Provision 1
- ☐ Special Provision 2
- ☐ Special Provision 3

### **Review Findings**

3. Were any findings identified during the review of this School Food Authority?

- ☒ Yes
- ☐ No

4. Is there fiscal action associated with findings identified during the review of this School Food Authority?

- ☒ Yes
- ☐ No

### **OFFICE OF SCHOOL NUTRITION AND AUXILIARY SERVICES**

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REVIEW FINDINGS		
<b>A. Program Access and Reimbursement</b>		
<b>YES</b>	<b>NO</b>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Certification and Benefit Issuance</b> – Validation of the SFA’s certification of students’ eligibility for free or reduced-price meals benefits
<p>Finding Detail 1: In accordance with 7 CFR 245.11(a), School Food Authorities (SFAs) are required to conduct an independent review of free and reduced-price meal applications if specified by the State agency or as a condition of program participation. No documentation—such as signed applications or forms confirming a secondary review—was provided to demonstrate that this process occurred. This requirement is especially critical as the SFA contracts with a third-party vendor for all eligibility determinations. Lack of documentation undermines program integrity and does not meet federal verification standards.</p> <p>Finding Detail 2: The School Food Authority (SFA) did not properly account for extended eligibility benefits for students residing in households with individuals who are directly certified for free meals. During the administrative review, it was determined that three (3) students qualified for extended benefits through their household’s direct certification status but were not included in the free meal eligibility category. Per 7 CFR 245.6(b)(7), when one child in a household is directly certified for free meals, all children in that household are eligible for free meals through the extension of benefits. The SFA is responsible for ensuring that all eligible household members receive the correct meal benefits.</p> <p>Finding Detail 3: Misclassification of Student Eligibility -As required by 7 CFR 245.6(a), eligibility for free or reduced-price meals must be based on accurate determination through either income information or direct certification (DC). During the 100% review of applications (conducted because this was the SFA’s first full year of operation), multiple errors were identified:</p> <ul style="list-style-type: none"> <li>• 34 students who appeared on the direct certification list were incorrectly listed as denied.</li> <li>• 20 students listed as reduced-price were on the direct certification list and should have been classified as free.</li> </ul> <p>These errors resulted in incorrect benefit issuance and require a reclaim in federal funds.</p>		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Verification</b> – Validation of the process used by the SFA to confirm selected students’ eligibility for free and reduced-price meal benefits
<p>Finding Detail 1: Inaccurate FNS-742 Reporting: The number of applications reported on the most recent FNS-742 was inaccurate. This reporting error led the SFA selecting and verifying more applications than required, resulting in an over-verification of two (2) applications. In accordance with 7 CFR 245.6a(d), the number of applications subject to verification must be based on the correct number of approved applications as of October 1 to ensure compliance with required verification percentages.</p> <p>Finding Detail 2: Lack of Confirmation Review Documentation: There was no documentation to confirm that a confirmation review of eligibility determinations was conducted for applications selected for verification, as required under 7 CFR 245.6a(b)(3). This review is necessary to ensure the original determination was accurate before proceeding with verification.</p> <p>Additionally, two applications selected for verification included students who were listed on the Direct Certification (DC) list and therefore should have been excluded from the verification sample in accordance with 7 CFR 245.6a(c)(2), which exempts directly certified students from the verification process.</p> <p>To ensure compliance with federal regulations and maintain program integrity, the SFA must implement procedures to ensure accurate reporting on the FNS-742, properly conduct and document confirmation reviews, and exclude directly certified students from the verification sample.</p>		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Meal Counting and Claiming</b> – Validation of the SFA’s meal counting and claiming system that accurately counts, records, consolidates, and reports the number of reimbursable meals claimed by category
<p>Finding Detail 1: The required daily edit check is not being completed by the School Food Authority prior to submission of the monthly claim for reimbursement. This task is completed by comparing the daily attendance figures with actual student participation data to determine whether meals claimed exceed the attendance. Edit Checks must be completed for all meals daily to ensure more meals are not claimed than the number of eligible students in attendance.</p>		

Finding Detail 2: During the review of the month of April 2025, meal counting and claiming errors were identified that resulted in over-claims. Specifically, the School Food Authority over-claimed a total of 269 free meals, 127 reduced-price meals, and 49 paid meals. It is essential that the claiming process be closely reviewed and strengthened to ensure accurate reporting and compliance with federal reimbursement guidelines. On May 1, 2025, the School Nutrition Administrator took the responsibility and oversight of meal counting and claiming resulting in an accurate meal count for reimbursement.

## B. Meal Patterns and Nutritional Quality

YES	NO	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Meal Components and Quantities</b> – Validation that meals claimed for reimbursement contain the required meal components and quantities
<p>Finding Detail: Production records are not being completed in accordance with USDA School Nutrition Program requirements, as outlined in 7 CFR 210.10(a)(3) and (a)(1)(iii).</p> <p>•Meal Counts: Meal counts recorded on the production records and in Column 10a are being calculated based on leftover quantities rather than from the actual point-of-service rosters. This practice does not align with federal requirements, which mandate that daily meal counts must reflect the number of reimbursable meals served at the point of service.</p> <p>•Milk Service Documentation: Required milk quantities are not being consistently documented in Columns 9a, 10a, 11a, and 11b of the production records. USDA regulations require that all food and beverage components, including milk, be accurately recorded daily to ensure compliance with meal pattern requirements and to support proper claiming.</p> <p>To maintain program integrity and ensure accurate claims for reimbursement, production records must be completed thoroughly and reflect actual service data.</p>		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>Offer versus Serve (OVS) (provision that allows students to decline some of the food components offered)</b> – Validation of the SFA’s compliance with OVS requirements, if applicable
Finding Detail:		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>Dietary Specifications and Nutrient Analysis</b> – Validation that meals offered to children through the School Nutrition programs are consistent with federal standards for calories, saturated fat, sodium, and <i>trans</i> fat
Finding Detail:		

## C. School Nutrition Environment

YES	NO	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Food Safety</b> – Validation that all selected schools meet the food safety and storage requirements, and comply with the Buy American provisions specified by the regulations
<p>Finding Detail 1: Temperature Logs: Temperature logs for hot holding boxes and dry storage areas are not being consistently maintained. According to USDA guidelines, it is required that temperature records for all potentially hazardous foods be documented regularly to ensure compliance with food safety standards (7 CFR 210.13(c)(2)).</p> <p>Finding Detail 2: TPHC Procedures: Written Time as a Public Health Control (TPHC) procedures are not in place. USDA regulations stipulate that TPHC procedures must be documented and followed to ensure the safe holding of TCS foods at appropriate temperatures (7 CFR 210.13(b)).</p> <p>Finding Detail 3: Catering Site Temperature Records: Temperature data for food taken at the catering site are not being recorded or provided to the School Food Authority. To maintain food safety standards, it is required that the temperatures of foods are monitored and documented at all stages of preparation, transportation, and service (7 CFR 210.13(d)).</p> <p>Finding Detail 4: Leftover Food Handling: Hot and cold leftovers are not being discarded within four hours from the start of Time as a Public Health Control (TPHC). USDA regulations mandate that leftovers held under TPHC must be discarded within four hours to prevent foodborne illness (7 CFR 210.13(b)(3)).</p> <p>To ensure continued compliance with USDA regulations and to protect student health and safety, it is essential to implement and maintain proper documentation of food safety protocols, including temperature logs, TPHC procedures, and appropriate handling of leftovers.</p>		

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>Local School Wellness Policy</b> – Review of the SFA’s established Local School Wellness Policy
Finding Detail:		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>Competitive Foods</b> – Validation of the SFA’s compliance with regulations for all food and beverages to students outside of the reimbursable meal
Finding Detail:		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Professional Standards</b> – Validation of the SFA’s compliance with required hiring standards and annual training requirements
Finding Detail: The School Nutrition Administrator has not obtained a current food safety certification from an American National Standards Institute (ANSI)- approved program. All School Nutrition Administrators are required to hold a current food safety certification as part of the professional standard requirements beginning July 1, 2015.		

<b>D. Civil Rights - Documentation</b>		
<b>YES</b>	<b>NO</b>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Civil Rights</b> – Validation of the SFA’s compliance with civil rights requirements as applicable to the School Nutrition Programs
Finding Detail: Civil Rights Compliance Reporting: The Civil Compliance worksheet was submitted after the USDA-required deadline of December 15. While the report was ultimately completed for the year, timeliness is essential to ensure compliance with USDA Civil Rights requirements and to support equitable program administration.		
<b>E. Resource Management</b>		
<b>YES</b>	<b>NO</b>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Resource Management</b> – Validation of the SFA’s compliance with overall financial health of the School Nutrition Program
Finding Detail 1: Federal law prohibits maintaining an operating balance of three months or more in the non-profit School Nutrition program. The program must develop a plan outlining how excess funds will be utilized to support or enhance the non-profit School Nutrition program and submitted to the NC Department of Public Instruction.		
Finding Detail 2: Cash Management procedures must be revised to ensure compliance with the requirements outlined in the Agreement Renewal to Administer the Federally - Assisted School Nutrition Programs. The deposit slip should be completed and verified by two (2) employees prior to the deposit being made. Additionally, the School Nutrition Director and another employee should initial the deposit slip to confirm mutual agreement on the deposit amount. In accordance with Session Law 2023-134, Section 115C-445, a deposit must be made on the last business day of each month. A copy of each deposit slip must be submitted to the School Nutrition Department for monthly reconciliation and recordkeeping purposes.		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Other – Program Monitoring</b>
Finding Detail: Self-Monitoring Assessments: The required on-site self-assessment due November 1, as mandated under 7 CFR 210.8(a)(1), was conducted after the established deadline. To maintain full compliance with USDA regulations, all required reports and assessments must be completed and submitted within the specified deadlines. Establishing an internal calendar or tracking system is recommended to support timely submission and program integrity.		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Other – Procurement</b>
Finding Detail 1: Wayne STEM Academy does not have a written, board-approved Procurement Plan in place. As required by 2 CFR 200.318(a) and 7 CFR 210.21(c), each SFA must develop and maintain a written Procurement Plan that outlines procedures for all purchases made with federal school nutrition funds. This plan must be approved by the governing board and serve as a guiding document for procurement activities.		
Finding Detail 2: Missing Informal (Small Purchase) Procurement Procedures: The SFA has not established written procedures for obtaining quotes from vendors when using informal (small purchase)		

procurement methods. In accordance with 2 CFR 200.320(b), written procedures are required for all procurement methods, including those below the district's small purchase threshold, to ensure transparency, consistency, and compliance with federal purchasing standards. No documentation of quotes was available for the contracted food service agreement.