



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
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NASHVILLE, TENNESSEE 37243-1403

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BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

CERTIFIED MAIL RECEIPT #70163010000073891749

October 31, 2017

Wendy Kennedy, Board Chair
Essential Needs, Inc.
3455 Harris Drive
Atlanta, GA 30337

Valeria Anglin, Director
Essential Needs, Inc.
213 Walton Lane
Madison, TN 37115

RE: Notice of Serious Deficiency for the Child and Adult Care Food Program (CACFP) Agreement Number 00-265 and Demand for Overpayment.

Dear Ms. Kennedy and Ms. Anglin:

The Department of Human Services Audit Services staff conducted an on-site unannounced monitoring review of the Child and Adult Care Food Program (CACFP) at Essential Needs, Inc. (Sponsor), Application Agreement number 00-265, April 26, 2017. Additional information was requested and received on May 11, 2017. We reviewed the Sponsor's records of reimbursements and expenditures for February 2017. The purpose of this review was to determine if the Sponsor complied with *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, application agreement, and applicable Federal and State regulations.

The Sponsor had 91 feeding sites operating during the test month February 2017. Of those 91 feeding sites, we selected the following 25 feeding sites and conducted unannounced feeding site visit reviews at the homes of: Alonzo Tatum, Renita Tatum, Omni Starnes, Na'Janara Douglas, Staci Buford, Marilyn Ellison, Connie Sanders, Ashley Holbert, Sabrena Jones, Kristen Griffin, Briana Wigfall, Kristina Hale, Nakia Ridley, Valerie Patton, Karen Shakir, Demtrice Stanford, Cherrelle Mason, Tracy Hollimon, William Tabot, Carolyn Taylor, Shanelle Love, Alevian Bell, Early Toran, Chiquita Jefferson and Chantele Brown. Monitoring was conducted at the homes from January 30, 2017 through February 8, 2017.

SERIOUS DEFICIENCY DETERMINATION

Based on the monitoring review, the Department has determined that Essential Needs, Inc. is seriously deficient in its operation of the CACFP. In addition, the Department has identified Wendy Kennedy, Board Chair and Valeria Anglin, Director as responsible for the serious deficiencies in light of their responsibility for the overall management of Essential Needs, Inc.'s CACFP.

If Essential Needs, Inc. 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 Essential Needs, Inc.'s, agreement to participate in the CACFP;
- Propose to disqualify Essential Needs, Inc. from future CACFP participation; and
- Propose to disqualify Wendy Kennedy, Board Chair and Valeria Anglin, Director, from future CACFP participation.

In addition, if Essential Needs, Inc. voluntarily terminates its CACFP agreement after receiving this letter, the Department will propose to disqualify Essential Needs, Inc., Wendy Kennedy, Board Chair and Valeria Anglin, Director from future CACFP participation. If disqualified, Essential Needs, Inc., Wendy Kennedy, Board Chair and Valeria Anglin, Director will be placed on the National Disqualified List ("NDL"). While on the NDL, Essential Needs, Inc. will not be able to participate in the CACFP as an institution or facility. Wendy Kennedy, Board Chair and Valeria Anglin,, 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

The CACFP is a federally funded program that provides payments for eligible meals served to participants who meet age and income requirements. A family day care home (FDCH) is an organized nonresidential child care program for children, operated in a private home, and licensed or approved to provide care. In order to participate in CACFP, FDCHs must enter into an agreement with a Sponsor.

Each Sponsor shall receive payment for meals served to children enrolled in approved FDCHs based on daily meal counts taken in the home. The full amount of food service payments shall be disbursed to each FDCH on the basis of the number of meals served, by type, to enrolled children. The Sponsor shall receive payments for administrative cost. Administrative costs are determined by multiplying the number of active approved sites by \$112.00 for the first 50 FDCHs and \$86.00 for the next 150 FDCHs.

Our review of the Sponsor's records for February 2017 disclosed the following:

1. The Sponsor did not maintain an accurate list of active FDHCs

This is a Serious Deficiency:

Condition

Based on our on-site review of Essential Needs, Inc. records beginning on January 30, 2017, we noted that there were a number of providers that did not appear to exist. Also, there were homes that were no longer claiming meals for reimbursement under the Sponsor.

The following are the providers and the issues we observed:

Date	Provider/Site	Address and Current Status	Comments
1/30/17	Alonzo Tatum	536 Bluewater Drive Nashville, TN 37217 <i>Closed after visit</i>	The provider was not participating in CACFP during the visit to his home. The provider did not have enrollments or attendance for any children.
1/30/17	Chiquita Jefferson	3280 Debby Street #2 Memphis, TN 38127 <i>Closed after visit</i>	This provider left the program effective December 31, 2016. The provider did receive reimbursement from the Sponsor for October and November 2016.
2/3/17	Na'Janara Douglas	715 Woodland St Apt # 107 Nashville, TN 37209 The site was closed and the new address was not updated until February 6, 2017. This change was not approved as of February 16, 2017.	The provider moved and the Sponsor was aware of the move prior to the end of the month. The last day CACFP service provided was January 31, 2017.
2/3/17	Staci Bufford	1109 Westchester Dr. Nashville, TN 37207 <i>Closed after visit</i>	We arrived at 3:35 pm to observe a snack meal service. The provider did not answer the door.
2/3/17	Connie Sanders	4340 Princess Lane Nashville, TN 37218 <i>Closed after visit</i>	We arrived to the location at 7:30 pm to observe a snack meal service. The provider stated that she had not participated in the program as of December 30, 2016.
2/3/17	Ashley Holbert	5938 O'Brien Ave. Nashville, TN 37209 <i>Closed after visit</i>	We arrived at the location by 8:30 pm to observe a snack meal service. The provider was not home. A neighbor stated the property had been vacant since December 2016.
2/4/17	Sabrena Jones	3288 Anderson Rd Antioch, TN 37013 <i>Closed after visit</i>	We arrived at the location by 5:20 pm to observe a supper meal service. No one answered the door, and we stayed until 6 pm.
2/4/17	Kristen Griffin	2423 B Albion Street Nashville, TN 37208	We arrived at the location by 7:00 pm to observe a snack meal service. No one answered the

Date	Provider/Site	Address and Current Status	Comments
		<i>Closed after visit</i>	door, and we stayed until 8:15 pm.
2/6/17	Briana Wigfall	205 Vista Court Nashville, TN 37207 Site was inactive 2/1/17- 2/15/17	Did not provide documentation and stated she was unable to participate in the program currently. Briana claimed she will not provide care until after February 15, 2017. However the provider did not notify the Sponsor of the changes in her schedule. Ms. Wigfall has correctly provided documentation for all participants and did not claim for the period in which she was inactive.
2/8/17	Demtrice Standford	106 Dellway Villa Rd Nashville, TN 37207 <i>Closed after visit</i>	We arrived at the location at 4:20 pm to observe a snack meal service. The provider did not answer the door. We left the site at 4:55 pm and no meal was observed.

As a result, the Sponsor has updated the active providers.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.16 (e), states, "Each sponsoring organization shall comply with the recordkeeping requirements established in §§226.10(d) and 226.15(e) and any recordkeeping requirements established by the State agency in order to justify the administrative payments made in accordance with §226.12(a). Failure to maintain such records shall be grounds for the denial of reimbursement."

Recommendation

The Sponsor should establish proper internal controls to effectively ensure that all recordkeeping requirements are met. The Sponsor should ensure each provider updates and maintains required documentation for all participants. Additionally, the Sponsor should implement a notification system for schedule changes that requires providers to submit changes in a timely manner.

2. A FDCH did not have a menu posted for the meal observed

Condition

There was no menu posted during our visit to the home of Alonzo Tatum on January 30, 2017.

The Provider has been removed from Essential Needs Inc. as of February 2017, and the observed meals were not claimed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.18(b) states, "Day care homes participating in the program shall operate under the auspices of a public or private nonprofit sponsoring organization. Sponsoring organizations shall enter into a written permanent agreement with each sponsored day

care home which specifies the rights and responsibilities of both parties. Nothing in the preceding sentence shall be construed to limit the ability of the sponsoring organization to suspend or terminate the permanent agreement in accordance with §226.16(1). This agreement shall be developed by the State agency, unless the State agency elects, at the request of the sponsor, to approve an agreement developed by the sponsor. At a minimum, the agreement shall embody: ... (4) The responsibility of the day care home to maintain records of menus, and of the number of meals, by type, served to enrolled children; ... ”

Recommendation

The Sponsor should ensure each provider maintains required documentation and records, including menus.

3. Menus did not meet USDA component requirements

Condition

Our review of the Sponsor’s menus disclosed the following:

On February 2, 2017 we observed a meal served at Chantele Brown’s home. The provider served two chicken nuggets, chocolate pudding, green beans and milk. The observed meal was missing both a grain and 2nd fruit, vegetable, or juice. This meal will be disallowed for the provider.

On February 15, 2017 the Sponsor provided menus offered vanilla or chocolate pudding and milk. This menu did not offer a 2nd component, so all meals served according to this menu have been disallowed.

Date	Missing Component(s)	Provider	Number of Meals Disallowed
2/2/2017	Grain and 2 nd fruit/ vegetable/juice	Chantele Brown	10 Lunches
2/15/17	2 nd meal component	Chantele Brown	9 Snacks
2/15/17	2 nd meal component	Na’Janara Douglas	6 Snacks
2/15/17	2 nd meal component	Tracy Hollimon	7 Snacks
2/15/17	2 nd meal component	Cherelle Mason	3 Snacks
2/15/17	2 nd meal component	Valerie Patton	6 Snacks
2/15/17	2 nd meal component	Nakia Ridley	6 Snacks

Criteria

Title 7 of the Code of Federal Regulations, Section 226.18(b) states, “ Day care homes participating in the program shall operate under the auspices of a public or private nonprofit sponsoring organization. Sponsoring organizations shall enter into a written permanent agreement with each sponsored day care home which specifies the rights and responsibilities of both parties. Nothing in the preceding sentence shall be construed to limit the ability of the sponsoring organization to suspend or terminate the permanent agreement in accordance with §226.16(1). This agreement shall be developed by the State agency, unless the State agency elects, at the request of the sponsor, to approve an agreement developed by the sponsor. At a minimum, the agreement shall embody: ... (3) The responsibility of the day care home to prepare and serve meals which meet the meal patterns specified in §226.20; ...”

Recommendation

The Sponsor should ensure the menus are in compliance with the USDA guidelines.

As a result, 10 lunches and 37 snacks were disallowed. (See Exhibit A)

4. Infant menus were not maintained

Condition

During our on-site visit for Cherelle Mason conducted on February 8, 2017, we noted that childcare was provided for two infants. The provider did not maintain infant menus for these two participants.

Training has been provided to Ms. Mason, but infant menus were not provided during the monitoring of the Sponsor. One infant was not claimed during the reimbursement period. All meals for the infant that was claimed have been disallowed for the entire month.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.18 (e), states, "Each day care home must maintain on file documentation of each child's enrollment and must maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children. 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. Each tier II day care home in which the provider elects to have the sponsoring organization identify enrolled children who are eligible for free or reduced price meals, and in which the sponsoring organization employs a meal counting and claiming system in accordance with §226.13(d)(3)(i), shall maintain and submit each month to the sponsoring organization daily records of the number and types of meals served to each enrolled child by name. Payment may be made for meals served to the provider's own children only when (1) such children are enrolled and participating in the child care program during the time of the meal service, (2) enrolled nonresident children are present and participating in the child care program and (3) providers' children are eligible to receive free or reduced-price meals. Reimbursement may not be claimed for meals served to children who are not enrolled, or for meals served at any one time to children in excess of the home's authorized capacity or for meals served to providers' children who are not eligible for free or reduced-price meals."

Recommendation

The Sponsor should ensure each provider maintains required documentation and records, including infant menus.

As a result 14 breakfasts, three supplements and five suppers have been disallowed. (See Exhibits A & F)

5. Meal counts and attendance sheets were not maintained

Condition

During our on-site visit for Cherelle Mason conducted on February 8, 2017, we noted that the childcare was provided for two infants. The provider stated that she provides after-school care for children and that the meal counts and attendance sheets were incomplete.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.1 (b)(1) states that it is the responsibility of the day care home to maintain records of menus, and of the number of meals, by type, served to enrolled children.

Recommendation

The Sponsor should implement the following internal controls:

- Communicate to all providers that meal counts are required to be documented;
- Ensure providers complete and reconcile meal count sheets; and
- Maintain onsite supply of blank meal count sheets.

The meal for the infant has been disallowed in previous finding. (See Exhibits A & F)

6. Enrollment addendum forms were not maintained for all participants

Condition

During our on- site visits to the providers, we were unable to verify if all the participants were properly enrolled by the providers.

The following are the providers and the issues noted:

Date	Provider	Address and Current Status	Comments
1/30/17	Alonzo Tatum	536 Bluewater Drive Nashville, TN 37217	The provider was reported as an active site in TIPS, but stated he was not participating in CACFP during the visit. He did not have enrollments or attendance for any of the children. This home was closed after our visit.
1/30/17	Renita Tatum	536 Bluewater Drive Nashville, TN 37217	The provider was missing enrollment forms for children present during the visit.
2/1/2017	Chantelle Brown	505 Bob White Court Nashville, TN 37218	The provider was missing three enrollment forms.
2/1/17	Carolyn Taylor	3280 Debby Street Memphis, TN 38127	The provider did not have enrollment forms on file for the children. Ms. Taylor did not claim for February 1, 2017 and has been removed from Essentials Needs Inc. as a provider.
2/3/16	Marilyn Ellison	509 31st Ave. Nashville, TN 37209	The provider stated that the children were all out sick and no meals would be claimed for the day. No enrollment forms were available for participants. This home was closed on February 16, 2017, after Sponsor visited for additional documents.
2/8/17	Cherelle Mason	1408 A Cecelia Ave Nashville, TN 37208	The provider had two enrollments missing from the Sponsor visit.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.18 (e), states, "Each day care home must maintain on file documentation of each child's enrollment and must maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children... ."

Recommendation

The Sponsor should ensure each provider maintains required documentation and records, including enrollment addendum forms, for all participants.

7. There were meals served outside of approved meal service times

Condition

During our site visits we noted that some providers had changed their meal times without prior approval from the Sponsor.

The following are the providers and the issues we observed:

Date	Provider	Address	Comments
2/7/16	Nakia Ridley	1205 Meharry Blvd Nashville, TN 37208	We arrived at the location at 11:15 am to observe a lunch service approved to begin at 11:30 am. The provider stated her children were asleep and that she was unable to provide any documentation. Also, she stated her meal times had changed to 10:30 to 11:00 am. ¹
2/7/16	Valerie Patton	705 28th Ave North Nashville, TN 37208 Meals were not claimed for this day.	We arrived at the location at 11:30 am for to observe a lunch at the approved serving time of 12:00 pm. The provider stated that her children were feed at 10:30, and that she feeds from 10:30 to 11:00 am. The approved service time in TIPS was 12:00 - 12:30 pm. ¹
2/8/16	Cherelle Mason	1408 A Cecilia Ave Nashville, TN 37208	We arrived at 7:45 am and the provider stated she had already served breakfast. ¹

¹ At the time of the visit no active or pending changes were noted in TIPS

As a result, Nakia Ridley was disallowed for seven lunches. (See Exhibits A & H)

The meals claimed for Cherelle Mason were disallowed in a previous finding. No meals were disallowed for Valerie Patton as she did not claim the meal we attempted to observe.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.18 (d) states, "Each day care home participating in the program shall serve the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20. Menu records shall be

maintained to document compliance with these requirements. Meals shall be served at no separate charge to enrolled children.”

Recommendation

The Sponsor should ensure that meals are served within the approved time, and that providers understand the requirements for making changes to meal service times.

8. One FDH claimed meals in excess of the approved capacity

Condition

Chantelle Brown claimed 10 children; however, the provider was only approved to serve nine children.

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....”

As a result, 20 lunches, 20 suppers and 20 snacks were disallowed. (See Exhibits A & B)

Recommendation

The Sponsor should ensure that the meals claimed do not exceed the approved capacity for the home and should only claim for meals served.

9. The Sponsor allowed two providers to operate during the same shift and serve the same meal

This is a Serious Deficiency:

Condition

During our on-site visit monitoring, we identified several sites that had two providers assigned to the same address for CACFP meal services. The providers were not operating under different shifts according to the guidelines for having two approved providers at one location.

The following are the providers and the issues noted:

Date	Provider	Location and Current Status	Comments
1/30/17	Alonzo Tatum	536 Bluewater Drive Nashville, TN 37217 <i>Closed after visit</i>	The provider was closed the next day after the visit due to noncompliance by the Sponsor.
1/30/17	Renita Tatum	536 Bluewater Drive Nashville, TN 37217	This provider continues to have children at her location and dropped several children prior to the follow-up visit 2/1/17 to accommodate the capacity limits.
2/1/17	Carolyn Taylor	3280 Debby Street Memphis, TN 38127	The provider did not have enrollment forms on file for the participants. Additionally, the

Date	Provider	Location and Current Status	Comments
			provider had 12 children with perfect attendance that were served meals for every approved meal every day except for the day we monitored. There were seven children missing during our visit.
2/1/17	Chiquita Jefferson	3280 Debby Street #2 Memphis, TN 38127 <i>Closed after visit</i>	The provider has closed since our visit on 2/1/17. The provider was not present upon our arrival.
2/1/17	Tracy Hollimon	1825 S. Perkins Memphis, TN 38117	The provider advised DHS Staff that the Sponsor told them they could operate two programs under one roof in two different rooms. However, the meal service was identical to William Tabor.
2/1/17	William Tabor	1825 S. Perkins #2 Memphis, TN 38117	The provider advised DHS Staff that the Sponsor told them they could operate two programs under one roof in two different rooms. However, the meal service was identical to Tracy Hollimon.
2/1/17	Alevian Bell	1145 Colliers Bend Rd Dickson, TN 37036	Shannell Love the mother of Alevian Bell stated she was away at college in McKenzie, TN. Shannell mentioned that her daughter will be heading up the summer food program during her college break.
2/1/17	Shannell Love	1145 Colliers Bend Rd Dickson, TN 37036	The provider answered the door holding a child in her arms which appeared to be between the ages of 1 and 2 and later determined the child was her son. During the interview, she stated that she serves breakfast, snack and lunch at the site. We noticed that no other children were present. On 2/7/174 we conducted a follow-up to confirm attendance. The provider only had one child, her son, as was observed in the previous visit. She stated that her child had the flu and closed her daycare for the week due to his illness.
1/31/17	Early Toran	505 Bob White Court Nashville, TN 37207	The provider was serving lunch to the children and the meals were served at the same time as the other provider located in the home.
2/2/2017	Chantelle Brown	505 Bob White Court Nashville, TN 37207	The provider was serving lunch to the children and the meals were served at the same time as the other provider located in the home.

Criteria

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual p. 81: states, “no more than one (1) home per provider may participate in the program. In instances where more than one provider operates out of the same residence, both individuals must be licensed or CACFP approved at the same residence, care for different children on different operating shifts, and participate under the same Sponsor.”

Recommendation

The Sponsor should follow the policies and procedures that govern the operation of multiple sites at one location.

10. The Sponsor did not have approval from DHS to use CACFP funds for personal expenditures.

This is a Serious Deficiency:

Condition

Based on our review of the Sponsor’s accounting record transactions, we noted the following personal expenditures that were expensed to the CACFP Program:

Vendor	General Ledger Date	Check	Check Total	Unallowable Cost
Aspen Dental	Miscellaneous 12/14/2016	Check Card	\$439.80	Personal Dental Expense
Walmart	Supplies - 12/27/2016	Check Card	\$168.33	Purchase of X-box games and movie DVDs.
Payable to Director	Note Payable 12/29/2016	Check	\$900.00	Loan repayment for Director
Payable to Director	Note Payable 12/20/16	Check	\$500.00	Loan repayment for Director

Total \$2,008.13

Criteria

USDA Guidance for Management Plans and Budgets, Page 40 titled. Unallowable Costs vs. Unapproved Costs; states "When a State agency finds that CACFP funds have been used to pay for an unapproved cost, the State agency must disallow the cost. Even if the expenditure would have been allowable had it received prior approval, the cost becomes an unallowable cost. The State agency can either request that the funds be returned to the State agency or off-set future payments; either of these actions is appealable."

USDA Guidance for Management Plans and Budgets, Page 43 titled. Revising or Amending Budgets; states "An organization is prohibited from spending CACFP funds in accordance with the amended budget until the amendments have been reviewed and approved by the State agency."

Recommendation

The Sponsor should obtain approval from DHS program management to use CACFP funds for all expenditures relative to the terms of the agreement and applicable regulations.

Technical Assistance Provided

There were a number of sites that were closed after we attempted to complete our monitoring. These homes did not receive reimbursement for meals for the month of February 2017. The homes that were closed were: Karen Shakir, Na'Janara Douglas, Staci Bufford, Connie Sander, Ashley Holbert, Sabrena Jones, Kristen Griffin, Alonzo Tatum, Alevian Bell, Chiquita Jefferson and Marilyn Ellison.

On March 27, 2017, the Sponsor was provided technical assistance in person by the DHS program personnel. The DHS monitoring staff explained site eligibility, how to complete attendance and meal count documents, proper recordkeeping, and provided monitoring assistance.

We noted that the Sponsor attempted and in many cases resolved issues/findings noted during our review for February 2017, and mitigated errors in claiming for reimbursement.

OVERPAYMENT-RIGHT TO APPEAL

Unallowable Administrative Cost

The total unallowable cost for questionable disbursements and expenditures not approved in the budget is \$2,008.13. The Sponsor should **reimburse their CACFP food service account** with non-program funds in the amount of \$2,008.13.

Disallowed Meals Cost

Based on our review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed meals cost of **\$290.85**.

Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$290.85, 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

SUMMARY

The Department has determined that Essential Needs, Inc. is seriously deficient in its operation of the CACFP and that Wendy Kennedy, Board Chair and Valeria Anglin, Director is responsible for the serious deficiencies.

You may not appeal the serious deficiency determination itself. If the Department proposes to terminate Essential Needs, Inc.'s CACFP agreement, or propose to disqualify Essential Needs, Inc. 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.

Essential Needs, Inc. may continue to participate in the CACFP during the corrective action period. The Department will pay any valid claims for reimbursement submitted by Essential Needs, Inc. 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:

Essential Needs, Inc. must complete the following actions within 30 days from the date of this report:

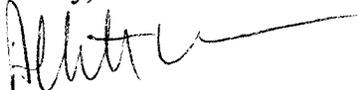
- Login to the Tennessee Information Payment System (TIPS) and revise the claim submitted for the center for February 2017, which contains the reconciled claim data from the enclosed exhibit.
- Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$290.85 for recovery 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

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.

Sincerely,



Allette Vayda
Director, CACFP & SFSP

Enclosures

EXHIBIT A

Verification of CACFP Claim for Home Sponsor

Sponsor: Essential Needs, Incorporated
Review Month/Year: February 2017
Total Amount Paid to Sponsor for Reported Meals: \$35,931.33
Total Amount Paid by Sponsor to Homes for Meals: \$29,987.33
Total Sponsor Admin Paid: \$5,944.00
Total Sponsor Admin Due Based on Number of Homes: \$5,944.00
Total Admin Expenses verified for the Review Month: \$3,624.76

Program Area	Reported on Claim	Reconciled to Meal Counts
Total Tier 1 Attendance	420	420
Number of Tier 1 Breakfasts Served	5,108	5,091
Number of Tier 1 AM Supplements Served	230	230
Number of Tier 1 Lunches Served	3,613	3,576
Number of Tier 1 PM Supplements Served	5,668	5,608
Number of Tier 1 Suppers Served	3,955	3,930
Number of Tier 1 Evening Supplements Served	511	511
Total Number of Tier 1 Homes Claimed	54	54

EXHIBIT B

Individual Home Review Data

Name of Home/Tier Type: Chantelle Brown/Tier 1
Sponsor Reimbursement Paid to the Home: \$1,098.29
Reimbursement due based on Reported Information: \$1,098.29
Reimbursement due based on Verified Information: \$903.85

Program Area	Reported	Reconciled to Meal Counts
Number of Days that CACFP Food Service was operated	20	20
Total Tier 1 Average Attendance	10	9

Number of Tier 1 Lunches Served	197	167
Number of Tier 1 Suppers Served	191	171
Number of Tier 1 Supplements Served	197	168

EXHIBIT C

Individual Home Review Data

Name of Home/Tier Type: Na'Janara Douglas/Tier 1
Sponsor Reimbursement Paid to the Home: \$397.80
Reimbursement due based on Reported Information: \$397.80
Reimbursement due based on Verified Information: \$392.64

Program Area	Reported	Reconciled to Meal Counts
Number of Days that CACFP Food Service was operated	18	18
Total Tier 1 Average Attendance	6	6
Number of Tier 1 Lunches Served	45	45
Number of Tier 1 Suppers Served	90	90
Number of Tier 1 Supplements Served	90	84

EXHIBIT D

Individual Home Review Data

Name of Home/Tier Type: Kristina Hale/Tier 1
Sponsor Reimbursement Paid to the Home: \$619.96
Reimbursement due based on Reported Information: \$619.96
Reimbursement due based on Verified Information: \$619.96

Program Area	Reported	Reconciled to Meal Counts
Number of Days that CACFP Food Service was operated	20	20
Total Tier 1 Average Attendance	7	7
Number of Tier 1 Lunches Served	99	99
Number of Tier 1 Suppers Served	118	118
Number of Tier 1 Supplements Served	118	118

EXHIBIT E

Individual Home Review Data

Name of Home/Tier Type: Tracy Hollimon/Tier 1
Sponsor Reimbursement Paid to the Home: \$575.10
Reimbursement due based on Reported Information: \$575.10
Reimbursement due based on Verified Information: \$569.08

Program Area	Reported	Reconciled to Meal Counts
Number of Days that CACFP Food Service was operated	20	20
Total Tier 1 Average Attendance	9	9
Number of Tier 1 Breakfast Served	177	177
Number of Tier 1 Lunches Served	87	87
Number of Tier 1 Supplements Served	177	170

EXHIBIT F**Individual Home Review Data**

Name of Home/Tier Type: Charelle Mason/Tier 1
Sponsor Reimbursement Paid to the Home: \$296.83
Reimbursement due based on Reported Information: \$296.83
Reimbursement due based on Verified Information: \$245.65

Program Area	Reported	Reconciled to Meal Counts
Number of Days that CACFP Food Service was operated	14	14
Total Tier 1 Average Attendance	6	6
Number of Tier 1 Breakfast Served	61	44
Number of Tier 1 Supper Served	68	63
Number of Tier 1 Supplements Served	68	62

EXHIBIT G**Individual Home Review Data**

Name of Home/Tier Type: Valerie Patton/Tier 1
Sponsor Reimbursement Paid to the Home: \$955.58
Reimbursement due based on Reported Information: \$955.58
Reimbursement due based on Verified Information: \$950.42

Program Area	Reported	Reconciled to Meal Counts
Number of Days that CACFP Food Service was operated	21	21
Total Tier 1 Average Attendance	9	9
Number of Tier 1 Lunches Served	170	170
Number of Tier 1 Suppers Served	168	168
Number of Tier 1 Supplements Served	170	164

EXHIBIT H**Individual Home Review Data**

Name of Home/Tier Type: Nakia Ridley/Tier 1
Sponsor Reimbursement Paid to the Home: \$464.22
Reimbursement due based on Reported Information: \$464.22
Reimbursement due based on Verified Information: \$435.33

Program Area	Reported	Reconciled to Meal Counts
Number of Days that CACFP Food Service was operated	19	19
Total Tier 1 Average Attendance	6	6
Number of Tier 1 Breakfast Served	113	113
Number of Tier 1 Lunch Served	95	88
Number of Tier 1 Supplements Served	113	107

EXHIBIT I**Individual Home Review Data**

Name of Home/Tier Type: Briana Wigfall/Tier 1
Sponsor Reimbursement Paid to the Home: \$420.75
Reimbursement due based on Reported Information: \$420.75
Reimbursement due based on Verified Information: \$420.75

Program Area	Reported	Reconciled to Meal Counts
Number of Days that CACFP Food Service was operated	9	9
Total Tier 1 Average Attendance	9	9
Number of Tier 1 Lunch Served	66	66
Number of Tier 1 Supper Served	81	81
Number of Tier 1 Supplements Served	81	81



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

TELEPHONE: 615-532-4528 FAX: 615-741-4165
 TTY: 1-800-270-1349
 www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

October 31, 2017

Wendy Kennedy, Board Chair
 Essential Needs, Inc.
 3455 Harris Drive
 Atlanta, GA 30337

Notice of payment due to findings disclosed in the monitoring report dated October 23, 2017 for the Child and Adult Care Food Program (CACFP).

Institution Name:	Essential Needs, Inc.
Institution Address:	3455 Harris Drive Atlanta, GA 30337
Agreement Numbers:	00-265
Amount Due:	\$290.85
Due Date:	December 1, 2017

Based on the monitoring report issued on October 23, 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 require your institution to reimburse the Department of Human Services disallowed meals cost.

Please remit a check or money order payable to the *Tennessee Department of Human Services* in the amount of \$290.85 by the due date to:

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

Please note that the disallowed meals 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

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.**

Section A. Institution Information	
Name of Institution Essential Needs, Inc.	CACFP Agreement No. 00-265
Mailing Address: 213 Walton Lane Madison, Tennessee 37115	
Section B. Responsible Principal(s) and/or Individual(s)	
Name and Title: Valeria Anglin, Director Wendy Kennedy, Board Chair	Date of Birth (s):
Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan	
SD Report: October 31, 2017	Corrective Action Plan: October 31, 2017
Section D. Findings	
Findings:	
<ol style="list-style-type: none"> 1. The Sponsor did not maintain an accurate list of active FDHCs 2. A FDCH did not have a menu posted for the meal observed 3. Menus did not meet USDA component requirements 4. Infant menus were not maintained 5. Meal counts and attendance sheets were not maintained 6. Enrollment addendum forms were not maintained for all participants 7. There were meals served outside of approved meal service times 8. One FDH claimed meals in excess of the approved capacity 9. The Sponsor allowed two providers to operate during the same shift and serve the same meal 10. The Sponsor did not have approval from DHS to use CACFP funds for personal expenditures 	

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 maintain an accurate list of active FDHCs

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: A FDCH did not have a 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. 3: Menus did not meet USDA component 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. 4: Infant menus were not maintained

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: Meal counts and attendance sheets were not maintained

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: Enrollment addendum forms were not maintained for all participants

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: There were meals served outside of approved meal service times

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: One FDH claimed meals in excess of the approved capacity

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 allowed two providers to operate during the same shift and serve the same meal

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 have approval from DHS to use CACFP funds for personal expenditures

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
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- (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 16th 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

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

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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

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.