



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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

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TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

CERTIFIED MAIL RECEIPT #7017066000035705906

February 9, 2018

Chanieya Martinez, Owner
This Little Light of Mine Child Care Center
5421 Knight Arnold Road
Memphis, Tennessee 38115-2816

Dear Ms. Martinez,

The Department of Human Services (DHS) - Audit Services staff conducted an unannounced on-site review of the Child and Adult Care Food Program (CACFP) at This Little Light of Mine Child Care Center Application Agreement 00-540 on January 09, 2018. The purpose of this review was to determine if the Sponsor complied with *Title 7 of the Code Regulations* (CFR) applicable parts, application agreement, and applicable Federal and State regulations.

SERIOUS DEFICIENCY DETERMINATION

Based on the monitoring review, the Department has determined that This Little Light of Mine Child Care Center is seriously deficient in its operation of the CACFP. In addition, the Department has identified Chanieya Martinez, Owner as responsible for the serious deficiencies in light of their responsibility for the overall management of This Little Light of Mine Child Care Center's CACFP.

If This Little Light of Mine Child Care Center does not fully and permanently correct all of the serious deficiencies and submit documentation of the corrective action by the due date, the Department will:

- Propose to terminate This Little Light of Mine Child Care Center's agreement to participate in the CACFP;
- Propose to disqualify This Little Light of Mine Child Care Center from future CACFP participation; and
- Propose to disqualify Chanieya Martinez, Owner, from future CACFP participation.

In addition, if This Little Light of Mine Child Care Center voluntarily terminates its CACFP agreement after receiving this letter, the Department will propose to disqualify This Little Light of Mine Child Care Center, Chanieya Martinez, Owner, from future CACFP participation. If disqualified, This Little Light of Mine Child Care Center, and Chanieya Martinez, Owner will be placed on the National Disqualified List (“NDL”). While on the NDL, This Little Light of Mine Child Care Center will not be able to participate in the CACFP as an institution or facility. Chanieya Martinez, Owner will not be able to serve as a principal in any institution or facility or as a day care home provider in the CACFP.

Institutions and individuals remain on the NDL until the United States Department of Agriculture’s Food and Nutrition Service, in consultation with the Department, determines that the serious deficiencies have been corrected, or until seven years after their disqualification. However, if any debt relating to the serious deficiencies has not been repaid, they will remain on the list until the debt has been repaid.

The authorization for this action is found in Paragraph 1.e. of your FY 2016 CACFP Provider Agreement and in the CACFP regulations at 7 C.F.R. § 226.6(c)(3). You may not appeal a finding of serious deficiency.

SERIOUS DEFICIENCIES, ADDITIONAL FINDINGS AND REQUIRED CORRECTIVE ACTION

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 a meal service on November 27, 2017.

Our review of the Sponsor’s records for November 2017 disclosed the following:

1. The number of participants reported in the free category was incorrect

This is a Serious Deficiency:

Condition

The claim for reimbursement for the test month of reported 31 participants in the free category, zero participants in the reduced-price category and zero participants in the paid category. However, our review of the Sponsor’s records verified there were zero participants in the free category, zero participants in the reduced-price category and 24 participants in the paid category. The differences were based on the following:

- There were eight participants reported in the free category, however the participants did not have an application on file nor did they have the application information available. These eight participants were reclassified as paid.
- There were 16 participants reported in the free category, but the applications on file were not signed or dated by the determining official. These 16 participants were reclassified as paid.

- There were seven participants over reported in the free category. This is considered a reporting error.

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..."

Title 7 of the Code of Federal Regulations Section 226.17 (b)(8) states, "Child care centers shall collect and maintain documentation of the enrollment of each child, including information used to determine eligibility for free and reduced price meals in accordance with §226.23(e)(1) ... Such documentation of enrollment must be updated annually, signed by a parent or legal guardian, and include information on each child's normal days and hours of care and the meals normally received while in care."

Recommendation

The Sponsor should ensure each participant is classified and reported according to income eligibility applications for child care center participants. Applications should be maintained on file and updated annually.

2. The Sponsor claimed the incorrect number of meals

Condition

The claim for reimbursement for the test month reported 614 breakfast meals, 607 lunch meals and 612 supplement meals served. However, our review of the Sponsor's records verified 608 breakfast meals, 626 lunch meals and 616 supplement meals prior to any meal disallowances. The Sponsor over claimed the number of breakfast meals by six, under claimed lunch meals by 19 and under claimed supplement meals by 4.

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 the meal count claimed agree with the actual meal count documentation and meals served.

3. The Sponsor reported an incorrect number of meals from an observed meal service

This is a Serious Deficiency:

Condition

On November 27, 2017, a DHS program monitor observed a lunch meal service at This Little Light of Mine Child Care Center. The monitor observed 13 lunch meals being served during the approved meal service from 11:00 am until 11:30 am. However, the Sponsor reported a total of 28 lunch meals being served. As a result, the cost reimbursement for 15 lunch meals was disallowed.

Criteria

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

Recommendation

The Sponsor should ensure the meals reported agree with the actual meals served during the meal service time.

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

Condition

The menus for the test month had deficiencies and listed the following:

| Date | Deficient Component | Disallowed Meals |
|-------------|--|-------------------------|
| 11/03/17 | Deficient component: Meat/Meat alternate The label provided for the chicken nuggets is not a CN label or product formulation statement and the amount of protein could not be determined. Menu Listed: Milk, chicken nuggets, baked fries apples, and white bread. No additional protein listed. | 30 lunch meals |
| 11/10/17 | Deficient component: Meat/Meat alternate The label provided for the fish sticks is not a CN label or product formulation statement and the amount of protein could not be determined. Menu Listed: Milk, fish sticks, corn, applesauce, and whole wheat bread. No additional protein listed. | 30 lunch meals |
| 11/21/17 | Deficient component: Meat/Meat alternate The label provided for the fish sticks is not a CN label or product formulation statement and the amount of protein could not be determined. Menu Listed: Milk, fish sticks, corn, applesauce, and whole wheat bread. No additional protein listed. | 30 lunch meals |
| 11/24/17 | Deficient component: Meat/Meat alternate The Sponsor did not provide a CN label for the corn dogs. Therefore, the amount of protein could not be determined. Menu Listed: Milk, corn dogs, green beans, peaches and whole wheat bread. No additional protein listed. | 30 lunch meals |

As a result, the cost reimbursement of 120 lunch meals was disallowed.

Criteria

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

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, “When crediting such products as chili-macs, pizzas, pot pies, sloppy Joes, and raviolis toward the meat/meat alternate component, the amount of meat/meat alternate per serving (not the total portion size) is the determining factor for crediting purposes. Because of the uncertainty of the actual amount of meat/meat alternate contained in these products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a sales person) that shows how the crediting has been determined. Remember that only a CN-labeled product carries a warranty that protects against financial audit claims. See the sample formulation statement on page 73 with required information and documentation.”

Recommendation

The Sponsor should ensure all menus meet the meal patterns established by the USDA and maintain CN labels and/or product formulation statements.

5. The Sponsor failed to meet meal pattern requirements regarding grain.

Condition

In accordance to the revised meal pattern requirements effective October 2017; at least one serving of grain per day must be whole grain-rich. The following menus listed a whole grain roll on the menu, however a label for verification that the product was whole grain-rich was not provided:

On November 1st, 8th, 9th, 13th, 15th, 16th, 20th, 22nd, 29th, and 30th, 2017 the Sponsor listed a whole wheat roll with the lunch meals to meet the requirement that at least one serving of grain per day must be whole grain-rich, however we were unable to verify that the product was whole grain rich.

There were no meals disallowed due to the one year grace period given to Sponsors to conform to the revised CACFP meal patterns.

Criteria

Title 7 of the code of Federal Regulations, Section 226.20 (4)(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 all labels are maintained for verification purposes and menus meet the meal patterns established by the USDA.

6. The Sponsor failed to meet meal pattern requirements regarding sugar.

Condition

In accordance with the revised meal pattern requirements effective October 2017, yogurts must contain no more than 23 grams of sugar per six ounces, and breakfast cereals must contain no more than six grams of sugar per dry ounce. The following menus were deficient:

- The supplement meal menu on November 2, 2017 listed yogurt as one of the two components. The Sponsor did not provide a label to verify the amount of sugar in the product.

- The breakfast meal menus on November 16th and 20th listed breakfast cereal. The label provided by the Sponsor for the cereal was Kellogg's Raisin Bran. The amount of sugar in the cereal exceeded the allowable six grams of sugar per dry ounce.

There were no meals disallowed due to the one year grace period given to Sponsors to conform to the revised CACFP meal patterns.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20 (a)(4)(ii) states, "...Breakfast cereals must contain no more than 6 grams of sugar per dry ounce..."

Title 7 of the Code of Federal Regulations, Section 226.20 (5)(iii)(B) states, "Yogurt must contain no more than 23 grams of total sugars per 6 ounces;"

Recommendation

The Sponsor should ensure all labels are maintained for verification purposes and menus meet the meal patterns established by the USDA.

7. The Sponsor did not provide supporting documentation to show that sufficient quantities of milk were purchased for the number of meals served requiring milk.

This is a Serious Deficiency:

Condition

Based on the number of meals served with milk as a required component, a total of 5,856 ounces were needed. However, the Sponsor did not provide any milk receipts to verify that milk was purchased nor did the Sponsor provide a beginning inventory of milk for November 2017. As a result, the cost reimbursement for all meals requiring milk was disallowed. A total of 608 breakfast meals, 491 lunch meals and 86 supplement meals were disallowed.

Criteria

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

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(c)(3) states, "Serve two of the following five components: Fluid milk, meat and meat alternates, vegetables, fruits, and grains. Fruit juice, vegetable juice, and milk may comprise only one component of the snack..."

Recommendation

The Sponsor should maintain a month-end inventory for each month and all receipts for food purchases in order to provide evidence that the required amount of milk was purchased and served.

8. The Sponsor did not provide receipts or invoices for the test month to validate purchases of food or non-food related to the CACFP program

This is a Serious Deficiency:

Condition

The Sponsor did not provide receipts or invoices to validate any purchases of food or non-food related purchases made during the test month. As a result, the cost reimbursement for the remainder of meals, 530 supplement meals, was disallowed.

Criteria

The United States Department of Agriculture Food (USDA) and Food and Nutrition Service (FNS) Code of Federal Regulations 7 CFR, Section 226.10 (d) states “All accounts and records pertaining to the Program shall be made available upon request, to the representatives of the State agency, of the Department, and of the U.S. General Accounting Office for auditing review, at a reasonable time and place.”

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

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

Recommendation

The Sponsor should ensure that receipts and invoices are available upon request to support CACFP transactions.

9. The Sponsor failed to maintain an inventory of milk, food, or non-food items.

Condition

The Sponsor did not maintain an inventory of milk, food, or non-food items purchased with CACFP funds. As a result, we could not determine the beginning inventory of milk, food, or non-food items for the month of November 2017.

Criteria

FNS Instruction 796-2, Rev. 4 (Exhibit G, Suggested Format for Inventory Reconciliation and Exhibit H, Suggested Format for Inventory Record) states that monthly inventory records must be maintained. “Other State agencies may, however, require an inventory to be taken once a year.”

Recommendation

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

10. The Sponsor reported incorrect participant days

Condition

The claim for reimbursement for November 2017 reported 620 participant days. However, based on our review of the Sponsor's records, we noted 392 participant days.

Criteria

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

Recommendation

The Sponsor should ensure the attendance is recorded and reported correctly. Appropriate supporting documentation should be maintained and available.

11. The Sponsor reported incorrect days of operation

Condition

The claim for reimbursement for November 2017 reported 20 days of operation. However, based on our review of the Sponsor's records, we noted 21 days of operation.

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 the days of operation are reported correctly. Appropriate supporting documentation should be maintained and available.

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

Condition

The Sponsor did not provide documentation of the annual CACFP training for staff. This training is required and must emphasize food service procedures and record keeping requirements.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.15 (e) states, “*Recordkeeping*. Each institution shall establish procedures to collect and maintain all program records required under this part, as well as any records required by the State agency. Failure to maintain such records shall be grounds for the denial of reimbursement for meals served during the period covered by the records in question and for the denial of reimbursement for costs associated with such records. At a minimum, the following records shall be collected and maintained: ... (12) “Information on training session date(s) and location(s), as well as topics presented and names of participants; ...”

Recommendation

The Sponsor should maintain documentation that the required annual training for all staff with CACFP responsibilities was provided.

13. The Sponsor was missing enrollment information

Condition

There were nine participants that did not have an enrollment information on file.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.15 (e)(2) states “Documentation of the enrollment of each participant at centers (except for outside-school-hours care centers, emergency shelters, and at-risk afterschool care centers). All types of centers, except for emergency shelters and at-risk afterschool care centers, must maintain information used to determine eligibility for free or reduced-price meals in accordance with §226.23(e)(1). For child care centers, such documentation of enrollment must be updated annually, signed by a parent or legal guardian, and include information on each child's normal days and hours of care and the meals normally received while in care.”

Recommendation

Sponsor should ensure enrollment information is current and up to date for each participant.

This is a repeat finding from the report dated May 6, 2015.

14. The Sponsor did not provide proof of an adequate financial system

Condition

The Sponsor provided a copy of the bank statement for the review month, however, no other proof of an adequate financial system was provided. The Sponsor does not keep a general ledger or maintain receipts and/or invoices to document purchases made with CACFP funds as required.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (d) states, “... All accounts and records pertaining to the Program shall be made available, upon request, to representatives of the State Agency, of the Department, and of the US Government Accountability Office for audit or review, at a reasonable time and place.”

Title 7 of the Code of Federal Regulations, Section 226.6 (b)(1) (xviii) (C) Performance Standard 3-Program accountability states, “The new institution must have internal controls and other management

system in effect to ensure fiscal accountability and to ensure that the Program will operate in accordance with the requirements...”

Recommendation

The Sponsor should maintain financial documents to support the food and non-food purchases made with CACFP funds.

Technical Assistance Provided

Technical assistance was provided to the Sponsor on the revised meal pattern requirements and making changes in the DHS Tennessee Information Payment System (TIPS). The Sponsor was also referred to the Program Specialists for additional technical assistance.

Follow up:

We followed up with the Sponsor to obtain any documentation or explanation to assist us in reducing or eliminating the disallowed meals cost due to lack of documentation. On February 1, 2018, we spoke to Ms. Martinez and she stated she is aware of the fact that the total amount paid for the month will be disallowed. She said she takes full responsibility, and she is requesting Technical Assistance regarding record keeping.

She also said she purchased all her food etc. at both Sam’s and Kroger; however she is not able to locate any receipts for the test period.

We will communicate with the Sponsor and schedule a Technical Assistance regarding record keeping.

OVERPAYMENT-RIGHT TO APPEAL

Disallowed Costs

Based on the review, we determined that the Sponsor’s noncompliance with the applicable Federal and State regulations that govern the CACFP, specifically, not providing supporting documentation to support food purchases resulted in a total disallowed meals cost of \$3,714.80. However, since we observed 13 lunch meals on November 27, 2017, we will allow the cost for those 13 lunch meals which resulted in reduction of the disallowed meals cost by \$48.04. The final disallowed meals cost is **\$3,666.76** [3,714.80 – 48.04].

| | meal | CIL | |
|---|-------------|------------|-------------------|
| No. of lunch meals | 13 | 13 | |
| Reimbursement rates | \$3.46 | \$0.23 | |
| Total | \$45.01 | \$3.02 | \$48.04 |
| Original disallowed meals cost | | | \$3714.80 |
| Less credit for the 13 lunch meals | | | \$(48.04) |
| Net Disallowed meals Cost | | | \$3,666.76 |

Based on our review, we determined that the Sponsor’s noncompliance with the applicable Federal and State regulations that govern CACFP resulted in a total disallowed cost of **\$3,666.76**

Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$3,666.76, which the institution owes the Department. **The procedures for submitting an appeal regarding the amount of overpayment are enclosed. Please note that the appeal must be in writing and must be received by our Department no later than fifteen (15) calendar days from your receipt of this letter.** 7 C.F.R. § 226.6(k). The appeal must be submitted to:

Tennessee Department of Human Services
Appeals and Hearings Division, Clerk's Office
P.O. Box 198996
Nashville, TN 37219

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

In accordance with the CACFP regulations at 7 C.F.R. § 226.14(a), in part, the State agency must assess interest 30 days from the initial request for repayment. For information about applied interest rates please visit the following website:

http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical_rates.htm

SUMMARY

The Department has determined that This Little Light of Mine Child Care Center is seriously deficient in its operation of the CACFP and that Chanieya Martinez, Owner is responsible for the serious deficiencies.

You may not appeal the serious deficiency determination itself. If the Department proposes to terminate This Little Light of Mine Child Care Center's CACFP agreement, or propose to disqualify This Little Light of Mine Child Care Center and the responsible individuals, you will be able to appeal those actions and you will be advised of your appeal rights and the appeal procedures at that time.

This Little Light of Mine Child Care Center may continue to participate in the CACFP during the corrective action period. The Department will pay any valid claims for reimbursement submitted by The Pumpkin Patch for the corrective action period. As always, you must submit claims within sixty (60) calendar days of the last day of the month covered by the claim. The Department will deny any portion of a claim we determine is invalid. If the Department denies payment of any portion of a claim submitted for the corrective action period, that action would be appealable.

To provide for the full and permanent correction of the serious deficiencies and findings, please complete the following actions within thirty (30) days of your receipt of this notice:

This Little Light of Mine Child Care Center must complete the following actions within 30 days from the date of this report:

- Log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for November 2017, which contains the verified claim data from the enclosed exhibit. A copy of the claim form is attached for your use;
- Remit a check payable to the *Tennessee Department of Human Services* in the amount of \$3,666.76 for recovery of the amounts disallowed in this report. **Please return the attached billing notice with your check;** and

- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If the Department does not receive the corrective action plan by the deadline date, or the Department determines that the corrective action plan does not provide for the full and permanent correction of the serious deficiencies and findings, the Department will propose to terminate the Institution's CACFP Provider Agreement and to disqualify you and the Institution from future CACFP participation by issuing a Notice of Proposed Termination and Disqualification.

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

Sincerely,



Allette Vayda
Director, CACFP & SFSP

Enclosures

EXHIBIT

Verification of CACFP Independent Center Claim

Name of Agency: This Little Light of Mine Child Care Center

Review Month/Year: November 2017

Total Meal Reimbursement Received: \$3,714.80

| Program Area | Reported on Claim | Reconciled By Monitoring Review |
|--|--------------------------|--|
| Number of Days that CACFP Food Service was operated | 20 | 21 |
| Total Attendance | 620 | 392 |
| Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only) | XXXXXX | 0% |
| Percentage of Participants in the Child Care Certificate Program (CCCP) | XXXXXX | 58% |
| Number of Breakfasts Served | 614 | 0 |
| Number of Lunches Served | 607 | 13 |
| Number of Supplements Served | 612 | 0 |
| Number of Participants in Free Category | 31 | 0 |
| Number of Participants in Reduced-Price Category | 0 | 0 |
| Number of Participants in Paid Category | 0 | 24 |
| Total Number of Participants | 31 | 24 |
| Total Amount of Eligible Food Costs | XXXXXXXX | XXXXXXXX |
| Total Amount of Eligible Food and Non-Food Costs | XXXXXXXX | XXXXXXXX |



**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

February 9, 2018

Chanieya Martinez, Owner
This Little Light of Mine Child Care Center
5421 Knight Arnold Road
Memphis, Tennessee 38115-2816

Notice of payment due to findings disclosed in the monitoring report dated February 9, 2018, for Child and Adult Care Food Program (CACFP)

| | |
|----------------------|---|
| Institution Name: | This Little Light of Mine Child Care Center |
| Institution Address: | 5421 Knight Arnold Road Memphis, Tennessee 38115-2816 |
| Agreement Numbers: | 00540 |
| Amount Due: | \$3,666.76 |
| Due Date: | March 9, 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 of \$3,666.76 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 cost / overpayment of the CACFP is subject to an interest charge. The interest charge will be waived if the payment is received by the due date. If payment is not received by the end of 5th day of the due date, an interest charge may be added to the original amount due and will be billed to your entity.

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director, Community and Social Services- Food Programs- CACFP & SFSP at (615) 313-3769 or Allette.Vayda@tn.gov

Thank you for your attention

**CORRECTIVE ACTION PLAN
CHILD AND ADULT CARE FOOD PROGRAM (CACFP)
TENNESSEE DEPARTMENT OF HUMAN SERVICES (TDHS)**

Instructions: Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your Date of Birth on the first page; enter your name, title and date of signature on the last page. Sign your name in ink. **Please return ALL pages of the completed Corrective Action Plan form.**

| | |
|---|--|
| Section A. Institution Information | |
| Name of Institution This Little Light of Mine Child Care Center | CACFP Agreement No. 00-540 |
| Mailing Address: 5421 Knight Arnold Road Memphis, Tennessee 38115 | |
| Section B. Responsible Principal(s) and/or Individual(s) | |
| Name and Title: Chanieya Martinez, Owner | Date of Birth (s): |
| Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan | |
| SD Report: February 9, 2018 | Corrective Action Plan: February 9, 2018 |
| Section D. Findings | |
| Findings: | |

1. The number of participants reported in the free category was incorrect.
2. The Sponsor claimed the incorrect number of meals
3. The Sponsor reported an incorrect number of meals from an observed meal service
4. The Sponsor provided menus that did not meet USDA requirements
5. The Sponsor failed to meet meal pattern requirements regarding grain
6. The Sponsor failed to meet meal pattern requirements regarding sugar
7. The Sponsor did not provide supporting documentation to show that sufficient quantities of milk were purchased for the number of meals served requiring milk.
8. The Sponsor did not provide receipts or invoices for the test month to validate purchases of food or non-food related to the CACFP program
9. The Sponsor failed to maintain an inventory of milk, food, or non-food items
10. The Sponsor reported incorrect participant days
11. The Sponsor reported incorrect days of operation
12. The Sponsor did not provide documentation for the required annual CACFP training
13. The Sponsor was missing enrollment information
14. The Sponsor did not provide proof of an adequate financial system
15. The Sponsor did not have a current health inspection

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

Measure No. 1: The number of participants reported in the free category was incorrect

The finding will be fully and permanently corrected.

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No.2: The Sponsor claimed the incorrect number of 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. 3: The Sponsor reported an incorrect number of meals from an observed meal service

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

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

The finding will be fully and permanently corrected.

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No. 5: The Sponsor failed to meet meal pattern requirements regarding grain

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 failed to meet meal pattern requirements regarding sugar

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 did not provide supporting documentation to show that sufficient quantities of milk were purchased for the number of meals served requiring milk.

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 did not provide receipts or invoices for the test month to validate purchases of food or non-food related to the CACFP program

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 failed to maintain an inventory of milk, food, or non-food items

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No. 10: The Sponsor reported incorrect participant days

The finding will be fully and permanently corrected.

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

Measure No. 11: The Sponsor reported incorrect days of operation

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

The finding will be fully and permanently corrected.

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

Name: _____

Position Title: _____

Name: _____

Position Title: _____

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

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

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

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

Measure No. 13: The Sponsor was missing enrollment information

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. 14: The Sponsor did not provide proof of an adequate financial system

The finding will be fully and permanently corrected.

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

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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

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

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

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

I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame.

Printed Name of Authorized Institution Official

Position

Signature of Authorized Institution Official

Date

Signature of Authorized TDHS Official

Date

APPEAL PROCEDURES FOR CHILD AND ADULT CARE INSTITUTIONS AND SPONSORING AGENCIES

Appeal Procedures

1. Pursuant to 7 CFR §226.6(k)(4), the TN Department of Human Services (TDHS) must provide administrative review procedures to institutions and responsible principals and responsible individuals as follows:

- (a) Annually to all institutions;
- (b) To an institution and to each responsible principal and responsible individual when the State agency takes any action subject to an administrative review as described in 7 CFR §226.6(k)(2); and
- (c) Any other time upon request.

2. Pursuant to 7 CFR 226.6(k)(3) and (k)(9), some administrative actions are not subject to administrative review. Those actions are listed in paragraph 2.(a). Other administrative actions may be administratively appealed. Those actions are listed in paragraph 2.(b) and (c). All institutions and sponsoring agencies may appeal any adverse administrative action listed in paragraph 2.(b) which are taken by the TDHS by requesting a fair hearing to appear in person to refute the action, or by requesting a review of written information in lieu of a fair hearing.

(a) Pursuant to 7 CFR Part 226.6 (k)(3) TDHS is prohibited from offering administrative reviews of the following actions:

- (i) FNS decisions on claim deadline exceptions and requests for upward adjustments to a claim.
- (ii) Determination of serious deficiency.
- (iii) State agency determination that corrective action is inadequate.
- (iv) Disqualification and placement on State agency list and National disqualified list.
- (v) Termination.
- (vi) State agency or FNS decision regarding removal from the National disqualified list.
- (vii) State agency's refusal to consider an application submitted by an institution or facility on the National disqualified list.

(b) Pursuant to 7 CFR Part 226.6(k)(9), an abbreviated appeal process is available for the following actions. TDHS must limit the administrative review to a review of written submissions by the TDHS and institutions or sponsoring agencies concerning the accuracy of the State agency's determination if the application was denied, or the State agency proposes to terminate the institution's agreement because:

- (viii) The information submitted on the application was false;
- (ix) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is on the national disqualified list;
- (x) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is ineligible to participate in any other publicly funded program by reason of violation of the requirements of the program;

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- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.

4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.

5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.

6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16th calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.

7. To be considered for a fair hearing or for a review of written information in lieu of a fair

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

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:

(i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.

(ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.

(iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.

9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.

10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.

11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.

12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.

13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

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

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

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

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.