



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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

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

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

August 6, 2018

Johnny Merritt, Board Chair
East Tennessee Human Resource Agency
9111 Cross Park Drive, D100
Knoxville, Tennessee 37923

Dear Mr. Merritt,

The Department of Human Services (DHS) - Division of Audit Services staff conducted unannounced on-site monitoring reviews of the Child and Adult Care Food Program (CACFP) at East Tennessee Human Resource Agency, (Sponsor), Application Agreement number 00-027, on May 10, 2018, and June 18, 2018. 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.

Based on our review of the Sponsor's records and information provided, the Sponsor had six childcare centers, 52 at-risk centers, and 38 family daycare homes operating during the review period. We selected **Blessings Child Care** as the sample childcare center, **Claiborne County High School, Clinton Middle, Dutch Valley Elementary, Lenoir City Elementary, Lenoir City Middle, Midway Elementary, Oak Ridge Boys & Girls Club, and Powell Valley** as the sample at-risk centers, and the homes of **Carolyn Arnold, Joyce Armstrong, Bonnie Shields, Elizabeth Smith, and Marcia Thomas** as the sample family daycare homes.

Background

CACFP Sponsors utilize meal count sheets to record the number of 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. In addition, we observed meal services at the sample sites during the review period.

Our review of the Sponsor's records for the month of March 2018 disclosed the following:

1. The Sponsor reported the number of participants in the free, reduced-price, and paid categories incorrectly

Condition

Blessings Child Care – sample center

The Claim for Reimbursement for the test month for **Blessings Child Care** reported 16 participants in the free category, five participants in the reduced-price category, and 30 participants in the paid category. However, based on our review of the Sponsor's records, we found that there were 18 participants in the free category, four participants in the reduced-price category, and 28 participants in the paid category.

The differences were based on the following:

- There was one participant reported in the reduced-price category that did not have a current CACFP application on file. This participant was reclassified as paid.
- Sponsor underreported two participants in the free category overreported three participants in the paid category.

As a result, the Sponsor underreported two participants in the free category, and overreported one participant in the reduced-price category and two participants in the paid category. (See Exhibit A)

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...."

Recommendation

The Sponsor should ensure that each participant in the CACFP is classified and reported properly based on categorical or income eligibility.

2. The Sponsor incorrectly reported meal counts

Condition

The Sponsor's March 2018 Claim for Reimbursement for **Blessings Child Care** reported 916 breakfast meals, 920 lunch meals, and 920 pm supplements served. Based on the Sponsor's records, there were 909 breakfast meals, 913 lunch meals, and 913 pm supplements served prior to any meal disallowances. This error was a result of the Sponsor claiming breakfast, lunch, and supplement meals twice for one participant for seven days.

As result, the Sponsor overreported seven breakfast meals, seven lunch meals, and seven supplements. (See Exhibit A)

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...."

Recommendation

The Sponsor should implement procedures to verify the accuracy of the claims prior to submission for reimbursement.

3. The Sponsor provided menus that did not meet the USDA meal pattern requirements

Condition

Blessings Child Care – sample center

Based on our review of the menus provided for **Blessings Child Care**, we noted that menus provided did not meet USDA meal pattern requirements. Menu provided had deficiencies as follows:

Date	Menu	Menu Error	Meal Type	No. of Meals
3/8/18	Baked wieners, mashed potatoes, green beans roll and milk	No label for wieners	Lunch	41
3/9/18	Bologna sandwich, tater tots, fruit cup, wheat bread and milk	No label for bologna	Lunch	44
3/14/18	Peanut butter, toast, and milk	Missing fruit or vegetable	Breakfast	42
3/29/18	Peanut butter, toast, and milk	Missing fruit or vegetable	Breakfast	46

As a result, 88 breakfast meals and 85 lunch meals served were disallowed. (See Exhibit A)

At-Risk Sites:

Based on our review of the menus provided for **Claiborne County High School, Midway Elementary, and Powell Valley Elementary** we noted that menus provided did not meet USDA meal pattern requirements. Menu provided had deficiencies as follows:

Claiborne County High School – sample site

Date	Menu	Menu Error	Meal Type	No. of Meals
3/7/18	Baked tostitos, salsa, 2 cheese sticks, goldfish, fruit, milk	No label or product statement for salsa	Supper	80

As a result, 80 supper meals served were disallowed. (See Exhibit C)

Midway Elementary – sample site

Date	Menu	Menu Error	Meal Type	No. of Meals
3/7/18	Baked tostitos, salsa, 2 cheese sticks, goldfish, fruit, milk	No label or product statement for salsa	Supper	53

As a result, 53 supper meals were disallowed. (See Exhibit G)

Powell Valley Elementary – sample site

Date	Menu	Menu Error	Meal Type	No. of Meals
3/7/18	Baked tostitos, salsa, 2 cheese sticks, goldfish, fruit, milk	No label or product statement for salsa	Supper	40

As a result, 40 supper meals were disallowed. (See Exhibit I)

Day Care Home Providers:

Based on our review of the menus provided for the sample day care homes for the review period, we noted that menus provided did not meet USDA meal pattern requirements. Menus provided had deficiencies as follows:

Joyce Armstrong – sample home

Date	Menu	Menu Error	Meal Type	No. of Meals
3/2/18	Cheese pizza, tossed salad, peaches, wheat crust, milk	No recipe, label or product statement for pizza	Supper	5
3/19/18	Cheese pizza, tossed salad, pears, wheat crust, milk	No recipe, label or product statement for pizza	Supper	5
3/27/18	Grilled cheese, tomato soup, grapes, wheat bread, milk	Canned tomato soup not creditable	Lunch	5
3/29/19	Cheese and sausage pizza, corn, pears, wheat crust, milk	No recipe, label or product statement for pizza	Supper	5
3/15/18	Pigs n' blanket, broccoli, fruit cocktail, biscuit, milk	No label or product statement for hot dog	Lunch	5

As a result, 10 lunch meals and 15 supper meals were disallowed. (See Exhibit K)

Carolyn Arnold – sample home

Date	Menu	Menu Error	Meal Type	No. of Meals
3/2/18	Pancakes/waffles, peaches, skim milk	Missing meat/meat alt., 2 nd fruit/veg	Lunch	11
3/12/18	Salisbury steak, pear halves, bread sticks, skim milk	Missing 2 nd fruit/vegetable	Supper	5
3/14/18	Salisbury steak, green peas, rolls, skim milk	Missing 2 nd fruit/vegetable	Lunch	11
3/28/18	Breaded chicken, rolls, tater tots	Missing 2 nd fruit/vegetable and milk	Supper	5
3/28/18	Yogurt, skim milk	No label or product statement for yogurt	Evening Snack	5
3/29/18	Sausage pizza, corn, pear halves, skim milk	No recipe label or product statement for pizza	Supper	5

As a result, 22 lunch, 15 Supper and 5 evening supplements were disallowed. (See Exhibit L)

Bonnie Shields – sample home

Date	Menu	Menu Error	Meal Type	No. of Meals
3/15/18	Pigs n' a blanket, broccoli, fruit cocktail, biscuit and milk	No label or product statement for hot dog	Lunch	7
3/27/18	Grilled cheese sandwich, tomato soup, grapes, milk	Canned tomato soup not creditable	Lunch	7

As a result, 14 lunches were disallowed. (See Exhibit M)

Elizabeth Smith – sample home

Date	Menu	Menu Error	Meal Type	No. of Meals
3/7/18	Grilled cheese sandwich, homemade vegetable soup, fruit cocktail, bread, milk	Recipe not specific in amounts of ingredients used	Lunch	11
3/9/18	Chicken alfredo, green beans, applesauce, corn, rolls, milk	Recipe not specific in amounts of ingredients used	Lunch	11
3/16/18	Pigs n' blanket, broccoli, fruit cocktail, biscuit, milk	No label or product statement for hot dog	Lunch	11

3/21/18	Lasagna, broccoli, mixed fruit, corn, roll, milk	Recipe not specific in amounts of ingredients used	Lunch	8
3/23/18	½ bologna sandwich, milk	No label or product statement for bologna	PM supplement	12
3/29/18	Eggs, gravy, biscuit, grape jelly, milk	Missing fruit/juice/vegetable	Breakfast	11
3/1-3/23/18	U. Hoskins-Infant with no menu	No menu	Breakfast	16
3/1-3/23/18	U. Hoskins-Infant with no menu	No menu	Lunch	16
3/1-3/23/18	U. Hoskins-Infant with no menu	No menu	PM supplement	15

As a result, 27 breakfast meals, 57 lunch meals and 27 pm supplements were disallowed. (See Exhibit N)

Marcia Thomas – sample home

Date	Menu	Menu Error	Meal Type	No. of Meals
3/1-3/31	One child age 1-menu documented skim milk as served	Wrong type of milk served. Must be unflavored whole milk	Breakfast, Lunch and pm snack	19 Breakfast, 20 Lunch and 14 pm snack
3/1/18	Beef franks, tater tots, corn, bun, skim milk	No hot dog label	Supper	5
3/2/18	Mozzarella cheese, salad, peaches, pizza crust, skim milk	No recipe, label or mfg. statement for pizza	Supper	5
3/6/18	Ground beef, spaghetti noodles, green beans, salad, skim milk	No recipe	Lunch	9
3/12/18	Ground beef, spaghetti noodles, green salad, applesauce, skim milk	No recipe	Lunch	7
3/12/18	Ground beef, lasagna noodles, green beans, applesauce, skim milk	No recipe	Supper	6
3/13/18	Ground beef, rolls, corn, peaches, skim milk	No recipe	Lunch	7
3/14/18	Ground beef, rolls, potatoes, pears, skim milk	No recipe	Lunch	9
3/15/18	Beef frank, hot dog bun, broccoli, peaches and pears, skim milk	No hot dog label	Lunch	9
3/15/18	Ground beef, spaghetti noodles, green salad, applesauce, skim milk	No recipe	Supper	3

3/19/18	Mozzarella cheese, pizza crust, green salad, pear slices, skim milk	No recipe, label or mfg. statement for pizza	Supper	5
3/21/18	Beef hot dog, bun, pork n' beans, peaches and pears, skim milk	No hot dog label	Lunch	9
3/23/18	Ground beef, rolls, potatoes, peas, skim milk	No recipe	Supper	5
3/27/18	American cheese, wheat bread, tomato soup, apple slices, skim milk	No tomato soup label or recipe, canned soup not creditable	Lunch	10
3/27/18	Ground beef, rolls, peas, potatoes, skim milk	No recipe	Supper	5
3/29/18	Mozzarella cheese, pizza crust, corn, applesauce, skim milk	No recipe, label or mfg. statement for pizza	Supper	5

As a result, 19 breakfast meals, 80 lunch meals, 14 supplements, and 39 supper meals were disallowed. (See Exhibit O)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, "Each Child Care Center 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...."

Title 7 of the Code of Federal Regulations, Section 226.20(c)(1) states, "Fluid milk, vegetables or fruit, or portions of both, and grains are required components of the breakfast meal."

Title 7 of the Code of Federal Regulations, Section 226.20(a) states, "Food components. Except as otherwise provided in this section, each meal served in the Program must contain, at a minimum, the indicated food components:

(1) *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...."

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 USDA Crediting Foods in the Child and Adult Care Food Program, Revised 2011, page 62, states, "... 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 all meals served meet USDA meal pattern requirements.

4. The Sponsor did not provide documentation of food and nonfood purchases to support menus at certain feeding sites for March 2018

Condition

Blessings Child Care – sample center

During our monitoring visit on May 10, 2018, the March 2018 claim information for the sample center, **Blessings Child Care**, had not been submitted. Documentation for these sites was requested to be provided when we returned June 18, 2018. The Sponsor did not provide receipts to document food and non-food purchases for the review period.

During our monitoring visit on March 28, 2018, we observed 43 lunch meals served of which the Sponsor claimed 41 meals. These meals were allowed.

As a result, 821 breakfast meals, 787 lunch meals, and 913 supplements served were disallowed. (See Exhibit A)

Claiborne County High School – sample at-risk site

During our monitoring visit on May 10, 2018, the March 2018 claim information for the sample at-risk site, **Claiborne County High School**, had not been submitted. This sample sites claim information was requested to be provided when the monitor returned June 18, 2018. The Sponsor did not provide the receipts to document food and non-food purchases for the review period.

During our monitoring visit on March 22, 2018, we observed 77 supper meals served. These meals were allowed.

As a result, 544 supper meals were disallowed. (See Exhibit C)

Lenoir City Elementary – sample site

During our monitoring visit on May 10, 2018, the Sponsor did not provide the receipts to support food and non-food purchases for **Lenoir City Elementary** for the week of March 1, 2018.

As a result, 21 supper meals served were disallowed. (See Exhibit F)

Lenoir City Middle – sample site

During our monitoring visit on May 10, 2018, the Sponsor did not provide the receipts to support food and non-food purchases for **Lenoir City Middle** for the week of March 1, 2018.

As a result, 18 supper meals served were disallowed. (See Exhibit F)

Oak Ridge Boys & Girls Club – sample site

During our monitoring visit on May 10, 2018, the Sponsor did not provide the receipts to support food and non-food purchases for **Oak Ridge Boys & Girls Club** for the week of March 19 – 23, 2018.

As a result, 150 supper meals were disallowed. (See Exhibit H)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.15(e) states, "Each institution shall establish procedures to collect and maintain all program records required under this part, as well as any records required by the State agency. Failure to maintain such records shall be grounds for the denial of reimbursement for meals served during the period covered by the records in question and for the denial of reimbursement for costs associated with such records. At a minimum, the following records shall be collected and maintained: (6) Copies of invoices, receipts, or other records required by the State agency financial management instruction to document..."

The *DHS CACFP/SFSP Agreement Between the State and Sponsor, Section A* states, "As a condition of participation in CACFP, the Sponsor shall: (22) Permit State or federal officials with photo identification, to make announced or unannounced visits during normal work hours to observe CACFP operations and to review any records, books and accounts needed to determine compliance with CACFP regulations and civil rights laws; (23) Maintain complete and accurate records relating to CACFP, including those supporting every monthly claim for reimbursement for the current year, or until resolution of any outstanding reviews or audits..."

Recommendation

The Sponsor should ensure that all records are available and on-site for authorized officials' review.

5. The Sponsor did not provide menus as required

Condition

During our monitoring visit on May 10, 2018, the March 2018 claim information for the sample site, **Clinton Middle School**, had not been submitted. Documentation for this site was requested to be provided when we returned June 18, 2018. The Sponsor did not provide menus for the review period.

During our monitoring visit on March 27, 2018, we observed 18 supper meals served. These meals were allowed.

As a result, 206 supper meals at **Clinton Middle School** were disallowed. (See Exhibit D)

During our monitoring visit on May 10, 2018, the March 2018 claim information for the sample site, **Dutch Valley Elementary**, had not been submitted. Documentation for these sites was requested to be provided when we returned June 18, 2018. The Sponsor did not provide menus for the review period.

During our monitoring visit on March 27, 2018, we observed 17 supper meals served. These meals were allowed.

As a result, 226 supper meals at **Dutch Valley Elementary** were disallowed. (See Exhibit E)

Criteria

FNS Instruction 796-2, Rev. 4, states, "Menu records that identify the meal components served to participants must be maintained. Menu records must be updated to reflect changes to planned menus so that the menu records reflect the actual meal components and foods service to participants."

The USDA Monitoring Handbook for State Agencies, page 24, states, "Daily records of menus must contain a listing of the food items served in each meal type to ensure that the CACFP meal pattern requirements were met."

The *DHS CACFP/SFSP Agreement Between the State and Sponsor, Section A* states, "As a condition of participation in CACFP, the Sponsor shall: (22) Permit State or federal officials with photo identification, to make announced or unannounced visits during normal work hours to observe CACFP operations and to review any records, books and accounts needed to determine compliance with CACFP regulations and civil rights laws; (23) Maintain complete and accurate records relating to CACFP, including those supporting every monthly claim for reimbursement for the current year, or until resolution of any outstanding reviews or audits..."

Recommendation

The Sponsor should ensure that all records are available and provided for authorized officials' review upon request.

6. The Sponsor did not complete monitoring as required

Condition

Monitoring visits were not completed as required for the below At-Risk Centers and Day Care Homes:

- The Sponsor did not provide us with monitoring efforts, if any, for the last three own monitoring visits for the feeding sites of **Claiborne County High School, Midway Elementary** and **Powell Valley Elementary**.
- There was a monitoring visit completed by the Sponsor at the daycare home of **Joyce Armstrong**. The date of March 5 was noted, but no year documented.
- The daycare homes of **Carolyn Arnold** and **Marcia Thomas** monitoring dates had more than six months between monitoring visits.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.16(d)(4) details the requirements for Sponsor monitoring including: review elements, reconciliation of meal counts, and the frequency and type of required facility reviews.

Recommendation

The Sponsor should ensure that monitoring is completed as required and documented properly.

7. The Sponsor provided menus that did not document a whole grain-rich component was served once per day as required

Condition

The Sponsor provided menus for **Blessings Child Care, Claiborne County High School, Lenoir City Elementary, Lenoir City Middle, Midway Elementary, Oak Ridge Boys & Girls Club and Powell Valley Elementary, and the homes of Carolyn Arnold, Joyce Armstrong, Bonnie Shields, Elizabeth Smith and Marcia Thomas.** These menus did not provide evidence that a whole grain-rich component was served every day.

There were no meals disallowed due to the one year grace period given to Sponsors to conform to the revised CACFP meal pattern requirements effective October 1, 2017.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(a)(4)(i)(A) states, "At least one serving per day, across all eating occasions of bread, cereals, and grains, must be whole grain-rich. Whole grain-rich foods contain at least 50 percent whole grains and the remaining grains in the food are enriched, and must meet the whole grain-rich criteria specified in FNS guidance."

Recommendation

The Sponsor should ensure that 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.

8. The Sponsor provided menus that documented grain based desserts were served

Condition

The menus for **Blessings Child Care, Claiborne County High School, Midway Elementary, and Powell Valley Elementary** documented that grain based desserts were served which is not in compliance with the current USDA meal pattern requirements to meet the grain component.

This included chocolate chip and blueberry muffins, pop tarts, cinnamon rolls, cookies and granola bars.

There were no meals disallowed due to the one year grace period given to Sponsors to conform to the revised CACFP meal pattern requirements effective October 1, 2017.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(a)(4)(iii) states, "Grain-based desserts do not count towards meeting the grains requirement."

Recommendation

The Sponsor should ensure that 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 for reimbursement.

9. The Sponsor provided menus that documented two fruits were served for supper meals

Condition

The menus for **Lenoir City Elementary, Lenoir City Middle School, and Oak Ridge Boys & Girls Club** documented days that two fruits were served to meet the fruit/vegetable component.

There were no meals disallowed due to the one year grace period given to Sponsors to conform to the revised CACFP meal pattern requirements effective October 1, 2017.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(1) (2) states, "Fruit and vegetable component are now separate. A serving of each is required or 2 vegetables may be served to meet the 2 components."

Recommendation

The Sponsor should ensure that 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.

Note: Our observation of the meal services at **Blessings Child Care**, the at-risk sites of **Claiborne County High School, Clinton Middle, Dutch Valley Elementary, Lenoir City Elementary, Lenoir City Middle School, Midway Elementary, Oak Ridge Boys & Girls Club, and Powell Valley Elementary**, and at the homes of **Carolyn Arnold, Joyce Armstrong, Bonnie Shields, Elizabeth Smith, and Marcia Thomas** revealed no deficiencies.

Technical Assistance Provided

Technical assistance was neither requested nor provided.

Disallowed Meals Cost

Based on the 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 \$7,318.08.

Corrective Action

The Sponsor 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 March 2018, which contains the verified claim data from the enclosed

exhibits. **Please note that if the claim is revised, TIPS will automatically deduct the overpayment from your next CACFP claim for reimbursement. OR**

- If you are no longer participating in the CACFP program, remit a check payable to the ***Tennessee Department of Human Services*** in the amount noted in the report 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 you have questions relative to the corrective action plan please contact:

Allette Vayda, Director of Operations
Child and Adult Care Food Program
8th Floor Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

Please note that the amount of disallowed cost is subject to an interest charge. The interest charge will be waived if your revised claim is completed within 30 days from the date of this report. If the revised claim is not completed by the 30-day deadline, an interest charge may be billed to your institution. Please mail your check and the billing notice to:

Child and Adult Care Food Program
Fiscal Services
11th Floor, Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243

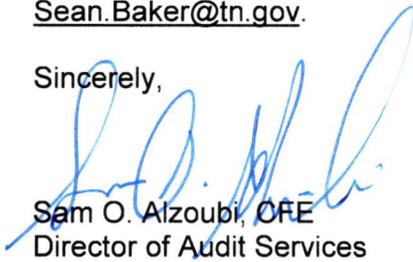
In accordance with the federal regulation found at *7 CFR Part 226.6 (k)*, your institution may appeal the overpayment identified by the monitoring report. The procedures for submitting an appeal are enclosed. The appeal must be submitted to:

Tennessee Department of Human Services
Appeals and Hearings Division, Clerks Office
P.O. Box 198996
Nashville, Tennessee 37219

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

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or Sean.Baker@tn.gov.

Sincerely,



Sam O. Alzoubi, OFE
Director of Audit Services

Exhibits

cc: Gary Holiway, Executive Director, East Tennessee HRA
Veronica Stephens, CACFP Manager, East Tennessee HRA
Allette Vayda, Director of Operations, Child and Adult Care Food Program
Debra Pasta, Program Manager, Child and Adult Care Food Program
Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

EXHIBIT A**Verification of CACFP Sponsored Center Claim****Name of Agency: Blessings Child Care****Total Meal Reimbursement Received: \$2,696.56**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Attendance	922	916
Percentage of Free or Reduced-price Participants	41%	42%
Number of Breakfasts Served	916	0
Number of Lunches Served	920	41
Number of Supplements Served	920	0
Number of Participants in Free Category	16	17
Number of Participants in Reduced-Price Category	5	4
Number of Participants in Paid Category	30	29
Total Number of Participants	51	50
Total Amount of Food Costs	XXXXXXXX	No food invoices provided
Total Amount of Eligible Food and Nonfood Costs	XXXXXXXX	See above

At Risk Sites

EXHIBIT B

Verification of CACFP Claim for Sponsored centers (Child Care and At-Risk)

Name of Agency: East Tennessee Human Resource Agency
Total Meal Reimbursement Child Care Received: \$10,978.59
Total Meal Reimbursement At Risk Snack Received: \$220,204.28

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Number of Breakfasts Served	1,586	670
Number of Lunches Served	4,021	3,101
Number of Supplements Served	4,828	3,908
Number of Supplements-At Risk	7,444	7,444
Number of Suppers-At Risk	61,705	60,255

EXHIBIT C

Verification of CACFP Sponsored Center Claim

Name of Agency: Claiborne County High School
Reimbursement due based on Reported Information: \$2,427.21
Reimbursement due based on Verified Information: \$0

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	11	11
Total Attendance	710	710
Number of Suppers Served	701	77

EXHIBIT D**Verification of CACFP Sponsored Center Claim****Name of Agency: Clinton Middle****Reimbursement due based on Reported Information: \$775.60****Reimbursement due based on Verified Information: \$0**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	10	10
Total Attendance	224	unable to document
Number of Suppers Served	224	18

EXHIBIT E**Verification of CACFP Sponsored Center Claim****Name of Agency: Dutch Valley Elementary****Reimbursement due based on Reported Information: \$841.38****Reimbursement due based on Verified Information: \$0**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	12	12
Total Attendance	243	243
Number of Suppers Served	243	17

EXHIBIT F**Verification of CACFP Sponsored Center Claim****Name of Agency: Lenoir City Elementary and Middle (Sponsor files one claim)****Reimbursement due based on Reported Information: \$1,755.48****Reimbursement due based on Verified Information: \$1,620.45**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	13	12
Total Attendance	507	507
Number of Suppers Served	507	468

Lenoir City Elementary-3/1/18 no menu -21 suppers

Lenoir City Middle School-3/1/18 no menu -18 suppers

EXHIBIT G**Verification of CACFP Sponsored Center Claim****Name of Agency: Midway Elementary****Reimbursement due based on Reported Information: \$1,828.20****Reimbursement due based on Verified Information: \$1,644.69**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	10	11
Total Attendance	528	528
Number of Suppers Served	528	475

EXHIBIT H**Verification of CACFP Sponsored Center Claim****Name of Agency: Oak Ridge Boys & Girls Club****Reimbursement due based on Reported Information: \$3,704.87****Reimbursement due based on Verified Information: \$3,185.50**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Attendance	1,070	1,070
Number of Suppers Served	1,070	920

EXHIBIT I**Verification of CACFP Sponsored Center Claim****Name of Agency: Powell Valley Elementary****Reimbursement due based on Reported Information: \$1,873.21****Reimbursement due based on Verified Information: \$1,734.71**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	11	11
Total Attendance	541	541
Number of Suppers Served	541	501

EXHIBIT J

Verification of CACFP Claim for Home Sponsor

Sponsor: East Tennessee Human Resource Agency

Review Month/Year: March 2018

Total Meal Reimbursement Received: \$26,669.80

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Number of Tier 1 Breakfasts Served	4,317	4,271
Number of Tier 2 Breakfasts Served	66	66
Number of Tier 1 AM Supplements	154	154
Number of Tier 1 Lunches Served	4,264	4,081
Number of Tier 2 Lunches	66	66
Number of Tier 1 PM Supplements	5,197	5,156
Number of Tier 2 PM Supplements	66	66
Number of Tier 1 Suppers Served	750	681
Number of Tier 2 Suppers Served	0	0
Number of Tier 1 Evening Supplements Served	410	405
Total Number of Tier 1 Homes	35	35
Total Number of Tier 2 Homes	1	1
Total Number of Homes	36	36

EXHIBIT K**Individual Home Review Data**

Name of Home/Tier Type: Joyce Armstrong-Tier 1
Sponsor Reimbursement Paid to the Home: \$581.95
Reimbursement due based on Reported Information: \$581.95
Reimbursement due based on Verified Information: \$520.45

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Tier 1 Attendance	103	103
Number of Tier 1 Lunches Served	103	93
Number of Tier 1 PM Supplements Served	103	103
Number of Tier 1 PM Suppers Served	103	88

EXHIBIT L**Individual Home Review Data**

Name of Home/Tier Type: Carolyn Arnold-Tier 1
Sponsor Reimbursement Paid to the Home: \$1,347.75
Reimbursement due based on Reported Information: \$1,347.75
Reimbursement due based on Verified Information: \$1,253.08

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Tier 1 Attendance	345	345
Number of Tier 1 Breakfasts Served	225	225
Number of Tier 1 Lunches Served	234	212
Number of Tier 1 PM Supplements Served	265	265
Number of Tier 1 PM Suppers Served	89	74
Number of Tier 1 Evening Supplements Served	89	84

EXHIBIT M**Individual Home Review Data**

Name of Home/Tier Type: Bonnie Shields-Tier 1
Sponsor Reimbursement Paid to the Home: \$625.50
Reimbursement due based on Reported Information: \$625.50
Reimbursement due based on Verified Information: \$591.06

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Tier 1 Attendance	139	139
Number of Tier 1 Breakfasts Served	139	139
Number of Tier 1 Lunches Served	139	125
Number of Tier 1 PM Supplements Served	139	139

EXHIBIT N**Individual Home Review Data**

Name of Home/Tier Type: Elizabeth Smith-Tier 1
Sponsor Reimbursement Paid to the Home: \$1,136.60
Reimbursement due based on Reported Information: \$1,136.60
Reimbursement due based on Verified Information: \$941.30

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Tier 1 Attendance	282	282
Number of Tier 1 Breakfasts Served	250	223
Number of Tier 1 Lunches Served	247	190
Number of Tier 1 PM Supplements Served	276	249

EXHIBIT O**Individual Home Review Data****Name of Home/Tier Type: Marcia Thomas-Tier 1****Sponsor Reimbursement Paid to the Home: \$1,369.57****Reimbursement due based on Reported Information: \$1,369.57****Reimbursement due based on Verified Information: \$1,041.72**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Tier 1 Attendance	361	361
Number of Tier 1 Breakfast Served	208	189
Number of Tier 1 Lunches Served	215	135
Number of Tier 1 PM Supplements Served	220	206
Number of Tier 1 Suppers Served	128	89
Number of Tier 1 Evening Supplements Served	127	127



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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

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

BILL HASLAM

GOVERNOR

DANIELLE W. BARNES

COMMISSIONER

August 6, 2018

Johnny Merritt, Board Chair
East Tennessee Human Resource Agency
9111 Cross Park Drive, D-100
Knoxville, Tennessee 37923

Notice of payment due to findings disclosed in the monitoring report for Child and Adult Care Food Program (CACFP)

Institution Name:	East Tennessee Human Resource Agency
Institution Address:	9111 Cross Park Drive, D-100 Knoxville, Tennessee 37923
Agreement Numbers:	00-027
Amount Due:	\$7,318.08
Due Date:	September 7, 2018

Based on the monitoring report issued, by the Audit Services Division within the Tennessee Department of Human Services, the Community and Social Services- Food Programs- CACFP & SFSP management has agreed with the findings which require your institution to reimburse the Department of Human Services the disallowed cost noted in the report

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

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

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

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director of Operations at (615) 313-3769 or Allette.Vayda@tn.gov.

Thank you for your attention



Corrective Action Plan for Monitoring Findings

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 name, title and date of signature on the last page. Please sign your name in ink.

Please return ALL pages of the completed Corrective Action Plan form.

Section A. Institution Information

Name of Sponsor/Agency/Site: East Tennessee Human Resource Agency	Agreement No. 00028	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
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Mailing Address: 9111 Cross Park Drive D 100

Section B. Responsible Principal(s) and/or Individual(s)

Name and Title: Johnny Merritt, Board Chair	Date of Birth: / /
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Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan

Monitoring Report: 8/6/2018	Corrective Action Plan: 8/6/2018
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Section D. Findings

Findings:

1. The Sponsor reported the number of participants in the free, reduced-price, and paid categories incorrectly
2. The Sponsor incorrectly reported meal counts
3. The Sponsor provided menus that did not meet the USDA meal pattern requirements
4. The Sponsor did not provide documentation of food and nonfood purchases to support menus at certain feeding sites for March 2018
5. The Sponsor did not provide menus as required
6. The Sponsor did not complete monitoring as required
7. The Sponsor provided menus that did not document a whole grain-rich component was served once per day as required
8. The Sponsor provided menus that documented grain based desserts were served
9. The Sponsor provided menus that documented two fruits were served for supper meals

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

Measure No. 1: The Sponsor reported the number of participants in the free, reduced-price, and paid categories incorrectly

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 Sponsor incorrectly reported 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. 3: The Sponsor provided menus that did not meet the USDA meal pattern requirements

The finding will be fully and permanently corrected.

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

Name: Position Title:

Name: Position Title:

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

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

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

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

Measure No. 4: The Sponsor did not provide documentation of food and nonfood purchases to support menus at certain feeding sites for March 2018

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

Name: Position Title:

Name: Position Title:

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

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

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

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

Measure No. 5: The Sponsor did not provide menus as required

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: The Sponsor did not complete monitoring as required

The finding will be fully and permanently corrected.

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

Name:

Position Title:

Name:

Position Title:

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

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

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

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

Measure No. 7: The Sponsor provided menus that did not document a whole grain-rich component was served once per day as required

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 Sponsor provided menus that documented grain based desserts were served

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 provided menus that documented two fruits were served for supper meals

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. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

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

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

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.