



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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

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BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

CERTIFIED MAIL RECEIPT #70163010000073891831

November 27, 2017

Tony Parks, Owner
Little Harvard Childcare
2548 Jackson Avenue
Memphis, Tennessee 38108-3317

Dear Mr. Parks:

The Department of Human Services (DHS) Audit Services Division staff conducted an on-site unannounced review of the Child and Adult Care Food Program (CACFP) at Little Harvard Childcare (Sponsor), Application Agreement number 00386, on June 30, 2017. We reviewed the Sponsor's records of reimbursements and expenditures for May and June of 2017. The purpose of this review was to determine if the sponsoring organization complied with *Title 7 of the Code of Federal Regulations (CFR)* applicable parts, application agreement, and applicable Federal and State regulations.

SERIOUS DEFICIENCY DETERMINATION

Based on the monitoring review, the Department has determined that Little Harvard Childcare is seriously deficient in its operation of the CACFP. In addition, the Department has identified Tony Parks, Owner as responsible for the serious deficiencies in light of their responsibility for the overall management of Little Harvard Childcare's CACFP.

If Little Harvard Childcare 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 Little Harvard Childcare's, agreement to participate in the CACFP;
- Propose to disqualify Little Harvard Childcare from future CACFP participation; and
- Propose to disqualify Tony Parks, Owner, from future CACFP participation.

In addition, if Little Harvard Childcare voluntarily terminates its CACFP agreement after receiving this letter, the Department will propose to disqualify Little Harvard Childcare and Tony Parks, Owner from future CACFP participation. If disqualified, Little Harvard Childcare, and Tony Parks, Owner will be placed on the National Disqualified List ("NDL"). While on the NDL, Little Harvard Childcare will not be able to participate in the CACFP as an institution or facility. Tony Parks, Owner 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.

Our review of the Sponsor's records for the test months of May and June 2017 disclosed the following:

1. The Sponsor provided invalid documents to support food purchases

This is a Serious Deficiency:

Condition

The Sponsor provided us with invoices for purchases from Sysco that did not appear legitimate. DHS Audit Services staff contacted Sysco Foods to verify the invoice numbers. Based on information from Sysco representative, the invoice numbers were invalid and that the Sponsor had not ordered from Sysco since 2016.

Therefore, we determined that the invoices provided for May 2017 and June 2017 to support food purchases for the CACFP are invalid as supporting documentation, and the cost associated with the purchases and reimbursed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.6 (b)(1) (xviii) (C) Performance Standard 3-Program accountability states, "The new institution must have internal controls and other management system in effect to ensure fiscal accountability and to ensure that the Program will operate in accordance with the requirements..."

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p.24) states that "each institution must maintain food and non-food related invoices, receipts, or other records required by TDHS to document administrative costs, operating cost and income to the CACFP".

Recommendation

The Sponsor's management should ensure that only legitimate receipts and invoices are used to support CACFP transactions.

2. The number of participants reported in the free, reduced, and paid categories was incorrect

Condition

Based on our review of available documents and information, we noted that the number of participants reported in the free, reduced-price, and paid categories was incorrect.

The claim for reimbursement for the test month of May 2017 reported 106 participants in the free category, 1 participant in the reduced-price category, and 6 participants in the paid category. However, our review of the Sponsor's records showed that there were 100 participants in the free category, 0 participants in the reduced-price category, and 13 participants in the paid category. The differences were based on the following:

- There were three participants reported in the free category that did not have an application on file for the test month. These three participants were reclassified as paid.
- There was one participant that was classified as free on their applications, but did not have the signature and date of the determining official. The participants were reclassified as paid.
- There was one participant reported in the free category whose application did not have the Families First assistance number or household income. The participant was reclassified as paid.
- There were two participants that were classified as free, but the application did not have a parent's signature. These participants were reclassified as paid.
- There was one participant that was reported in the reduced-price category, but based on household income should have been reported as free. This participant was reclassified as free.

The claim for reimbursement for the test month of June 2017 reported 108 participants in the free category, one participant in the reduced-price category, and five participants in the paid category. However, our review of the Sponsor's records showed that there were 103 participants in the free category, zero participants in the reduced-price category, and 11 participants in the paid category. The differences were based on the following:

- There were three participants reported in the free category that did not have an application on file for the test month. These three participants were reclassified as paid.
- There was one participant that was classified as free on their applications, but did not have the signature and date of the determining official. The participants were reclassified as paid.
- There were two participants that were classified as free, but the application did not have a parent's signature. These participants were reclassified as paid.
- There was one participant that was reported in the reduced-price category, but based on household income should have been reported as free. This participant was reclassified to the free category.

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 income eligibility applications for child care center participants and maintained on file.

This is a repeat finding from the monitoring report dated September 16, 2016.

3. The Sponsor reported incorrect meal counts

Condition

The claim for reimbursement for the test month of June 2017 reported 1,853 breakfast meals, 1,790 lunches and 1,854 supplements served. However, our review of the Sponsor’s records, we noted 1,840 breakfast meals, 1,854 lunch meals and 1,842 supplements prior to any meal disallowances. Therefore, the Sponsor over reported the number of breakfast meals by 13, under reported the number of lunch meals by 64 and over reported the number of supplements by 12.

Criteria

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

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual states that child care centers “must submit to the TDHS accurate monthly reports on the number of meals served.”

Recommendation

The Sponsor should ensure that the number of meals claimed agrees with the actual meal count documentation.

4. The observed meal did not meet USDA requirements

Condition

During our on-site visit on June 30, 2017 to observe a meal service, we observed milk, fish sticks, mashed potatoes, apple sauce and sliced bread being served for lunch. Three fish sticks were served to the 1-2 year old age group, four fish sticks were served to the 3-5 year old age group and five fish sticks were served to the 6 and older age group. According to the child nutrition label provided by the Sponsor three fish sticks equals one half ounce of protein. This amount is insufficient to meet the USDA protein requirement which requires that 1 ounce (6 fish sticks) of meal/meat alternative be served to children 1 -2 years old, 1.5 ounces (9 fish sticks) to 3-5 years old, and 2 ounces (12 fish sticks) to 6-12 years old. Based on the results of our review, we determined that 67 lunch meals were disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(a) states, "Except as otherwise provided in this section, each meal served in the Program must contain, at a minimum, the indicated food components: ... (2) *Lunch and supper.* Fluid milk, meat and meat alternates, vegetables, fruits, and

grains are required components in the lunch and supper meals. The minimum amounts of food components to be served at lunch and supper are as follows:

LUNCH AND SUPPER MEAL PATTERN FOR CHILDREN AND ADULTS

	Ages 1-2	Ages 3-5	Ages 6-12	Ages 13-18 ¹ (at-risk afterschool programs and emergency shelters)	Adult
Food Components and Foot Items ²	Minimum Quantities				
Fluid milk ³	4 fl oz	6 fl oz	8 fl oz	8 fl oz	8 fl oz. ⁴
Meat/meat alternates					
Edible portion as served:					
Lean meat, poultry, or fish	1 ounce	1 1/2 ounces	2 ounces	2 ounces	2 ounces.

...”

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual states, “all meals must meet the meal patterns established by the USDA to be eligible for CACFP reimbursement.”

The USDA Crediting Foods in the Child and Adult Care Food Program, Revised 2011, states when crediting commercial or frozen products “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.”

Recommendation

The Sponsor should ensure that the participants receive the appropriate amount of each component at each meal service as required by the USDA meal pattern.

- The lack of milk inventory records indicates that no milk was available during the first few days of the month**

This is a Serious Deficiency:

Condition

The Sponsor did not maintain an inventory of milk purchased with CACFP funds. As a result, we could not determine the beginning inventory of milk for the months of May and June 2017. Meals were disallowed as follows:

May 2017

After a review of receipts with milk purchases, we noted that the first purchase of milk during the month of May was on May 7, 2017. Consequently, meals requiring milk as a component were disallowed from the beginning of the month through May 7, 2017. 423 breakfast meals and 419 lunch meals were documented as served and will be disallowed.

June 2017

After a review of receipts with milk purchases, the first purchase of milk during the month of June 2017 was on June 4, 2017. Consequently, meals requiring milk as a component were disallowed from the beginning of the month through June 4, 2017. 167 breakfast meals and 169 lunch meals were documented as served and will be disallowed.

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. ..."

FNS Instruction 796-2, Rev. 4 (Exhibit G, Suggested Format for Inventory Reconciliation and Exhibit H, Suggested Format for Inventory Record) states that monthly inventory records must be maintained.

Recommendation

The Sponsor should ensure an inventory is completed at the end of each month and an end of year reconciliation is completed.

6. Insufficient quantities of milk were purchased

This is a Serious Deficiency:

Condition

Based on the number of meals served in the month of May 2017 with milk as a required component, a total of 14,070 ounces of milk were needed. However, the Sponsor could only document the purchase of 7,171 ounces which resulted in a milk shortage of 6,899 ounces. As a result, 1,365 breakfast meals were disallowed.

Based on the number of meals served in the month of June 2017 with milk as a required component, a total of 14,804 ounces of milk were needed. However, the Sponsor could only document the purchase of 7,040 ounces which resulted in a milk shortage of 7,764 ounces. As a result, 1,503 breakfast meals and 28 lunch meals were disallowed.

This Finding is based on meals that were served subsequent to May 7, 2017 and June 4, 2017, as mentioned in Finding #5 above. The meals disallowed in this Finding are not the same meals that were disallowed in Finding #5.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20 states, "... each meal served must contain all required components. ..."

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

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual states, in part, "all meals must meet the meal patterns established by the USDA to be eligible for CACFP reimbursement."

Recommendation

The Sponsor should ensure the appropriate amount of milk is purchased, and that all original receipts are kept to support the purchases.

7. The meal counts were recorded prior to the meal service

Condition

On June 30, 2017 meals counts for the supplement were recorded before the meal service took place. As a result, these meals could not be considered true and accurate. Therefore, 70 supplements were documented as served and will be disallowed.

Criteria

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

Recommendation

The Sponsor should ensure that an accurate meal count is taken during the actual meal service. Meal counts should not be taken prior to the actual meal is served.

8. The number of attendance days reported was incorrect

Condition

The claim for reimbursement for the test month of May 2017 reported 2,014 participant attendance days. However, based on our review, we noted 1,990 participant attendance days.

The claim for Reimbursement for the test month of June 2017 reported 1,858 participant attendance days. However, based on our review, we noted 1,847 participant attendance days.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states that "... 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 states that "each institution must maintain documentation of individual children's attendance on a daily basis."

Recommendation

The Sponsor should ensure that the attendance is counted and reported correctly.

9. The Sponsor's documented number of supplements served exceeded the reconciled attendance.

Condition

Based on the meal count documentation for May 2017, the number of reconciled supplements exceeded the reconciled attendance by 19. The number of supplements claimed was 2,009; however, we noted the number of participants' attendance of 1,990. As a result, 19 supplements will be disallowed for May 2017.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states that "... 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 states that "each institution must maintain documentation of individual children's attendance on a daily basis."

Recommendation

The Sponsor should ensure that attendance is accurately taken and reported, as well as the meal counts.

10. The Sponsor did not provide documentation for the required annual CACFP training

Condition

The Sponsor did not provide documentation of the annual CACFP training for staff for the month of May 2017. The Sponsor was able to provide documentation of training which occurred on June 7, 2017. However, there was no documentation of any training occurring prior to this.

This is a repeat finding from the report dated September 16, 2016.

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: ... (14) For sponsoring organizations, records documenting the attendance at annual training of each staff member with monitoring responsibilities. Training must include instruction, appropriate to the level of staff experience and duties, on the Program's meal patterns, meal counts, claims submission and claim review procedures, recordkeeping requirements, and an explanation of the Program's reimbursement system."

Recommendation

The Sponsor should maintain the required documentation for the required annual training.

11. There were participants in the CACFP without current enrollment addendum form on file

Condition

There were 52 participants that did not have a current CACFP enrollment addendum form on file for the test month of May 2017.

There were 50 participants that did not have a current CACFP enrollment addendum form on file for the test month of June 2017.

This is a repeat finding from the report dated September 16, 2016.

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.”

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual state that “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 each participant has an enrollment form on file that is both up-to-date and complete. This should be completed during the enrollment process and annually after.

OVERPAYMENT-RIGHT TO APPEAL

Total Disallowed Meal Costs

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 \$8,459.39

Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$8,459.39, 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 Little Harvard Childcare is seriously deficient in its operation of the CACFP and that Tony Parks, Owner is responsible for the serious deficiencies.

You may not appeal the serious deficiency determination itself. If the Department proposes to terminate Little Harvard Childcare’s CACFP agreement, or propose to disqualify Little Harvard Childcare 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.

Little Harvard Childcare may continue to participate in the CACFP during the corrective action period. The Department will pay any valid claims for reimbursement submitted by Little Harvard Childcare 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:

Little Harvard Childcare must complete the following actions within 30 days from the date of this report:

- Login to the Tennessee Information Payment System (TIPS) and revise the claim submitted for the center for May 2017 and June 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 \$5,030.38 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 Independent Center Claim****Name of Agency: Little Harvard Childcare****Review Month/Year: May 2017****Total Meal Reimbursement Received: \$11,307.47**

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	22	22
Total Attendance	2,014	1,990
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXX	88%
Number of Breakfasts Served	2,007	219
Number of Lunches Served	1,979	1,560
Number of Supplements Served	2,009	1,990
Number of Participants in Free Category	106	100
Number of Participants in Reduced-Price Category	1	0
Number of Participants in Paid Category	6	13
Total Number of Participants	113	113
Total Amount of Eligible Food Costs	XXXXXXXX	\$1,802.86
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$6,328.84

EXHIBIT B

Verification of CACFP Independent Center Claim

Name of Agency: Little Harvard Childcare

Review Month/Year: June 2017

Total Meal Reimbursement Received: \$10,403.47

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	22	22
Total Attendance	1,858	1,847
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXX	90%
Number of Breakfasts Served	1,853	170
Number of Lunches Served	1,790	1,590
Number of Supplements Served	1,854	1,772
Number of Participants in Free Category	108	103
Number of Participants in Reduced-Price Category	1	0
Number of Participants in Paid Category	5	11
Total Number of Participants	114	114
Total Amount of Eligible Food Costs	XXXXXXXX	\$1,956.23
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$6,410.10

EXHIBIT C

Disallowed Costs	
May 2017 Disallowed Costs	\$4,662.71
June 2017 Disallowed Costs	\$3,796.68
Total Disallowed Costs	\$8,459.39



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
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BILL HASLAM

GOVERNOR

DANIELLE W. BARNES

COMMISSIONER

November 27, 2017

Tony Parks, Owner
Little Harvard Childcare
2548 Jackson Avenue
Memphis, Tennessee 38108-3317

Notice of payment due to findings disclosed in the monitoring report dated November 21, 2017 for Child and Adult Care Food Program (CACFP).

Institution Name:	Little Harvard Childcare
Institution Address:	2548 Jackson Avenue, Memphis, Tennessee 38108-3317
Agreement Numbers:	00386
Amount Due:	\$8,459.39
Due Date:	December 27, 2017

Based on the monitoring report issued on November 27, 2017, by the Audit Services Division within the Tennessee Department of Human Services, the Community and Social Services- Food Programs- CACFP & SFSP management has agreed with the findings which require Little Harvard Childcare to reimburse the Department of Human Services disallowed meals cost in the amount of \$8,459.39.

Please remit a check or money order payable to the *Tennessee Department of Human Services* in the amount of \$8,459.39 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 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

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 Little Harvard Childcare	CACFP Agreement No. 00-386
Mailing Address: 2548 Jackson Avenue Memphis, Tennessee 38108	
Section B. Responsible Principal(s) and/or Individual(s)	
Name and Title: Tony Parks, Owner	Date of Birth (s):
Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan	
SD Report: November 27, 2017	Corrective Action Plan: November 27, 2017
Section D. Findings	
Findings:	
<ol style="list-style-type: none"> 1. The Sponsor provided invalid documents to support food purchases 2. The number of participants reported in the free, reduced, and paid categories was incorrect 3. The Sponsor reported incorrect meal counts 4. The observed meal did not meet USDA requirements 5. The lack of milk inventory records indicates that no milk was available during the first few days of the month 6. Insufficient quantities of milk were purchased 7. The meal counts were recorded prior to the meal service 8. The number of attendance days reported was incorrect 9. The Sponsor's documented number of supplements served exceeded the reconciled attendance 10. The Sponsor did not provide documentation for the required annual CACFP training 11. There were participants in the CACFP without current enrollment addendum form on file 	

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 provided invalid documents to support food purchases

The finding will be fully and permanently corrected.

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

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

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No. 3: The Sponsor reported incorrect meal counts

The finding will be fully and permanently corrected.

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No. 4: The observed meal did not meet USDA 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. 5: The lack of milk inventory records indicates that no milk was available during the first few days of the month

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No. 6: Insufficient quantities of milk were purchased

The finding will be fully and permanently corrected.

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No. 7: The meal counts were recorded prior to the meal service

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: The number of attendance days reported was incorrect

The finding will be fully and permanently corrected.

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No. 9: The Sponsor's documented number of supplements served exceeded the reconciled 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:

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 provide documentation for 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:

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

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

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

Measure No. 11: There were participants in the CACFP without current enrollment addendum form on file

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;

- (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

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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.

