



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**  
CITIZENS PLAZA BUILDING  
400 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165  
TTY: 1-800-270-1349  
www.tn.gov/humanservices

**BILL HASLAM**  
GOVERNOR

**DANIELLE W. BARNES**  
COMMISSIONER

CERTIFIED MAIL RECEIPT #70163010000073891756

October 27, 2017

Linda Britt, Director  
Darling Little Angels Childcare Center  
2206 Elvis Presley Boulevard  
Memphis, Tennessee 38106-7746

**RE: Notice of Serious Deficiency for the Child and Adult Care Food Program (CACFP) Agreement Number 00-241 and Demand for Overpayment.**

Dear Ms. Britt:

The Department of Human Services (DHS) Audit Services staff conducted an on-site unannounced review of the Child and Adult Care Food Program (CACFP) at Darling Little Angels Childcare Center, Application Agreement number 00241, on July 28, 2017. We reviewed the sponsor's records of reimbursements and expenditures for May, 2017. The purpose of this review was to determine if the sponsoring organization complied with *Title 7 of the Code of Federal Regulations (CFR)* applicable parts, application agreement, and applicable Federal and State regulations.

**SERIOUS DEFICIENCY DETERMINATION**

Based on the monitoring review, the Department has determined that Darling Little Angels Childcare Center is seriously deficient in its operation of the CACFP. In addition, the Department has identified Linda Britt, Director as responsible for the serious deficiencies in light of their responsibility for the overall management of Darling Little Angels Childcare Center's CACFP.

If Darling Little Angels Childcare Center does not fully and permanently correct all of the serious deficiencies and submit documentation of the corrective action by the due date, the Department will:

- Propose to terminate Darling Little Angels Childcare Center's, agreement to participate in the CACFP;
- Propose to disqualify Darling Little Angels Childcare Center from future CACFP participation; and
- Propose to disqualify Linda Britt, Director, from future CACFP participation.

In addition, if Darling Little Angels Childcare Center voluntarily terminates its CACFP agreement after receiving this letter, the Department will propose to disqualify Darling Little Angels Childcare Center and Linda Britt, Director from future CACFP participation. If disqualified, Darling Little Angels Childcare Center, Linda Britt, Director will be placed on the National Disqualified List (“NDL”). While on the NDL, Darling Little Angels Childcare Center will not be able to participate in the CACFP as an institution or facility. Linda Britt, Director will not be able to serve as a principal in any institution or facility or as a day care home provider in the CACFP.

Institutions and individuals remain on the NDL until the United States Department of Agriculture’s Food and Nutrition Service, in consultation with the Department, determines that the serious deficiencies have been corrected, or until seven years after their disqualification. However, if any debt relating to the serious deficiencies has not been repaid, they will remain on the list until the debt has been repaid.

The authorization for this action is found in Paragraph 1.e. of your FY 2016 CACFP Provider Agreement and in the CACFP regulations at 7 C.F.R. § 226.6(c)(3). You may not appeal a finding of serious deficiency.

### **SERIOUS DEFICIENCIES, ADDITIONAL FINDINGS AND REQUIRED CORRECTIVE ACTION**

The following paragraphs detail each serious deficiency and additional finding:

#### Background

CACFP sponsors utilize meal count sheets to record the number of meals served for breakfast, lunch, supper and supplements. Meals served by participating sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) to seek reimbursement. We inspected meal count sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. In addition, we assessed compliance with civil rights requirements and observed a meal service during our initial site visit on May 9, 2017.

Our review of Darling Little Angels Childcare Center’s (hereinafter the Sponsor) records for the test month of May 2017 disclosed the following:

#### **1. The Sponsor did not have all records available for the test month**

##### **This is a Serious Deficiency:**

##### Condition

All records were not available to support the May 2017 Claim for Reimbursement. On July 28, 2017, DHS Audit Services staff went to the center to conduct an unannounced review. On the day of this review, the Sponsor provided attendance and meal count records for enrolled participants, a menu for the test month (May 2017), as well as some program related receipts and some Child Nutrition (CN) labels for prepared foods. However, the Sponsor failed to provide many required records including: income eligibility applications, enrollment addendum forms for participants claimed, sufficient receipts associated with program costs and management, documentation of CACFP related staff training, CACFP associated labor costs, and appropriate records on facility operations, including budget and accounting records.

##### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.10 (d)* states, “All accounts and records pertaining to the Program shall be made available upon request, to the representatives of the State agency, of the Department, and of the U.S. General Accounting Office for auditing review, at a reasonable time and place.”

The *Tennessee CACFP Policies and Procedures Manual* also states, “The books, records, and documents of each institution, which are related to work performed or money received under the CACFP must be maintained for a period of three (3) full years, and are subject to audit at any reasonable time and upon reasonable notice by the TDHS, the Tennessee Comptroller of the Treasury, or their duty and appointed representatives. The records must also be readily available for monitoring and auditing purposes by the TDHS, Tennessee Comptroller of the Treasury, U.S Department of Agriculture and other appropriate state and federal agencies” (p. 23).

#### Recommendation

The Sponsor should ensure that all records associated with the CACFP are maintained and have available upon request by authorized personnel.

### **2. The number of participants reported in the free and paid categories was incorrect**

#### **This is a Serious Deficiency:**

##### Condition

The claim for reimbursement for May 2017 showed that 51 participants in the free category, zero participants in the reduced-price category, and zero participants in the paid category. However, The Sponsor did not provide us with the required CACFP applications to support the claim.

Since the Sponsor did not provide us with the supporting documentation to substantiate the May 2017 claim, we determined that all 51 participants be reclassified as paid.

##### Criteria

*Title 7 of the Code of Federal Regulations, section 226.10 (c)* states, "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim. ..."

*Title 7 CFR, §226.17 (b)(8)* states, “Child care centers shall collect and maintain documentation of the enrollment of each child, including information used to determine eligibility for free and reduced price meals in accordance with §226.23(e)(1)... Such documentation of enrollment must be updated annually, signed by a parent or legal guardian, and include information on each child's normal days and hours of care and the meals normally received while in care.”

The *Tennessee CACFP Policies and Procedures Manual* states “To operate the CACFP and receive reimbursement, all independent child care centers and sponsoring organizations must keep accurate records on the eligibility of enrolled participants for free and reduced-price meals” (p. 18).

##### Recommendation

The Sponsor should ensure that appropriate income eligibility forms are collected, updated, and maintained, as required.

### **3. The Sponsor reported incorrect meal counts**

##### Condition

The claim for reimbursement for May 2017 showed that there were 1,093 breakfast meals, 613 lunch meals, 480 supper meals, and 1,045 supplements. However, our review of Sponsor records reconciled 1,093 breakfast meals, 608 lunch meals, 480 supper meals, and 1,045 supplements prior to any meal disallowances. As a result of the reconciliation, we noted that the Sponsor over reported five (5) lunch meals. The difference is due to the following:

On May 9, 2017, the Sponsor claimed nine (9) total lunch meals for 1-2 year olds and 15 total lunch meals for 3-5 year olds. However, we observed six (6) total lunch meals for 1-2 years old were served and 13 total lunch meals for 3-5 years old were served.

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.10 (c)* states, "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim. ..."

In addition, the *Tennessee CACFP Policies and Procedures Manual* states that child care centers "must submit to the TDHS accurate monthly reports on the number of meals served."

#### Recommendation

The Sponsor should ensure that claims for reimbursement are completed correctly and based on the proper supporting documents, such as meal count sheets.

#### **4. The Sponsor did not maintain daily meal count records**

##### **This is a Serious Deficiency:**

#### Condition

On May 9, 2017, the DHS monitoring personnel conducted an unannounced on-site visit to observe meal service. Based on our inquiry, we learned that the Sponsor did not provide meal counts sheets (records) to the feeding site staff to use from May 1, 2017 to May 9, 2017. The Sponsor contact was not on site during our visit; however, we noted that the cook provided us with a makeshift meal count for the observed lunch service only.

On July 28, 2017, the Sponsor provided meal count records for the entire month of May 2017, beginning on May 1, 2017, though meal count records were not available on May 9, 2017 through breakfast on said date. Therefore, the cost for reimbursement for 328 breakfasts, 136 lunches, 144 suppers, and 280 supplements were disallowed.

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.15 (e)* states, *Recordkeeping*. Each institution shall establish procedures to collect and maintain all program records required under this part, as well as any records required by the State agency. Failure to maintain such records shall be grounds for the denial of reimbursement for meals served during the period covered by the records in question and for the denial of reimbursement for costs associated with such records. At a minimum, the following records shall be collected and maintained: ... (4) Daily records indicating the number of participants in attendance and the daily meal counts, by type (breakfast, lunch, supper, and snacks), served to family day care home participants, or the time of service meal counts, by type (breakfast, lunch, supper, and snacks), served to center participants. State agencies may require family day care homes to record meal counts at the time of meal service only in day care homes providing care for more than

12 children in a single day, or in day care homes that have been found seriously deficient due to problems with their meal counts and claims. ...”

In addition, the *Tennessee CACFP Policies and Procedures Manual* states that “institutions must maintain daily meal counts, listing the number of meals by type and age group served to children.”

Recommendation

The Sponsor should ensure that daily meal count sheets (records) are maintained, as required.

**5. The Sponsor served meals that did not meet USDA meal pattern requirements**

**This is a Serious Deficiency:**

Condition

Reimbursable breakfast meals consist of one serving of bread/grain, one serving of fluid milk and one serving of a fruit or vegetable. Reimbursable lunch or supper meals consist one serving of meat or meat alternate, two servings of fruit and/or vegetables, one serving of bread/grains, and one serving of fluid milk. Reimbursable supplements consist of one serving from two separate groups of meat or meat alternative, fruit or vegetable, bread/grains, and fluid milk.

The menus provided for the Sponsor contained menu deficiencies listed as follows:

<b>Date</b>	<b>Deficient or Missing Component</b>	<b>Disallowed Meals (# and Type)</b>
05/08/17	Missing Component: A second creditable component Menu listed: Fruit bar and apple juice Fruit bars and apple juice are both considered fruit components. In order for a supplement to be reimbursable, two separate components must be served.	Meals were disallowed in finding 4
05/11/17	Missing component: Second fruit/vegetable/juice Menu listed: Bologna, bread, chicken noodle soup, sliced apples, milk	27 Lunches 24 Suppers
05/11/17	Missing component: A second creditable component Menu listed: Mixed fruit cup, grape juice A mixed fruit cup and grape juice are both considered fruit components. In order for a supplement to be reimbursable, two separate components must be served.	51 Supplements
05/17/17	Missing component: Second fruit/vegetable/juice Menu listed: Sliced turkey, bread, tortilla chips, grapes, milk	27 Lunches 24 Suppers
05/18/17	Missing component: A second fruit/vegetable/juice Menu listed: apples, berry fruit juice An apple and mixed berry juice are both considered fruit components. In order for a supplement to be reimbursable, two separate components must be served.	51 Supplements
05/23/17	Missing component: Second fruit/vegetable/juice Menu listed: Chicken patty, macaroni and cheese, bread, pineapple tidbits, milk	27 Lunches 24 Suppers
05/24/17	Missing component: Second fruit/vegetable/juice Menu listed: Sliced turkey, chicken noodle soup, bread, grapes, milk	27 Lunches 24 Suppers
05/26/17	Missing component: Grain/Bread Menu listed: Hash brown patty, sliced bacon, sliced	51 Breakfasts

Date	Deficient or Missing Component	Disallowed Meals (# and Type)
	peaches, milk	
05/26/17	Deficient: Meat/Meat Alternate Menu listed: Beef corn dogs, sweet potato fries, green beans, banana, milk The sponsor did not provide a Child Nutrition label or product formulation statement for the beef corn dogs therefore the amount of protein could not be determined	27 Lunches  24 Suppers
05/26/17	Missing component: A second creditable component Menu listed: Dole fruit cups, very berry fruit juice A dole fruit cup and very berry fruit juice are both considered fruit components. In order for a supplement to be reimbursable, two separate components must be served.	51 Supplements
05/30/17	Deficient/Missing component: Second fruit/vegetable/juice Menu listed: Sliced Turkey, Bread, Tortilla Chips, Apples, Milk	51 Lunches
05/30/17	No menu listed	27 Supplements

As a result, costs for 51 breakfasts, 186 lunches, 120 suppers, and 180 supplements were disallowed.

Criteria

*Title 7 of the Code of Federal Regulations, Section 226.20* requires that each meal served must contain all required components.

The *Tennessee CACFP Policies and Procedures Manual* states “all meals must meet the meal pattern requirements established by the USDA to be eligible for CACFP reimbursement. Each menu should list the specific name of all juices and breads. The use of the words “fruit juice” and “bread” is not sufficient.

The *Tennessee CACFP Policies and Procedures Manual* also states that “An institution must maintain menus that meet the following requirements: a) All food components, as required for each type of meal to be served (i.e., breakfast, lunch, supper, and supplement), are identified; b) Each menu accurately lists the food items that are to be served, including any substitutions that are inserted on the menu before the beginning of meal service” (p. 23).

The *USDA Crediting Foods in the CACFP* states that “Combination items such as pizzas vary greatly as to how they may be credited. Crediting for pizza typically includes the crust, the cheese and/or meat, and vegetable/fruit. This crediting will vary by pizza. Use items that have a CN label, product formulation statement, or a standardized recipe. Maintain a copy of the documentation on file for review.” The *USDA Crediting Handbook* also states “[b]ecause of the uncertainty of the actual amount of meat/meat alternate contained in these [i.e. frozen/combo] products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a sales person) that shows how the crediting has been determined. Remember that only a CN-labeled product carries a warranty that protects against financial audit claims. See the sample formulation statement on page 73 with required information and documentation” (p.62).

Recommendation

The Sponsor should ensure all meals prepared meet USDA meal pattern requirements, and menus should be reviewed to ensure that they contain all required meal components to be eligible as a reimbursable meal.

The Sponsor should also keep copies of CN labels and/or official Product Formulation Statements for commercially prepared foods on file as required and follow recommended serving sizes/equivalents listed on such labels.

## **6. Insufficient quantities of milk were purchased**

### Condition

Based on the number of meals served with milk as a required component, a total of 8,022 ounces of milk were needed. However, the Sponsor only provided documentation for 3,840 ounces purchased, resulting in a shortage of 4,182 ounces. As a result, 585 breakfasts were disallowed.

### Criteria

*Title 7 CFR, §226.20 (a)* states that “each meal claimed for reimbursement must meet meal pattern requirements.” In addition, the *Tennessee CACFP Policies and Procedures Manual* states “all meals must meet meal pattern requirements established by the USDA to be eligible for CACFP reimbursement.”

### Recommendation

Sponsor should:

- Purchase enough milk to provide all participants with the required ounces of milk for meals claimed for reimbursement.
- Maintain and file receipts to verify CACFP related food purchases.
- Complete a monthly milk inventory. This inventory should be completed on the last day of each month, and list the amount of milk purchased, the amount of milk not used during the month in question, and the amount that is available for use on the last day of operation for that particular month.

## **7. The Sponsor did not provide enrollment addendum forms for any of the participants for which the Sponsor submitted claim for reimbursement.**

### Condition

The Sponsor did not provide enrollment addendum forms for the 51 participants in the CACFP.

### Criteria

*Title 7 CFR §226.15 (e)(2)* states that eligible institutions shall collect and maintain “documentation of the enrollment of each participant at centers (except for outside-school-hours care centers, emergency shelters, and at-risk afterschool care centers). All types of centers, except for emergency shelters and at-risk afterschool care centers, must maintain information used to determine eligibility for free and reduced-price meals in accordance with §226.23 (e)(1). For child care centers, such documentation of enrollment must be updated annually, signed by a parent or legal guardian, and include information on each child’s normal days and hours of care and the meals normally received while in care.”

### Recommendation

The Sponsor should distribute, collect, and file an enrollment addendum form for each child claimed a participant in the CACFP.

## **8. Sponsor did not have menu posted for the meal observed**

Condition

During our on unannounced site visit on May 9, 2017, we noted that there no menu posted at the time of the site visit.

Criteria

The *Tennessee CACFP Policies and Procedures Manual* states “an institution must maintain that each menu is posted in a conspicuous place for all parents and guardians to observe.”

Recommendation

The Sponsor should ensure that a monthly menu is posted in a conspicuous place where parents, guardians, and participants can easily view.

**9. The Sponsor did not provide documentation of annual CACFP staff training**

Condition

The Sponsor did not provide us with documentation of the annual training for staff. This training is required and must emphasize food service procedures and record keeping.

Criteria

*Title 7 of the Code of Federal Regulations, § 226.15 (e)* states, “Each institution shall establish procedures to collect and maintain all program records required under this part, as well as any records required by the State agency. Failure to maintain such records shall be grounds for the denial of reimbursement for meals served during the period covered by the records in question and for the denial of reimbursement for costs associated with such records. At a minimum, the following records shall be collected and maintained: ... (12) Information on training session date(s) and location(s), as well as topics presented and names of participants.”

Recommendation

The Sponsor should document CACFP training annually for all staff with CACFP responsibilities.

**10. The Sponsor did not maintain an inventory of food and non-food items purchased**

Condition

The Sponsor stated that the feeding site does not maintain an inventory/ledger of food and non-food items purchased with CACFP funds. An inventory is necessary to complete a year-end reconciliation.

Criteria

The *Tennessee CACFP Policies and Procedures Manual* states, “agencies must complete an inventory of items purchased but not used at the end of the program year.”

Recommendation

The Sponsor should keep accurate and up-to-date records of items purchased, both food and non-food, with CACFP funds to determine how Program funds are allocated at the center.

**11. The Sponsor did not maintain required financial records to document labor costs**

### Condition

The Sponsor did not submit sufficient documentation to support CACFP associated labor costs for staff. The Sponsor stated that the cook's wages were directly associated with the CACFP, but failed to submit documentation of the cook's time sheet or payroll stubs. The Sponsor also submitted a monthly time distribution for the Director; however, this report indicated that all of employee's time was allocated to CACFP administration and operation. No time was allocated to child care operation or administration.

### Criteria

The *Tennessee CACFP Policies and Procedures Manual* required that agencies who charge labor costs to the CACFP must maintain financial records to document those labor costs.

### Recommendation

The Sponsor should correctly document and maintain financial records associated with employee labor costs in relation to CACFP.

## **12. The Sponsor did not maintain a financial ledger to document expenses associated with CACFP.**

### Condition

Though the Sponsor was able to produce some receipts from the test month in question, few receipts were submitted, resulting in a milk shortage for Darling Little Angels. Receipts were kept in a plastic bag and were mixed with receipts from other years of operation for the center. It was difficult finding expenses associated with CACFP.

### Criteria

FNS Instruction 796-2, Rev. 4 Page 94 Item 3 titled "Financial" states, "Institutions must record the receipt and expenditure of all Program funds, Program income and other income in accordance with U.S. GAAP, this Instruction, Department regulations and the State agency financial management system. Any Program expenses paid for in cash should be of a nominal amount and clearly documented."

### Recommendation

The Sponsor should create a ledger and usable filing system which allows for administrative staff to easily recognize items related to CACFP and track them using an established inventory system.

## **OVERPAYMENT-RIGHT TO APPEAL**

### **Disallowed Meal Costs**

Based on our review, we determined that the Sponsor's noncompliance with applicable Federal and State regulations that govern the CACFP resulted in a total disallowed meals cost of \$6,128.58.

Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$6,128.58, which the institution owes the Department. **The procedures for submitting an appeal regarding the amount of overpayment are enclosed. Please note that the appeal must be in writing and must be received by our Department no later than fifteen (15) calendar days from your receipt of this letter.** 7 C.F.R. § 226.6(k). The appeal must be submitted to:

Tennessee Department of Human Services  
Appeals and Hearings Division, Clerk's Office  
P.O. Box 198996  
Nashville, TN 37219

If the Institution decides to appeal the amount of overpayment, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

In accordance with the CACFP regulations at 7 C.F.R. § 226.14(a), in part, the State agency must assess interest 30 days from the initial request for repayment. For information about applied interest rates please visit the following website:

[http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical\\_rates.htm](http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical_rates.htm)

## SUMMARY

The Department has determined that Darling Little Angels Childcare Center is seriously deficient in its operation of the CACFP and that Linda Britt, Director is responsible for the serious deficiencies.

You may not appeal the serious deficiency determination itself. If the Department proposes to terminate Darling Little Angels Childcare Center's CACFP agreement, or propose to disqualify Darling Little Angels Childcare Center and the responsible individuals, you will be able to appeal those actions and you will be advised of your appeal rights and the appeal procedures at that time.

Darling Little Angels Childcare Center may continue to participate in the CACFP during the corrective action period. The Department will pay any valid claims for reimbursement submitted by Darling Little Angels Childcare Center for the corrective action period. As always, you must submit claims within sixty (60) calendar days of the last day of the month covered by the claim. The Department will deny any portion of a claim we determine is invalid. If the Department denies payment of any portion of a claim submitted for the corrective action period, that action would be appealable.

To provide for the full and permanent correction of the serious deficiencies and findings, please complete the following actions within thirty (30) days of your receipt of this notice:

Darling Angels Childcare Center must complete the following actions within 30 days from the date of this report:

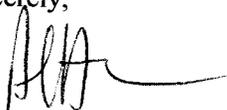
- Login to the Tennessee Information Payment System (TIPS) and revise the claim submitted for the center for May 2017, which contains the reconciled claim data from the enclosed exhibit.
- Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$6,128.58 for recovery of the amounts disallowed in this report. **Please return the attached billing notice with your check;** and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

[AuditServices.CAPS.DHS@tn.gov](mailto:AuditServices.CAPS.DHS@tn.gov)

If the Department does not receive the corrective action plan by the deadline date, or the Department determines that the corrective action plan does not provide for the full and permanent correction of the serious deficiencies and findings, the Department will propose to terminate the Institution's CACFP Provider Agreement and to disqualify you and the Institution from future CACFP participation by issuing a Notice of Proposed Termination and Disqualification.

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Jackie Yokley, Audit Director 2, at 615-837-5035 or [Jackie.D.Yokley@tn.gov](mailto:Jackie.D.Yokley@tn.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'AV', with a long horizontal flourish extending to the right.

Allette Vayda  
Director, CACFP & SFSP

Enclosures

**EXHIBIT**

**Sponsor: Darling Angels Childcare Center**

**Review Month/Year: May 2017**

**Total Meal Reimbursement Received: \$6,473.00**

<b>Site Meal Service Activity and Monitor Reconciliation</b>	<b>Reported on Claim</b>	<b>Reconciled Meals to Meal Counts Sheets</b>
Total Number of Days Food Served	22	15
Total Attendance	1,093	1,093
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXXXX	0%
Percentage of Participants in the Child Care Certificate Program (CCCP)	XXXXXXXX	63%
Number of Breakfasts Served	1,093	129
Number of Lunches Served	613	286
Number of Suppers Served	480	216
Number of Supplements Served	1,045	585
Number of Participants in Free Category	51	0
Number of Participants in Reduced Category	0	0
Number of Participants in Paid Category	0	51
Total Number of Participants	51	51
Total Amount of Eligible Food Costs	XXXXXXXX	\$402.80
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$928.71



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING  
400 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165  
TTY: 1-800-270-1349  
[www.tn.gov/humanservices](http://www.tn.gov/humanservices)

**BILL HASLAM**

GOVERNOR

**DANIELLE W. BARNES**

COMMISSIONER

October 27, 2017

Linda Britt, Director  
Darling Angels Childcare Center  
2206 Elvis Presley Boulevard  
Memphis, Tennessee 38106-7746

**Notice of payment due to findings disclosed in the monitoring report dated October 26, 2017 for Child and Adult Care Food Program (CACFP).**

Institution Name:	Darling Angels Childcare Center
Institution Address:	2206 Elvis Presley Boulevard
Agreement Numbers:	00-241
Amount Due:	\$6,128.58
Due Date:	November 27, 2017

Based on the monitoring report issued on October 27, 2017 by the Audit Services Division within the Tennessee Department of Human Services, the Community and Social Services- Food Programs- CACFP & SFSP management has agreed with the findings which requires Darling Angels Childcare Center to reimburse the Department of Human Services disallowed cost in the amount of \$6,128.58.

Please remit a check or money order payable to the *Tennessee Department of Human Services* in the amount of \$6,128.58 by the due date to:

**Tennessee Department of Human Services  
Fiscal Services 11<sup>th</sup> Floor  
Citizens Plaza Building  
400 Deaderick Street  
Nashville, Tennessee 37243-1403**

Please note that the unallowed cost / overpayment of the CACFP is subject to an interest charge. The interest charge will be waived if the payment is received by the due date. If payment is not received by the end of 5th day of the due date, an interest charge may be added to the original amount due and will be billed to your entity.

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director, Community and Social Services- Food Programs- CACFP & SFSP at (615) 313-3769 or [Allette.Vayda@tn.gov](mailto:Allette.Vayda@tn.gov).

Thank you for your attention



**CORRECTIVE ACTION PLAN  
CHILD AND ADULT CARE FOOD PROGRAM (CACFP)  
TENNESSEE DEPARTMENT OF HUMAN SERVICES (TDHS)**

**Instructions:** Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your Date of Birth on the first page; enter your name, title and date of signature on the last page. Sign your name in ink. **Please return ALL pages of the completed Corrective Action Plan form.**

<b>Section A. Institution Information</b>	
<b>Name of Institution</b> Darling Little Angels Childcare Center	<b>CACFP Agreement No.</b> 00-241
<b>Mailing Address:</b> 2206 Elvis Presley Boulevard Memphis, Tennessee 38106	
<b>Section B. Responsible Principal(s) and/or Individual(s)</b>	
<b>Name and Title:</b> Linda Britt, Director	<b>Date of Birth (s):</b>
<b>Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan</b>	
<b>SD Report:</b> October 27, 2017	<b>Corrective Action Plan:</b> October 27, 2017
<b>Section D. Findings</b>	
<b>Findings:</b>	
<ol style="list-style-type: none"> <li>1. The Sponsor did not have all records available for the test month</li> <li>2. The number of participants reported in the free and paid categories was incorrect</li> <li>3. The Sponsor reported incorrect meal counts</li> <li>4. The Sponsor did not maintain daily meal count records</li> <li>5. The Sponsor served meals that did not meet USDA meal pattern requirements</li> <li>6. Insufficient quantities of milk were purchased</li> <li>7. The Sponsor did not provide enrollment addendum forms for any of the participants for which the Sponsor submitted claim for reimbursement</li> <li>8. Sponsor did not have menu posted for the meal observed</li> <li>9. The Sponsor did not provide documentation of annual CACFP staff training</li> <li>10. The Sponsor did not maintain an inventory of food and non-food items purchased</li> </ol>	

11. The Sponsor did not maintain required financial records to document labor costs
12. The Sponsor did not maintain a financial ledger to document expenses associated with CACFP
13. An inventory of food and non-food items was not maintained
14. The Sponsor did not have adequate procurement standards

The following measures will be completed within **30 business days** of my institution's receipt of this corrective action plan:

**Measure No. 1: The Sponsor did not have all records available for the test month**

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No.2: The number of participants reported in the free and paid categories was incorrect.**

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

**Describe below the step-by-step procedures that will be implemented to correct the finding:**

---

---

---

---

---

---

---

---

**When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):**

---

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No. 3: The Sponsor reported incorrect meal counts**

The finding will be fully and permanently corrected.  
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

---

**Measure No. 4: The Sponsor did not maintain daily meal count records**

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No. 5: The Sponsor served meals that did not meet USDA meal pattern requirements**

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No. 6: Insufficient quantities of milk were purchased**

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No. 7: The Sponsor did not provide enrollment addendum forms for any of the participants for which the Sponsor submitted claim for reimbursement**

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No. 8: Sponsor did not have menu posted for the meal observed**

The finding will be fully and permanently corrected.  
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No. 9: The Sponsor did not provide documentation of annual CACFP staff training**

The finding will be fully and permanently corrected.  
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

\_\_\_\_\_

\_\_\_\_\_

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Measure No. 10: The Sponsor did not maintain an inventory of food and non-food items purchased**

The finding will be fully and permanently corrected.  
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No. 11: The Sponsor did not maintain required financial records to document labor costs**

The finding will be fully and permanently corrected.  
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

**Measure No. 12: The Sponsor did not maintain a financial ledger to document expenses associated with CACFP**

The finding will be fully and permanently corrected.  
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

---

---

---

---

---

---

---

---

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

---

---

---

---

---

---

---

---

Where will the Corrective Action Plan documentation be retained? Please identify below:

---

---

---

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

---

---

---

---

---

I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame.

\_\_\_\_\_  
Printed Name of Authorized Institution Official

\_\_\_\_\_  
Position

\_\_\_\_\_  
Signature of Authorized Institution Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized TDHS Official

\_\_\_\_\_  
Date

## **APPEAL PROCEDURES FOR CHILD AND ADULT CARE INSTITUTIONS AND SPONSORING AGENCIES**

### **Appeal Procedures**

1. Pursuant to 7 CFR §226.6(k)(4), the TN Department of Human Services (TDHS) must provide administrative review procedures to institutions and responsible principals and responsible individuals as follows:

- (a) Annually to all institutions;
- (b) To an institution and to each responsible principal and responsible individual when the State agency takes any action subject to an administrative review as described in 7 CFR §226.6(k)(2); and
- (c) Any other time upon request.

2. Pursuant to 7 CFR 226.6(k)(3) and (k)(9), some administrative actions are not subject to administrative review. Those actions are listed in paragraph 2.(a). Other administrative actions may be administratively appealed. Those actions are listed in paragraph 2.(b) and (c). All institutions and sponsoring agencies may appeal any adverse administrative action listed in paragraph 2.(b) which are taken by the TDHS by requesting a fair hearing to appear in person to refute the action, or by requesting a review of written information in lieu of a fair hearing.

(a) Pursuant to 7 CFR Part 226.6 (k)(3) TDHS is prohibited from offering administrative reviews of the following actions:

- (i) FNS decisions on claim deadline exceptions and requests for upward adjustments to a claim.
- (ii) Determination of serious deficiency.
- (iii) State agency determination that corrective action is inadequate.
- (iv) Disqualification and placement on State agency list and National disqualified list.
- (v) Termination.
- (vi) State agency or FNS decision regarding removal from the National disqualified list.
- (vii) State agency's refusal to consider an application submitted by an institution or facility on the National disqualified list.

(b) Pursuant to 7 CFR Part 226.6(k)(9), an abbreviated appeal process is available for the following actions. TDHS must limit the administrative review to a review of written submissions by the TDHS and institutions or sponsoring agencies concerning the accuracy of the State agency's determination if the application was denied, or the State agency proposes to terminate the institution's agreement because:

- (viii) The information submitted on the application was false;
- (ix) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is on the national disqualified list;
- (x) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is ineligible to participate in any other publicly funded program by reason of violation of the requirements of the program;

Appeal Procedures for Child and Adult Care Food Program-Institutions  
Revised March 2017

- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.

4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.

5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.

6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16<sup>th</sup> calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.

7. To be considered for a fair hearing or for a review of written information in lieu of a fair

Appeal Procedures for Child and Adult Care Food Program-Institutions  
Revised March 2017

hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:
  - (i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.
  - (ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.
  - (iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.
9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.
10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.
11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.
12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.
13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.
14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.
15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

Appeal Procedures for Child and Adult Care Food Program-Institutions  
Revised March 2017

continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

**Tennessee Department of Human Services**  
**Division of Appeals and Hearings**  
**PO Box 198996, Clerk's Office**  
**Nashville, TN 37219-8996**  
**Fax: (615) 248-7013 or (866) 355-6136**  
**E-mail: [AppealsClerksOffice.DHS@tn.gov](mailto:AppealsClerksOffice.DHS@tn.gov)**

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.