



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

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GOVERNOR

**DANIELLE W. BARNES**  
COMMISSIONER

CERTIFIED MAIL RECEIPT #70163010000073891633

September 22, 2017

Harry Smith, Owner  
Danielle Smith, Executive Director  
Kids First Enrichment Center  
3525 Hickory Hill Road  
Memphis, Tennessee 38115-3832

**RE: Notice of Serious Deficiency for the Child and Adult Care Food Program (CACFP)  
Agreement Number 00-349 and Demand for Overpayment.**

Dear Mr. Smith:

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 Kids First Enrichment Center (Sponsor), Application Agreement 00-349, on May 16, 2017. We reviewed the Sponsor's records of reimbursements and expenditures for April 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.

**SERIOUS DEFICIENCY DETERMINATION**

Based on the monitoring review, the Department has determined that Kids First Enrichment Center is seriously deficient in its operation of the CACFP. In addition, the Department has identified Harry Smith, Owner and Danielle Smith, Executive Director as responsible for the serious deficiencies in light of their responsibility for the overall management of Kids First Enrichment Center's CACFP.

If Kids First Enrichment 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 Kids First Enrichment Center, agreement to participate in the CACFP;

- Propose to disqualify Kids First Enrichment Center from future CACFP participation; and
- Propose to disqualify Harry Smith, Owner and Danielle Smith Executive Director, from future CACFP participation.

In addition, if Kids First Enrichment Center voluntarily terminates its CACFP agreement after receiving this letter, the Department will propose to disqualify Kids First Enrichment Center and Harry Smith, Owner and Danielle Smith, Executive Director from future CACFP participation. If disqualified Kids First Enrichment Center, Harry Smith, Owner and Danielle Smith, Executive Director will be placed on the National Disqualified List (“NDL”). While on the NDL, Kids First Enrichment Center will not be able to participate in the CACFP as an institution or facility. Harry Smith, Owner and Danielle Smith, Executive 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 supplement meals served. 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. We also assessed compliance with civil rights requirements and observed a meal service on April 13, 2017.

Our review of the Sponsor’s records for the test month of April 2017 disclosed the following:

**1. Kids First Enrichment Center did not provide records on request, as required by the grant agreement**

**This is a Serious Deficiency:**

Condition

DHS Audit Services staff performed an unannounced visit on April 13, 2017. On the date of our visit, we requested certain records. Kids First’s management did not provide any of the requested records on April 13, 2017.

<b>Record Requested</b>	<b>Result of Request</b>
Income Eligibility Applications	Did not exist on April 13, 2017. Offered by Sponsor and rejected by Audit Services on May 16, 2017 because the documents appeared questionable.
Enrollment Addendum Forms	Did not exist on April 13, 2017. Offered by Sponsor and rejected by Audit Services on May 16, 2017 because the forms were mostly blank.
Documentation of Annual Training	None provided
Child Nutrition labels/Product Formulation Statements	None provided
Infant menus	None provided
Meal Count Sheets	<p>Audit Services staff requested April 1-13, 2017 meal count sheets on April 13, 2017. Meal count sheets did not exist on this date. The Sponsor stated that he created them at the end of each month.</p> <p>On May 16, 2017, the Sponsor presented meal count sheets that he stated were for the month of April 2017. Audit Services staff questioned the validity of documents purported to represent the period from April 1-13, 2017 for two reasons.</p> <ul style="list-style-type: none"> <li>• First, the Sponsor had previously stated that these records did not exist on April 13, 2017.</li> <li>• Second, the ink was so wet on the documents, 3 members of the Audit Services staff stated that they could smell the ink.</li> </ul>
Meal Count Sheets	Requested and received for April 14-30, 2017 on May 16, 2017. These documents were accepted by Audit Services staff.
Receipts to support food program purchases	None provided.

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.”

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p.23) 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".

#### Recommendation

The Sponsor should ensure that all records associated with the CACFP program are maintained and available upon request.

This is a repeat finding from a previous report dated July 20, 2016.

## **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 the test month reported 182 participants in the free category, zero participants in the reduced-price category and 10 participants in the paid category. However, based on our review of the Sponsor's available records, we noted there were zero participants in the free category, zero participants in the reduced-price category and 109 participants in the paid category. The differences were based on the following:

- The Sponsor did not have applications on file on April 13, 2017, the day of the meal observation, for any of the participants claimed for April 2017. According to the attendance roster, there were 109 participants for the review month. All participants were reclassified as paid.
- The number of participants reported in the free category was over reported by 83.

There were 192 participants reported in the program but only 109 participants were noted based on the available records.

#### Criteria

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

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 18) 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."

### Recommendation

The Sponsor should ensure that each participant is classified and reported according to the income eligibility application for child care center participants and kept on file.

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

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

##### Condition

The Claim for Reimbursement for the test month had 2,889 breakfasts, 2,101 lunches, and 3,060 supplements served. However, our review of Sponsor's available records showed 2,450 breakfasts, 1,304 lunches and 2,603 supplements prior to any meal disallowances. The Sponsor over reported by 439 breakfasts, 797 lunches and 457 supplements.

##### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.10 (c)* states, in part, "... 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 Child and Adult Care Food Program Policies and Procedures Manual (p. 41) states that "All independent child care centers, outside-school-hours centers, and sponsoring organizations of child care centers must submit to the TDHS accurate monthly reports on the number of meals served."

##### Recommendation

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

### **4. The Sponsor did not provide documentation of daily meal count records at the time of the meal observation**

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

##### Condition

On April 13, 2017, The Department of Human Services Audit Services staff conducted an unannounced on-site lunch meal observation and requested meals count documentation from the beginning of the month through breakfast of the observation date. The owner stated that meal counts are completed at the end of each month. Meal counts are required to be taken on a daily basis. Staff returned on May 15, 2017 for the Sponsor visit and meal counts were provided beginning April 10, 2017. The cost reimbursement for meals from April 10, 2017 through April 13, 2017 breakfast are disallowed. The Sponsor had 644 breakfast meals, 258 lunch meals and 517 supplements documented.

##### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.15 (e) (4) states that "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 Child and Adult Care Food Program 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 meal count records of meals served are completed daily by age group for participants and kept on file.

**5. There were menus that did not meet USDA meal pattern requirements**

**This is a Serious Deficiency:**

The menus provided for Premier Kids Enrichment Center had menu deficiencies and listed the following:

Condition

<b>Date</b>	<b>Deficient Component</b>	<b>Disallowed Meals (# and type)</b>
04/14/17	Deficient component: A second creditable component Menu listed: Cheetos and 100% Apple Juice The Cheetos are not creditable.	178 Supplements
04/17/17	Deficient component: Meat/meat alternative Menu listed: Corn dogs, corn, milk, apples and a roll. The sponsor did not provide a Child Nutrition label or product formulation statement for the corn dogs. The amount of protein could not be determined.	87 Lunches
04/17/17	Deficient component: A second creditable component Menu listed: Fruit bars and 100% grape juice Fruit bars and 100% grape juice are both considered to be fruits. In order for a supplement to be reimbursable, two separate components must be served.	176 Supplements
04/18/17	Deficient component: Meat/meat alternative Menu listed: Chicken nuggets, bread, green beans, pineapples, milk and a roll The sponsor did not provide a Child Nutrition label or product formulation statement for the chicken nuggets therefore the amount of protein could not be determined.	90 Lunches
04/18/17	Deficient component: A second creditable component Menu listed: Pudding and 100% grape juice The pudding is not a creditable component.	177 Supplements

<b>Date</b>	<b>Deficient Component</b>	<b>Disallowed Meals (# and type)</b>
04/20/17	Deficient component: A second creditable component. Menu listed: Fudge Bar and 100% apple juice The fudge bar is not creditable component.	172 Supplements
04/21/17	Deficient component: A second creditable component. Menu listed: Chips and 100% grape juice The chips are not creditable as a component.	177 Supplements
04/24/17	Deficient component: A second creditable component Menu listed: Fruit bars and 100% grape juice Fruit bars and 100% grape juice are both considered to be fruits. In order for a supplement to be reimbursable, two separate components must be served.	178 Supplements
04/25/17	Deficient component: Meat/meat alternative. Menu listed: chicken nuggets, sliced bread, milk, corn, and fruit cocktail. The sponsor did not provide a Child Nutrition label or product formulation statement for the chicken nuggets therefore the amount of protein could not be determined	90 Lunches
04/26/17	Deficient component: Meat/meat alternative. Menu listed: Fish sticks, mix vegetables, sliced bread, milk, and apples The sponsor did not provide a Child Nutrition label or product formulation statement for the fish therefore the amount of protein could not be determined	84 Lunches
04/26/17	Deficient component: A second creditable component. Menu listed: Cheeseballs and 100% apple juice The cheeseballs are not creditable	168 Supplements
04/27/17	Deficient component: Meat/meat alternative. Menu Listed: Corn Dogs, Carrots, a roll, milk, tropical fruit The sponsor did not provide a child Nutrition label or product formulation statement for the corn dogs therefore the amount of protein could not be determined.	85 Lunches
04/27/17	Deficient component: A second creditable component Menu listed: Fruity bar and 100% grape juice A Fruity bar and 100% grape juice are both considered to be fruit components. In order for a supplement to be reimbursable, two separate components must be served	169 Supplements
04/28/17	Deficient component: Meat/meat alternative Menu listed: Fish sticks, sliced bread, green beans, milk and fruit cocktail The sponsor did not provide a Child Nutrition label or product formulation statement for the fish therefore the amount of protein could not be determined	86 Lunches
04/28/17	Deficient component: A second creditable component. Menu listed: Chips and 100% grape juice Chips are not a creditable component	169 Supplements

Therefore, the cost reimbursement for 522 lunch meals and 1,564 supplements were disallowed.

Criteria

*Title 7 of the Code of Federal Regulations, Section 226.17(b)(4)* states, “Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ...”

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 23) 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.”

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, “When crediting such products as chili-macs, pizzas, pot pies, sloppy Joes, and raviolis toward the meat/meat alternate component, the amount of meat/meat alternate per serving (not the total portion size) is the determining factor for crediting purposes. Because of the uncertainty of the actual amount of meat/meat alternate contained in these 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.”

The USDA Crediting Foods in the Child and Adult Care Food Program, page 38, states, “potato chips are a snack food and are not creditable.”

#### Recommendation

The Sponsor should implement the following:

- The Sponsor should keep copies of commercially prepared food CN labels or Product Formulation Statements on file and follow the recommended serving sizes/equivalents listed on the label.
- The Sponsor should ensure all meals prepared meet the meal patterns established by the USDA, and menus should be reviewed to ensure they contain all required meal components to be eligible as a reimbursable meal.

### **6. The Sponsor could not verify the quantities of milk that were purchased**

#### Condition

Based on the number of meals served with milk as a required component, a total of 14,252 ounces were needed. However, the Sponsor did not provide receipts or invoices showing milk purchases for the month of April 2017 which resulted in a milk shortage. The Sponsor did not have a milk inventory worksheet to verify the quantities of milk left at the end of March 2017 and available April 1, 2017. As a result, the cost reimbursement for 1,806 breakfast meals and 451 lunch meals were disallowed.

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.14 (b)* states, “In the event that the State agency finds that an institution which prepares its own meals is failing to meet the meal requirements of § 226.20, the State agency need not disallow payment or collect an overpayment arising out of such failure if the institution takes such other action as, in the opinion of the State agency, will have a

corrective effect. However, the State agency shall not disregard any overpayments or waive collection action arising from the findings of Federal audits.”

*Title 7 of the Code of Federal Regulations, Section 226.20 (c)(2) states, “Lunch and supper. Fluid milk, meat and meat alternatives, vegetable, fruits, and grains are required components in the lunch and supper meals. ...”*

### Recommendation

The Sponsor should

- purchase enough milk to provide all participants with the required ounces of milk for meals that are claimed for reimbursement,
- should maintain receipts to verify the purchase of the food items identified on the menus, and
- should complete a monthly milk inventory which is completed on the last day of operation for each month and list the amount of milk purchased and not used during the month and is available at the close of business on the last day of operation of that month.

## **7. The Sponsor did not maintain infant menus or infant meal counts**

### Condition

The Sponsor provided attendance for 16 infants. However, the Sponsor did not provide meal counts or menus to support a claim for participants under 12 months.

### 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. ...

(10) Copies of menus, and any other food service records required by the State agency; ...”

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 23) states that “An institution must maintain daily meal counts listing the number of meals by type and age group served to children (claiming percentage); or daily meal counts by name, eligibility and meal type (actual count)”

### Recommendation

The Sponsor should maintain menus for all participants of the CACFP Program. Also, the Sponsor management should review the menus to ensure they contain all required meal components to be eligible as a reimbursable meal.

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

### Condition

During our an announced site visit to observe meal service, there was no menu posted at the time of the meal service observation on April 13, 2017, or Also, there were no menus posted during our sit visit to the Sponsor on May 16, 2017.

This is a repeat finding from a previous report dated July 20, 2016.

### Criteria

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p.23-24) states that “An institution must maintain: each menu is posted in a conspicuous place for all parents and guardians to observe.”

### Recommendation

The Sponsor should ensure that the menu is posted in a conspicuous place where parents and guardians can view.

## **9. A meal observed did not meet USDA component requirements**

### Condition

The lunch meals served on April 13, 2017 consisted of hamburger steak, green beans, peaches, a bun and whole milk. Audit Services staff observed zero 1-2 year olds and 63 3-5 year olds served. Of the lunch meals observed, 49 lunch meals served to participants age 3-5 years old included whole milk. Participants of age 3-5 years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk. The Sponsor reported 34 1-2 year old participants and 53 3-5 year old participants served.

Based on our observation, the Sponsor over reported 34 lunches for 1-2 year olds and under reported 10 lunch meals for 3-5 year olds prior to disallowances. Forty-nine (49) lunch meals were disallowed because the wrong type of milk was served to 3-5 year olds.

Based on the results of our testing, a total of 73 lunch meals were disallowed.

This is a repeat finding from a previous report dated July 20, 2016.

### Criteria

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 26) states: “All meals must meet the meal patterns established by the USDA to be eligible for CACFP reimbursement.” The USDA meal pattern requirements are listed on pages 27-32.

*Title 7 of the Code of Federal Regulations, Section 226.20 (a)(1)* states, “*Fluid milk.* Fluid milk must be served as a beverage or on cereal, or a combination of both, as follows:

(i) Children 1 year old. Children one year of age must be served unflavored whole milk.

- (ii) Children 2 through 5 years old. Children two through five years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk.
- (iii) Children 6 years old and older. Children six years old and older must be served unflavored low-fat (1 percent), unflavored fat-free (skim), or flavored fat-free (skim) milk. ...”

Recommendation

The Sponsor should ensure that all served meals meet the minimum meal pattern requirements. Also, Food service staff should document the ages of children and ensure those 2-5 years old are served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk.

**10. The Sponsor’s reported attendance on the monthly claim for reimbursement did not agree with the verified attendance**

**This is a Serious Deficiency:**

Condition

The Claim for Reimbursement for the test month reported 3,068 participant days. However, based on our review of the available records we could only verify 1,044 participant days.

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. ...”

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p.23) also states that “An institution must maintain daily attendance records by each participant’s full legal name.”

Recommendation

The Sponsor should ensure that an accurate attendance is taken daily and documentation to support attendance is maintained on file.

**11. There were participants that did not have a CACFP enrollment addendum form**

Condition

There were 109 participants that did not have a current CACFP enrollment addendum form on file.

Criteria

*Title 7 of the Code of Federal Regulations, Section 226.15 (e)(2)* states “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 or 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.”

*Title 7 of the Code of Federal Regulations, Section 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). In addition, Head Start participants need only have a Head Start statement of income eligibility or a statement of Head Start enrollment from an authorized Head Start representative, to be eligible for free meal benefits under the CACFP. 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.

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual states: “Each institution must meet the enrollment requirements mandated by child care licensing regulations. In addition, each institution must have an enrollment form for each CACFP participant. The enrollment form must meet the following requirements:

1. Be updated annually and signed by a parent or guardian of the participant;
2. Identify the “normal” days and hours in care for each enrolled participant; and
3. Identify the meals to be received by each enrolled participant.”

#### Recommendation

The Sponsor should ensure that all participants have a current CACFP enrollment form on file.

## **12. The Sponsor did not provide documentation to show that they provided the required annual CACFP training**

#### Condition

The Sponsor did not provide documentation to show that they provided the required annual CACFP training. This training is required and must emphasize food service procedures and record keeping requirements.

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.15 (e)(12)* 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 maintain documentation to show that annual CACFP training for all staff with CACFP responsibilities was provided

**13. The Sponsor did not have an adequate financial management system to ensure program accountability, and did not provide all records that we requested**

Condition

During our review of the Kids First Enrichment Center's CACFP support documentation, we noted the following discrepancies:

- a) The Sponsor did not have an accounting system to record administrative and operational transactions.
- b) The Sponsor did not have support documentation for an invoice dated April 21, 2017 in the amount of \$1,592.43 for food on-site.
- c) The owner agreed to provide CACFP bank statements for October 2016 through April 2017. However, no bank statements were provided by the owner.

Criteria

*According to Title 7 of the Code of Federal Regulations, Section 226.6 applicable parts relative to Compliance with performance standards; (C) Performance Standard 3—Program accountability.* The new institution must have internal controls and other management systems in effect to ensure fiscal accountability and to ensure that the Program will operate in accordance with the requirements of this part. To demonstrate Program accountability, the new institution must document that it meets the following criteria:

- (1) *Governing board of directors.* Has adequate oversight of the Program by an independent governing board of directors as defined at §226.2;
- (2) *Fiscal accountability.* Has a financial system with management controls specified in writing. For new sponsoring organizations, these written operational policies must assure:
  - (i) Fiscal integrity and accountability for all funds and property received, held, and disbursed;
  - (ii) The integrity and accountability of all expenses incurred;
  - (iii) That claims will be processed accurately, and in a timely manner;
  - (iv) That funds and property are properly safeguarded and used, and expenses incurred, for authorized Program purposes; and
  - (v) That a system of safeguards and controls is in place to prevent and detect improper financial activities by employees;
- (3) *Recordkeeping.* Maintains appropriate records to document compliance with Program requirements, including budgets, accounting records, approved budget amendments, and, if a sponsoring organization, management plans and appropriate records on facility operations;
- (4) *Sponsoring organization operations.* If a new sponsoring organization, documents in its management plan that it will:
  - (i) Provide adequate and regular training of sponsoring organization staff and sponsored facilities in accordance with §§226.15(e)(12) and (e)(14) and 226.16(d)(2) and (d)(3);
  - (ii) Perform monitoring in accordance with §226.16(d)(4), to ensure that sponsored facilities accountably and appropriately operate the Program;
  - (iii) If a sponsor of family day care homes, accurately classify day care homes as tier I or tier II in accordance with §226.15(f); and
  - (iv) Have a system in place to ensure that administrative costs funded from Program reimbursements do not exceed regulatory limits set forth at §§226.12(a) and 226.16(b)(1); and
- (5) *Meal service and other operational requirements.* Independent centers and facilities will follow practices that result in the operation of the Program in accordance with the meal service, recordkeeping, and other operational requirements of this part. These practices must be documented in the independent center's application or in the sponsoring organization's management plan and must demonstrate that independent centers or sponsored facilities will:

- (i) Provide meals that meet the meal patterns set forth in §226.20;
- (ii) Comply with licensure or approval requirements set forth in paragraph (d) of this section;
- (iii) Have a food service that complies with applicable State and local health and sanitation requirements;
- (iv) Comply with civil rights requirements;
- (v) Maintain complete and appropriate records on file; and
- (vi) Claim reimbursement only for eligible meals.

*USDA – CACFP, Guidance for Management Plans and Budgets, Page 22, titled Adequate Documentation, states "All costs charged to the CACFP must be properly documented with receipts, invoices, or mileage logs, and time and attendance records. Payments made must be documented in bank statements, registers, and accounting systems. The State agency may identify the specific documentation it expects based on general business practices. "*

#### Recommendation

The Sponsor should establish and maintain an adequate financial management system that properly tracks CACFP revenues and expenses. The Sponsor should also establish and implement record keeping procedures to ensure that records are available upon request.

#### **14. The Sponsor did not have a written compensation policy, and did not provide supporting documentation for labor costs**

##### Condition

The Sponsor did not have a written compensation policy. We also noted that the owner did not provide time and attendance records for an employee whose labor cost was allocated to the program in April 2017.

##### Criteria

*FNS 796-2 Revision 4, Page 44 states, "Institutions must establish and maintain a written compensation policy for every element of compensation charged to the Program. At a minimum, the written compensation policy must apply to any individual or group of individuals employed by the institution and identify:*

- (a) Rates of pay;*
- (b) Hours of work, including breaks and meal periods; and*
- (c) The institution's policy and payment schedule for regular compensation, overtime, compensatory time, holiday pay, benefits, awards, severance pay and payroll tax withholding. The timing and frequency of the institution's payments to its employees will follow a routine schedule as directed by its human resource policy. For example, it may compensate employees weekly, bi-weekly, or monthly.*
- (d) The compensation policy must also reflect the requirements of the U.S. Department of Labor's FLSA, which directs whether non-salaried employees are compensated for overtime or compensatory time whenever time worked exceeds eight hours per day or forty hours per week.*

*FNS 796-2 Revision 4, Page 45(2) states "Time and attendance reports for all labor costs (salaries, wages and benefits) charged to the Program for hourly or salaried employees for part-time, full-time or piece-work. These reports must identify the total time actually worked by the employee, not just the time spent on Program activities.*

- (a) At a minimum, these reports must include:*
  - (i) Start time;*

(ii) End time; and

(iii) Absences.

(b) *The report must be prepared timely and coincide with the employee's pay period."*

FNS 796-2 Revision 4, Page 47 states, *"In all cases, time and attendance and time distribution reports must be completed by the employee and signed and certified as true and correct by the employee and a responsible supervisory official having firsthand knowledge of the activities performed by the employee during the period covered by the reports."*

#### Recommendation

The Sponsor should establish written compensation guidelines to comply with state and federal regulations.

### **15. The Sponsor did not have adequate procurement standards**

#### Condition

The Sponsor did not have written procurement standards to provide guidance to its officers, employees, or agents engaged in the centers' procurement processes.

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.22 (e) states "The institution shall establish procurement procedures which provide that proposed procurement actions shall be reviewed by institution officials to avoid the purchase of unnecessary or duplicative items. ..."*

*Title 7 of the Code of Federal Regulations, Section 226.22 (d) states "Institutions shall maintain a written code of standards of conduct which shall govern the performance of their officers, employees or agents engaged in the award and administration of contracts supported by Program payments. No employee, officer or agent of the grantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:*

- (1) The employee, officer or agent;
- (2) Any member of his immediate family;
- (3) His or her partner; or
- (4) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

The institution's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Institutions may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards of conduct shall provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the institution's officers, employees, or agents, or by contractors or their agents. "

#### Recommendation

The Sponsor should establish and implement written procurement standards to comply with state and federal regulations.

## **OVERPAYMENT-RIGHT TO APPEAL**

### **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 cost of \$14,002.22.

Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$14,002.22, 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 Kids First Enrichment Center is seriously deficient in its operation of the CACFP and that Harry Smith, Owner and Danielle Smith, Executive Director are responsible for the serious deficiencies.

You may not appeal the serious deficiency determination itself. If the Department proposes to terminate Kids First Enrichment Center CACFP agreement, or propose to disqualify Kids First Enrichment 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.

Kids First Enrichment Center may continue to participate in the CACFP during the corrective action period. The Department will pay any valid claims for reimbursement submitted by Kids First Enrichment 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 fifteen (15) days of your receipt of this notice:

Kids First Enrichment Center must complete the following actions within 30 days from the date of this report:

1. Login to the Tennessee Information Payment System (TIPS) and revise the claim submitted for April 2017, which contains the reconciled claim data from the enclosed exhibit.
2. Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$14,002.22 for recovery of the amounts disallowed in this report. **Please return the attached billing notice with your check;** and
3. 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

Allette Vayda, Director  
Child and Adult Care Food Program  
8th Floor Citizens Plaza Building  
400 Deaderick Street  
Nashville, Tennessee 37243

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**

**Verification of CACFP Independent Center Claim (Claiming Percentages)**

**Name of Agency: Kids First Enrichment Center**

**Review Month/Year: April 2017**

**Total Meal Reimbursement Received: \$14,038.76**

<b>Program Area</b>	<b>Reported on Claim</b>	<b>Verified By Monitoring Review</b>
Number of Days that CACFP Food Service was operated	20	15
Total Attendance	3,068	1,044
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXX	0%
Percentage of Participants in the Child Care Certificate Program (CCCP)	XXXXXX	74%
Number of Breakfasts Served	2,889	0
Number of Lunches Served	2,101	0
Number of Supplements Served	3,060	522
Number of Participants in Free Category	182	0
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	10	109
Total Number of Participants	192	109
Total Amount of Eligible Food Costs	XXXXXXXX	\$00.00
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$00.00



**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

September 22, 2017

Harry Smith, Owner  
Kids First Enrichment Center LLC  
3525 Hickory Hill Road  
Memphis, Tennessee 38115-3832

**Notice of payment due to findings disclosed in the monitoring report dated September 22, 2017, for Child and Adult Care Food Program (CACFP).**

Institution Name:	Kids First Enrichment Center LLC
Institution Address:	3525 Hickory Hill Road Memphis Tennessee 38115-3832
Agreement Numbers:	00349
Amount Due:	\$14,002.22
Due Date:	October 22, 2017

Based on the monitoring report issued on September 22, 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 Kids First Enrichment Center, LLC. To reimburse the Department of Human Services unallowed cost in the amount of \$14,002.22

Please remit a check or money order payable to the *Tennessee Department of Human Services* in the amount of \$14,002.22 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



## **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

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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.

**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> Kids First Enrichment Center	<b>CACFP Agreement No.</b> 00-349
<b>Mailing Address:</b> 3525 Hickory Hill Road Memphis, Tennessee 38115	
<b>Section B. Responsible Principal(s) and/or Individual(s)</b>	
<b>Name and Title:</b> Harry Smith, Owner Danielle Smith, Executive Director	<b>Date of Birth (s):</b>
<b>Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan</b>	
<b>SD Report:</b> September 22, 2017	<b>Corrective Action Plan:</b> September 22, 2017
<b>Section D. Findings</b>	
<b>Findings:</b>	
<ol style="list-style-type: none"> <li>1. Kids First Enrichment Center did not provide records on request, as required by the grant agreement</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 provide documentation of daily meal count records at the time of the meal observation</li> <li>5. There were menus that did not meet USDA meal pattern requirements</li> <li>6. The Sponsor could not verify the quantities of milk that were purchased</li> <li>7. The Sponsor did not maintain infant menus or infant meal counts</li> <li>8. The Sponsor did not have a menu posted for the meal observed</li> </ol>	

9. A meal observed did not meet USDA component requirements
10. The Sponsor's reported attendance on the monthly claim for reimbursement did not agree with the verified attendance
11. There were participants that did not have a CACFP enrollment addendum form
12. The Sponsor did not provide documentation to show that they provided the required annual CACFP training
13. The Sponsor did not have an adequate financial management system to ensure program accountability, and did not provide all records that we requested
14. The Sponsor did not have a written compensation policy, and did not provide supporting documentation for labor costs
15. The Sponsor did not have adequate procurement standards

The following measures will be completed within **15 business days** of my institution's receipt of this corrective action plan:

**Measure No. 1: Kids First Enrichment Center did not provide records on request, as required by the grant agreement.**

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:

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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?):

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

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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:

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**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:

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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?):

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

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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:

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**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:

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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?):

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

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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:

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**Measure No. 4: The Sponsor did not provide documentation of daily meal count records at the time of the meal observation**

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:

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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?):

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

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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:

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**Measure No. 5: There were menus 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:

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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?):

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

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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:

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**Measure No. 6: The Sponsor could not verify the quantities of milk that 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:

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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?):

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

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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:

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**Measure No. 7: The Sponsor did not maintain infant menus or infant 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:

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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?):

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

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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:

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**Measure No. 8: The Sponsor 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:

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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?):

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

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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:

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**Measure No. 9: A meal observed 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:

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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?):

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

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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:

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**Measure No. 10: The Sponsor's reported attendance on the monthly claim for reimbursement did not agree with the verified attendance**

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:

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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?):

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

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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:

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**Measure No. 11: There were participants that did not have a CACFP enrollment addendum form**

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:

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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?):

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

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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:

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**Measure No. 12: The Sponsor did not provide documentation to show that they provided the required annual CACFP 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:

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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?):

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

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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:

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**Measure No. 13: The Sponsor did not have an adequate financial management system to ensure program accountability, and did not provide all records that we requested**

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:

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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?):

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

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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:

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**Measure No. 14: The Sponsor did not have a written compensation policy, and did not provide supporting documentation for 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:

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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?):

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

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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:

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**Measure No. 15: The Sponsor did not have adequate procurement standards**

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:

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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?):

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

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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:

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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