



SNP Administrative Review Findings
Program Year 2024

Tippecanoe School Corporation
(7865)

Tippecanoe School Corporation (7865)
21 Elston Road
Lafayette, IN 47909-7000

Food Service Contact
Ms. Lori Shofroth Cords
Director of Nutrition
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Executive Contact
Dr. Scott Hanback
Superintendent
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No. of Sites / Reviewed: 20 / 3
Month of Review: February 2024

Commendations

- * Kitchens and storage areas were clean and orderly.
- * Staff were prepared for the review well ahead of time and documents were organized.
- * Reviewed documentation was thoroughly completed, including monitoring reports and production records.
- * No violations were noted in the critical areas of review, performance standards one and two.

Technical Assistance

- * Raisins and juice are offered as the only fruit choices for breakfast most days of the month. Consider increasing fruit variety to increase fruit consumption and breakfast participation.
- * Four students identified during the benefit issuance review received a lesser benefit than qualified. Due to a notification error in CNPweb, the SFA was unaware of the increased benefits for these students. The reviewer provided technical assistance onsite regarding how to identify the new changes. The school food service director implemented the new changes on March 13, 2024.
- * Acceptable documentation [7 CFR 245.2] for foster children includes:
 - An electronic or computer match provided directly to the LEA indicating the status of the child as a foster child without further application;
 - A letter from the State or local welfare agency or court confirming the child's status as a foster child;
 - Documentation from the welfare agency or court stating that the courts have taken legal custody of a child who has been placed in the foster care system;
 - A list of children in foster care from the welfare agency or court; or
 - An application that indicates the child's status as a foster child.
- * Breakfast participation at Wainwright Middle is very low. Evaluate ways to increase participation such as utilizing breakfast carts where children enter the building, additional outreach methods, improvement in menu planning, etc.
- * School foodservice involves a risk factor serving their customers; children are a population highly vulnerable to potential foodborne illness. The food safety skill set is essential and therefore, skilled staff need to be hired and continuously retained to ensure food safety. Staff is also needed to get to the level of quality desired for producing scratch and speed scratch foods.

Resource Management - Tippecanoe School Corporation (7865)

705. SFA have internal controls to ensure only allowable costs charged?

Finding 9000: Internal Controls

Internal control procedures were not in place to ensure that only allowable costs were charged to the nonprofit school food service account. Expenses were charged to the food service account without signoff from the food service director. It was noted that the director has access to view what was charged to the account, but this is not sufficient as the internal control procedure for allowable costs must be applied before expenditures are charged.

Corrective Action:

Tippecanoe School Corporation must develop a procedure to ensure all costs charged to the nonprofit school foodservice account are allowable. The procedure must involve a review and signed approval by foodservice before all expenditures are



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charged and posted. This procedure must be developed and agreed upon by the CFO and FSD to ensure internal controls are established, as both SBOA and USDA require that internal controls are established and utilized for the operation of the Child Nutrition Programs. This allows the director the opportunity to contact state agencies for assistance or questions. The practice of consulting the appropriate state agency should also be written into the policy to check for the allowability of potential questionable costs. Any cost not listed on the following document as an allowable cost must be approved by the state agency prior to charging.

<https://docs.google.com/document/d/1xVhtcXErSiA3IHIS9AEXopiQJ5gBmlroldMUYxbIRTc/edit#heading=h.doefjep9z2lm>.

Please submit the internal control procedure as corrective action.

Resource Management Comprehensive Review - Tippecanoe School Corporation (7865)

770. Correct Rate/Base Calculation

Finding 10175: Modified Total Direct Cost (MTDC) Base Calculation is Incorrect

The SFA did not correctly calculate the MTDC base for the 22/23 school year. The MTDC initially included capitalized equipment, but it was corrected. The corrected MTDC was validated during the administrative review and it was determined that some additional miscellaneous and labor costs were not allowable direct costs and should have been charged indirectly. Since the miscellaneous and labor costs are part of the direct cost base, the direct cost base is not accurate. The allowable total for MTDC is \$3,093,843.53. The approved indirect cost rate applied to the allowable MTDC results in an allowable indirect cost of \$479,855.13. This results in an overcharge of indirect costs in the amount of \$29,842.37. 2 CFR 200.413 describes direct costs as, "those that can be identified specifically with a particular final cost objective." They are incurred specifically for the food service program and are allocable (traceable) to an activity that received the benefit of the cost.

Corrective Action:

As corrective action the SFA must restore the overcharged amount to the nonprofit school foodservice account using non-federal funds. The state agency has received proof that \$27,204.68 has been restored. Proof of the journal entry for the remaining \$2,637.69 must be provided to the state agency.

Additionally, the individuals responsible for the calculation of the MTDC must review, sign and date the following resource for allowable and unallowable expenditures in the Child Nutrition Programs.

<https://docs.google.com/document/d/1xVhtcXErSiA3IHIS9AEXopiQJ5gBmlroldMUYxbIRTc/edit?usp=sharing>.

The FSD and business manager must also attend IDOE indirect cost training or review a recording of the training. Submit confirmation of the training attendance as corrective action.

Technical Assistance:

The MTDC base for Child Nutrition Programs is calculated by subtracting food and capitalized equipment from total expenditures. While miscellaneous costs are included in the MTDC base, all expenditures must be reasonable, allowable, and allocable. Costs such as those "incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved" are indirect costs and cannot be charged directly to the non-profit school foodservice account.

773. Proper Classification of Costs (Direct/Indirect)

Finding 9138: Costs incorrectly charged as direct or indirect

The school food service accounts are charged directly for expenses that are included in the indirect cost pool (double dipping). Costs charged as direct expenses that are also included in the indirect cost pool: waste management, phone stipend, and courier & courier benefits.

Corrective Action:

As corrective action the school corporation may no longer charge these and any other expenditures that meet the



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definition of an indirect cost directly to the non-profit school foodservice account (NSFSA). (See the technical assistance section of this finding for the definition of indirect and direct costs.) Going forward, these expenditures may only be paid for with funds assessed from indirect costs.

For the 22/23 school year, funds have been restored and documentation of the restoration has been submitted for waste management and the phone stipend charged to the NPSFA in the amounts of \$174,000.92 and \$1,400.00, respectively.

The amount charged to the NSFSA for the courier's salary and benefits for the 22/23 school year is \$17,066.44 and must be restored to the NSFSA as corrective action. Please submit proof of the journal entry as corrective action.

Additionally, the charges of waste management, phone stipend, and courier salary and benefits in the current 23/24 school year must be restored. As corrective action, the CFO and FSD must determine the exact amounts charged for this school year and submit the calculation and proof of restoration (journal entry) as corrective action.

Any additional costs not mentioned above, that meet the definition of indirect costs or are not allowable direct costs, may not be charged and funds would need to be restored if the charges have already been incurred.

Technical Assistance:

Indirect costs are incurred for the benefit of multiple programs, functions, or other cost objectives, and therefore cannot be identified readily and specifically with a particular program or other cost objective. Alternatively, direct costs (for school foodservice) would be incurred specifically for the school food service program and allocable (traceable) to an activity that received the benefit of the cost.



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Tippecanoe School Corporation
(7865)

Battle Ground Elementary School
(8024)
21 Elston Road
Lafayette, IN 47909-7000

Food Service Contact
Ms. Chrystal Gooden
Cafeteria Manager
(765) 567-2122

Month of Review: February 2024
Date of Onsite Review: March 13, 2024

General Program Compliance - Battle Ground Elementary School (8024)

1411. Review of agricultural food components indicates violations of the Buy American provision

Finding 10157: Buy American

Review of agricultural food components indicates violations of the Buy American provision. Cherry tomatoes labeled as a product of Mexico were found onsite.

Corrective Action:

As corrective action, the FSD has obtained and provided country of origin information from the distributor. It was noted that this product was available from the US and Mexico; however, the SFA does not know the actual country of origin until the product arrives. The SFA will continue to maintain documentation of food origin. **Additional response is not required.**

Technical Assistance:

If a kitchen manager receives a delivery with product not from the United States and they have available substitutions, the products can be sent back to the distributor. Additionally, make every attempt to order products that are in season in the United States.



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Tippecanoe School Corporation
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Mintonye Elementary School (8009)
21 Elston Road
Lafayette, IN 47909-7000

Food Service Contact
Ms. Angela Smith
Cafeteria Manager
(765) 538-2780

Month of Review: February 2024
Date of Onsite Review: March 13, 2024

No Findings during Site 8009 Review



SNP Administrative Review Findings
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Tippecanoe School Corporation
(7865)

Wainwright Middle School (8026)
21 Elston Road
Lafayette, IN 47909-7000

Food Service Contact
Ms. Ashley Wheeldon
Cafeteria Manager
(765) 269-8350

Month of Review: February 2024
Date of Onsite Review: March 14, 2024

No Findings during Site 8026 Review