



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
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www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

April 17, 2018

Greg Lynch, Board Chair
First Tennessee Human Resource Agency
704 Rolling Hills Drive
Johnson City, Tennessee 37604-7264

Dear Mr. Lynch,

The Department of Human Services (DHS) - Audit Services Division staff conducted an unannounced on-site monitoring review of the Child and Adult Care Food Program (CACFP) at First Tennessee Human Resource Agency, Application Agreement number 00-278, beginning on March 6, 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 one adult daycare center and 49 daycare homes operating during the review period. We selected **Adult Day Services** and six daycare homes for our sample. During our review, we attempted to monitor the homes of **Betty East, Marina Fraser, and Deborah Leonard**, but were not granted access to these homes. The homes of **Connie Hodges, Phyllis Lamons, Misty Linkous, Sandy Beets, Kristi Goff, and Tina Gullion** were the sample.

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 counts 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, meal services were observed during our site visits made during the test month.

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

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

Condition

Adult Day Services – sample center

The Claim for Reimbursement for the test month for **Adult Day Services** reported 33 participants in the free category, five participants in the reduced-price category, and eight participants in the paid category. However, based on our review of the Sponsor's records, we found there were 32 participants in the free category, eight participants in the reduced-price category, and six participants in the paid category.

The differences were based on the following:

- The number of participants reported in the free category was over-reported by one participant and by two participants in the paid category, and the reduced-price category was under-reported by three participants.

As a result, the Sponsor overreported the number of participants in the free category by one participant and the number of participants in the paid category by two, and underreported the number of participants by three in the reduced-price 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 maintain all information used to determine eligibility, and ensure that each participant is classified and reported accurately based on categorical or income eligibility.

2. The Sponsor served meals at an unapproved feeding site

Condition

A site review was completed on January 18, 2018 at the **Misty Linkous** home. The approved address for this feeding site was 1383 Clear Creek Circle in TIPS, but the daycare operated at 1820 Duke Street. We arrived at the approved address listed in TIPS and was told by the provider's niece, who was present at the listed address, that she did not operate a daycare at this address. We contacted the Sponsor and were informed that the daycare operated at 1820 Duke Street. We proceeded to that address and conducted our site visit. The one participant present was asleep when we arrived and during the entire lunch serving time.

As a result, there were 55 lunch meals, 58 supplements, and 52 supper meals disallowed. (See Exhibit E)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.2, defines an Tier I day care home as "(a) a day care home that is operated by a provider whose household meets the income standards for free or reduced-price meals, as determined by the sponsoring organization based on a completed free and reduced price application, and whose income is verified by the sponsoring organization of the home in accordance with §226.23(h)(6); (b) A day care home that is located in an area served by a school enrolling students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced-price meals; or (c) A day care home that is located in a geographic area, as defined by FNS based on census data, in which at least 50 percent of the children residing in the area are members of households which meet the income standards for free or reduced price meals.

Title 7 of the Code of Federal Regulations, Section 226.16(b) states, "Each sponsoring organization must submit to the State agency with its application all information required for its approval, and the approval of the facilities under its jurisdiction, as set forth in §§226.6(b) and 226.6(f)... the application must include: (8) For sponsoring organizations of day care homes, the name, mailing address, and date of birth of each provider."

Recommendation

The Sponsor should ensure that meals are being served at the approved feeding site locations.

3. The Sponsor reported incorrect meal counts for observed meals

Condition

Phyllis Lamons – sample home

The Sponsor reported on January 15, 2018, eight supplement meals served at **Phyllis Lamons** home. However, based on our observed meal service during our unannounced site visit, there were seven meals served.

As a result, the Sponsor one supplement meal reported was disallowed. (See Exhibit D)

Misty Linkous – sample home

The Sponsor reported one lunch served at **Misty Linkous**. However, based on our observed meal service during our unannounced site visit, there were zero lunch meals served. The child was asleep during the approved lunch service time in TIPS.

As a result, the Sponsor overreported one lunch meal served. No additional meals were disallowed due to all meals served being disallowed due to Finding 2. (See Exhibit E)

This is a repeat finding from a previous report dated September 14, 2016.

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 claims for reimbursement are completed correctly and based on accurate supporting documents.

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

Condition

Adult Day Services -- sample center

Based on our review of the menus provided by the Sponsor for **Adult Day Services**, we noted that the menus were not in accordance with the USDA meal pattern requirements. The deficiencies are as follows:

Date	Menu Deficiency	Disallowed Meals (# and type)
1/9/18	Menu listed: Chicken Nuggets, BBQ Sauce, Potato Salad, Peaches, Stir Fry Vegetables, Milk Deficient component: No bread or grain	17 Lunches

In addition, there were menus that were deficient that resulted in no meals being disallowed due to the one year grace period granted to Sponsors to conform to the revised CACFP meal pattern requirements effective October 1, 2017. The deficiencies are as follows:

Date	Menu Deficiency	Meal Type(s)
1/2/18	Juice was served as a component for two meals in one day	Breakfast & Snack
1/9/18	Menu listed: Oatmeal Cookie, Milk Deficient component: Grain-based dessert	Snack
1/11/18	Menu listed: Yogurt, Vanilla Wafers Deficient component: Grain-based dessert	Snack
1/25/18	Juice was served as a component for two meals in one day	Breakfast & Snack
1/29/18	Menu listed: Chex mix, Milk Deficient component: 2 nd creditable component	Snack
1/30/18	Menu listed: Pound cake w/ peaches, Cool Whip Deficient component: Grain-based dessert	Snack
1/31/18	Juice was served as a component for two meals in one day	Breakfast & Snack

Additionally, the Sponsor did not have a whole grain component listed once per day for any meals listed on the provided menus for **Adult Day Services** during the review period.

As a result, 17 lunch meals served were disallowed. (See Exhibit A)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.19a(b)(6) states, "Each adult day care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20...."

Title 7 of the Code of Federal Regulations, Section 226.20(a)(3)(i) states, "... Fruit juice or vegetable juice may only be served at one meal, including snack, per day."

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."

The USDA Crediting Handbook for the Child and Adult Care Food Program, concerning snack/party mixes, trail mixes states, "These are snack food mixtures with a variety of items including nuts, cereals, seeds, dried fruits, etc. These items cannot be credited unless there is an explanation of the creditable ingredients included in the mix on the menu."

Recommendation

The Sponsor should ensure menus meet the meal patterns established by the USDA.

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 cost of \$301.59.

Corrective Action

First Tennessee Human Resource Agency 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(s) submitted for each site for January 2018, which contains the verified claim data from the enclosed exhibit.
- Remit a check payable to the ***Tennessee Department of Human Services*** in the amount of \$301.59 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 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 amount of disallowed cost identified in this 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, Clerk's Office
P.O. Box 198996
Nashville, TN 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, CFE
Director of Audit Services

Exhibits

cc: Beverly Cupp, Executive Director, First Tennessee Human Resource Agency
 Renee Fox, Executive Director, First Tennessee Human Resource Agency
 Allette Vayda, Director of Operations, Child and Adult Care Food Program
 Debra Pasta, Program Manager, 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
 Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program
 Comptroller of the Treasury, State of Tennessee

Verification of CACFP Claim for Sponsored Centers

Exhibit A

Site: Adult Day Center

Review Month/Year: January 2018

Total Meal Reimbursement Received: \$1,792.40

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	17	17
Total Attendance	410	410
Number of Breakfast Meals Served	361	361
Number of Lunches Served	341	324
Number of Supplements Served	397	397
Number of Participants in Free Category	33	32
Number of Participants in Reduced Category	5	8
Number of Participants in Paid Category	8	6
Total Number of Participants	46	46
Total Amount of Eligible Food Costs	XXXXXXXX	\$2,094.25
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$2,392.85

Verification of CACFP Claim for Sponsor of Homes**Exhibit B****Sponsor: First Tennessee Human Resource Agency****Review Month/Year: January 2018****Total Meal Reimbursement Received for DCH: \$34,795.01**

Sponsor Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	20	20
Number of Breakfast Meals Served Tier 1	4,946	4,946
Number of Lunches Served Tier 1	5,554	5,498
Number of Suppers Served Tier 1	1,996	1,944
Number of Supplements Served Tier 1	6,475	6,418

Verification of CACFP Claim for Sponsored Homes**EXHIBIT C****Name of Home/Tier Type: Connie Hodges/Tier 1****Sponsor Reimbursement Paid to the Home: \$1,104.08****Reimbursement due based on Reported Information: \$1,104.08****Reimbursement due based on Verified Information: \$1,104.08**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	22	22
Number of Breakfasts Served	261	261
Number of Lunches Served	230	230
Number of Supplements Served	269	268

EXHIBIT D

Name of Home/Tier Type: Phyllis Lamons/Tier 1

Sponsor Reimbursement Paid to the Home: \$679.50

Reimbursement due based on Reported Information: \$679.50

Reimbursement due based on Verified Information: \$677.04

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	22	22
Number of Breakfasts Served	151	151
Number of Lunches Served	151	150
Number of Supplements Served	151	151

EXHIBIT E

Name of Home/Tier Type: Misty Linkous/Tier 1

Sponsor Reimbursement Paid to the Home: \$304.83

Reimbursement due based on Reported Information: \$304.83

Reimbursement due based on Verified Information: \$0

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	22	22
Number of Lunches Served	55	0
Number of Supplements Served	57	0
Number of Suppers Served	52	0

EXHIBIT F**Name of Home/Tier Type: Sandy Beets/Tier 1****Sponsor Reimbursement Paid to the Home: \$884.86****Reimbursement due based on Reported Information: \$884.86****Reimbursement due based on Verified Information: \$884.86**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	22	22
Number of Breakfasts Served	63	63
Number of Lunches Served	169	169
Number of Suppers Served	107	107
Number of Supplements Served	169	169

EXHIBIT G**Name of Home/Tier Type: Kristi Goff/Tier 1****Sponsor Reimbursement Paid to the Home: \$1,070.72****Reimbursement due based on Reported Information: \$1,070.72****Reimbursement due based on Verified Information: \$1,070.72**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	22	22
Number of Breakfasts Served	165	165
Number of Lunches Served	140	140
Number of Suppers Served	124	124
Number of Supplements Served	281	281

EXHIBIT H

Name of Home/Tier Type: Tina Gullion/Tier 1

Sponsor Reimbursement Paid to the Home: \$364.33

Reimbursement due based on Reported Information: \$364.33

Reimbursement due based on Verified Information: \$364.33

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	22	22
Number of Lunches Served	55	55
Number of Suppers Served	75	75
Number of Supplements Served	61	61



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COMMISSIONER

April 17, 2018

Greg Lynch, Board Chair
First Tennessee Human Resource Agency
704 Rolling Hills Drive
Johnson City, Tennessee 37604

Notice of payment due to findings disclosed in the monitoring report dated April 17, 2018 for Child and Adult Care Food Program (CACFP)

Institution Name:	First Tennessee Human Resource Agency
Institution Address:	704 Rolling Hills Drive Johnson City, Tennessee 37604
Agreement Numbers:	00-278
Amount Due:	\$301.59
Due Date:	May 17, 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: First Tennessee Human Resource Agency	Agreement No. 00278	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
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Mailing Address: 704 Rolling Hills Drive Johnson City, Tennessee 37604-7264

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

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

Monitoring Report: 4/17/2018	Corrective Action Plan: 4/17/2018
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Section D. Findings

Findings:

1. The Sponsor incorrectly reported the number of participants in the free, reduced-price, and paid categories
2. The Sponsor served meals at an unapproved feeding site
3. The Sponsor reported incorrect meal counts for observed meals
4. The Sponsor provided menus that did not meet USDA meal pattern requirements

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 incorrectly reported the number of participants in the free, reduced-price, and paid categories

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 served meals at an unapproved feeding site

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 for observed 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:

Measure No. 4: The Sponsor provided menus that did not meet USDA meal pattern requirements

The finding will be fully and permanently corrected.

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

Name:

Position Title:

Name:

Position Title:

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

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: / /

- (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

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

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

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

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

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

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

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

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.