



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

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**BILL LEE**  
GOVERNOR

**DANIELLE W. BARNES**  
COMMISSIONER

**Certified Mail - Return Receipt # 70163010000073326883**

January 22, 2019

Dewayne Scott, Chairman of the Board  
Arnita Rena Hall, Executive Director  
Grace M. Eaton Child Care  
283 Plus Park Boulevard  
Nashville, Tennessee 37217-1003

**RE: Notice of Serious Deficiency for the Child and Adult Care Food Program (CACFP) Agreement Number 00-298 and Demand for Overpayment.**

Dear Mr. Scott and Dr. Hall,

The Department of Human Services (DHS) - Division of Audit Services staff conducted an unannounced on-site monitoring review of the Child and Adult Care Food Program (CACFP) at Grace M. Eaton Child Care (Sponsor), Application Agreement number 00-298 on December 6, 2018. The purpose of this review was to determine if the Sponsor complied with the *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, provider agreement, and applicable Federal and State regulations.

**SERIOUS DEFICIENCY DETERMINATION**

Based on the monitoring review, the Department has determined that Grace M. Eaton Child Care is seriously deficient in its operation of the CACFP. In addition, the Department has identified Dewayne Scott, Chairman of the Board and Arnita Rena Hall, Executive Director as responsible for the serious deficiencies in light of their responsibility for the overall management of Grace M. Eaton Child Care's CACFP.

If Grace M. Eaton Child Care 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 Grace M. Eaton Child Care's agreement to participate in the CACFP;
- Propose to disqualify Grace M. Eaton Child Care from future CACFP participation; and

- Propose to disqualify Dewayne Scott, Chairman of the Board and Arnita Rena Hall, Executive Director, from future CACFP participation.

In addition, if Grace M. Eaton Child Care voluntarily terminates its CACFP agreement after receiving this letter, the Department will propose to disqualify Grace M. Eaton Child Care, Dewayne Scott, Chairman of the Board and Arnita Rena Hall, Executive Director from future CACFP participation. If disqualified, Grace M. Eaton Child Care, Dewayne Scott, Chairman of the Board and Arnita Rena Hall, Executive Director will be placed on the National Disqualified List (“NDL”). While on the NDL, Grace M. Eaton Child Care will not be able to participate in the CACFP as an institution or facility. Dewayne Scott, Chairman of the Board and Arnita Rena Hall, Executive Director will not be able to serve as a principal in any institution or facility or as a day care home provider in the CACFP.

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

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

## **SERIOUS DEFICIENCIES, ADDITIONAL FINDINGS AND REQUIRED CORRECTIVE ACTION**

The following paragraphs detail each serious deficiency and additional finding:

### Background

CACFP Sponsors utilize meal count sheets to record the number of 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, we observed a lunch meal service on October 31, 2018.

Our review of the Sponsor’s records for October 2018 disclosed the following:

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

### Condition

Based on our review of the Claim for Reimbursement for the test month, we noted the Sponsor reported 21 participants in the free category, five (5) participants in the reduced-price category, and two (2) participants in the paid category. However, based on our review of the records available, we found that there were 14 participants in the free category, zero (0) participants in the reduced-price category, and 29 participants in the paid category.

The differences were based on the following:

- The Sponsor provided a roster with which the Claim for Reimbursement should have been submitted that showed 29 participants enrolled with 20 participants in the free category, six (6) participants in the reduced-price category, and three (3) participants in the paid category. Prior to any adjustments based on our review of applications and attendance, the Sponsor overreported the free category by one (1) participant, and underreported the reduced-price category by one (1) participant and the paid category by one (1) participant.
- There were 10 participants reported in the free category that did not have applications on file. These participants were reclassified as paid.
- There were two participants reported in the free category and four participants in the reduced-price category whose applications were not signed by the determining official. These participants were reclassified as paid.
- There were two (2) participants reported in the reduced-price category that were categorically eligible for the free category through the DHS Childcare Certificate Program. These participants were reclassified as free.
- There were four (4) participants in attendance that were not reported on the roster that were categorically eligible for the free category through the DHS Childcare Certificate Program. These participants were added to the free category.
- There were ten (10) participants in attendance that were not reported on the roster and did not have an application on file. These participants were added to the paid category.

There were 28 participants reported on the Claim for Reimbursement and 29 participants listed on documentation provided by the Sponsor. However, based on our review of the Sponsor's records, we found there were 43 participants in attendance and eligible for the program.

As a result, the Sponsor overreported the number of participants in the free category by seven (7) and the number of participants in the reduced-price category by five (5), and underreported the paid category by 27 participants. These discrepancies changed the claiming percentages. (See Exhibit)

*This is a repeat finding from a previous report dated April 29, 2015*

#### 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 226.15(e)(2)* states, "All types of 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

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 reported meal counts incorrectly**

#### Condition

Based on our review of the Claim for Reimbursement for the test month, the Sponsor reported 633

breakfast meals, 633 lunch meals and 633 supplements served. However, based on our review of available documents, we found that there were 384 breakfast meals, 476 lunch meals, and 584 supplements served, prior to any meal disallowances.

As a result, 249 breakfast meals, 157 lunch meals and 49 supplements served were overreported. (See Exhibit)

#### 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.

### **3. The Sponsor reported meal counts for an observed meal incorrectly**

#### Condition

During our an on-site monitoring visit on October 31, 2018, we observed a lunch meal service. The meal served included mummy hot dog, fish sticks, apple slices, baked beans, and milk. The milk served to one year olds was whole milk, and the milk served to children over the age of two was reduced-fat (2 percent) milk. There were two (2) one year olds in attendance and 20 children two years of age or older. The Sponsor claimed five (5) lunches served to 1 to 2 year olds for this meal service. The Sponsor did not claim meals served to participants over the age of two for the observed meal.

As a result, three (3) lunch meals were disallowed. (See Exhibit)

#### 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)(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(a)(1)(ii)* states, "Children two through five years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk."

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

#### Recommendation

The Sponsor should ensure that only the actual meals served to participants are claimed for reimbursement and only the approved type of milk is served.

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

##### Condition

The Sponsor provided menus for the review period that included meals that were missing components. Additionally, the menus contained homemade items, commercially processed foods, and frozen foods. The Sponsor was unable to provide recipes, Child Nutrition (CN) labels, or manufacturer product formulation statements for “potato soup” and “chicken noodle soup” in order for us to determine whether these components were sufficient in meeting USDA meal pattern requirements.

Our review of the menus provided for the review period revealed the following deficiencies:

Date	Menu	Menu Error	Meal Type	No. of Meals
10/01/2018	Milk, whole grain pasta with mushrooms, carrots, bananas, and whole wheat (ww) crackers	Missing meat or alternative	Lunch	14
10/05/2018	Milk, ham and cheese omelets, strawberries, and wheat toast	Missing vegetable	Lunch	14
10/08/2018	Milk, potato soup, green beans, apples, and ww crackers	Missing meat or alternative	Lunch	15
10/11/2018	Milk, eggs, pancakes, peaches, pears, and sausage	Missing vegetable	Lunch	16
10/15/2018	Milk, chicken noodle soup, carrots and cucumber salad, and ww crackers	No label or recipe for soup. Missing meat or alternative	Lunch	17
10/30/2018	Water and Jell-O-Fruit	Missing 2 <sup>nd</sup> component	Supplement	20

As a result, 76 lunch meals and 20 supplements claimed were disallowed. (See Exhibit)

##### 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)(2)* states, “Fluid milk, meat and meat alternatives, vegetable, fruits, and grains are required components in the lunch and supper meals.”

*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...”

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, “... Because of the uncertainty of the actual amount of meat/meat alternate contained in these products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a sales person) that shows how the crediting has been determined....”

##### Recommendation

The Sponsor should ensure menus meet the meal patterns established by the USDA, and maintain recipes

and copies of commercially prepared food CN labels or Product Formulation Statements on file and follow the recommended serving sizes/equivalents listed on the label.

## **5. The Sponsor did not provide infant menus**

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

#### Condition

During our monitoring visit on December 6, 2018, we requested copies of menus for the review period. The Sponsor was unable to provide menus supporting the infant meals claimed for reimbursement. During our monitoring visit on October 31, 2018, there were seven infants in attendance. We observed three (3) infants served a creditable lunch and all infants were to receive the same lunch that day. Seven (7) lunches were creditable.

As a result, 105 breakfasts, 110 lunches, and 121 supplements were disallowed. (See Exhibit)

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.15(e)* states, "Each institution shall establish procedures to collect and maintain all program records required under this part, as well as any records required by the State agency. Failure to maintain such records shall be grounds for the denial of reimbursement for meals served during the period covered by the records in question and for the denial of reimbursement for costs associated with such records. At a minimum, the following records shall be collected and maintained: (10) "Copies of menus, and any other food service records required by the State agency"

The USDA Independent Child Care Centers Handbook, page 54, states, "Daily records of menus must contain a listing of the food items served in each meal type to ensure that the requirements of the CACFP meal patterns were met...."

The USDA policy memorandum, CACFP 06-2017 Feeding Infants and Meal Pattern Requirements in the Child and Adult Care Food Program states, "Centers and day care homes can have a standard menu for all the infants in their care and adapt the menu for each infant based on what each infant is offered... As a reminder, providers will need to vary the foods served to each infant based on the infant's developmental readiness. All infants must be served breastmilk or infant formula, but not all infants should be served solid foods unless they are developmentally ready."

#### Recommendation

The Sponsor should ensure that infant menus reflect and contain all required meal components, and are available upon request.

## **6. The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals reported**

#### Condition

Based on the number of meals served with milk as a component, the Sponsor was required to purchase a total of 2,736 ounces of milk for the allowed meals claimed. However, the Sponsor could only document the purchase of 2,048 ounces of milk, resulting in a shortage of 688 ounces of milk.

As a result, 111 breakfast meals served were disallowed. (See Exhibit)

#### 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, in part, “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)(2) states, “Fluid milk, meat and meat alternatives, vegetable, fruits, and grains are required components in the lunch and supper meals.”

#### Recommendation

The Sponsor should perform a month-end inventory for milk and maintain all receipts for food purchases to verify the required amount of milk was purchased and served.

### **7. The Sponsor did not provide enrollment information for participants**

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

#### Condition

During our monitoring visit on December 6, 2018, we requested enrollment for information for participants receiving childcare. The Sponsor did not provide this information and enrollment information was not available for any of the participants.

#### Criteria

*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). ...”

The USDA policy memorandum, CACFP 15-2013 Existing Flexibilities in the Child and Adult Care Food Program states, “CACFP regulations require that institutions maintain documentation for participants enrolled to receive care [7 CFR 226.15(e)(2) and (e)(3)]. Documentation of participant’s enrollment must include information on normal days and hours of care and the meals the participant normally receives while in care....”

#### Recommendation

The Sponsor should ensure that enrollment information is collected and updated annually.

### **8. The Sponsor did not provide documentation of CACFP training for key staff as required**

#### Condition

The Sponsor did not provide documentation supporting annual CACFP training was provided for an employee with CACFP duties and responsibilities. Annual CACFP training is required for all staff employed in CACFP and must emphasize food service procedures and recordkeeping requirements.

## Criteria

*Title 7 of the Code of Federal Regulations, Section 226.17 (d)*, states, “Each sponsoring organization must provide adequate supervisory and operational personnel for the effective management and monitoring of the program at all facilities it sponsors... At a minimum, Program assistance must include: (2) Training on Program duties and responsibilities to key staff from all sponsored facilities prior to the beginning of Program operations. At a minimum, such training must include instruction, appropriate to the level of staff experience and duties, on the Program's meal patterns, meal counts, claims submission and review procedures, recordkeeping requirements, and reimbursement system.”

## Recommendation

The Sponsor should ensure that all providers have received CACFP training annually.

### **9. The Sponsor did not have adequate financial management system to ensure program accountability**

## Condition

The Sponsor did not maintain adequate accounting records to demonstrate the cost allocation of the revenue and expenses of the program. The Sponsor was unable to provide us with a general ledger or detailed bank statement; therefore, we were unable to track all expenditures from the Sponsor's bank statements to the Program.

## Criteria

*FNS Instruction 796-2, Rev. 4, Page 94(3)* states “*Financial Institutions* must record the receipt and expenditure of all Program funds, Program income and other income in accordance with U.S. GAAP, this Instruction, Department regulations and the State agency financial management system. Any Program expenses paid for in cash should be of a nominal amount and clearly documented.”

*Title 7 of the Code of Federal Regulations, Section 226.6(b)(1)(xviii)(C) Performance Standard 3—Program accountability* states, “The renewing institution must have internal controls and other management systems in effect to ensure fiscal accountability and to ensure that the Program operates in accordance with the requirements of this part. To demonstrate Program accountability, the renewing institution must document that it meets the following criteria: (3) *Recordkeeping*. Maintains appropriate records to document compliance with Program requirements, including budgets, accounting records, approved budget amendments, and, if a sponsoring organization, management plans and appropriate records on facility operations.”

## Recommendation

The Sponsor should comply with state and federal regulations and ensure that they maintain an adequate financial management system.

## **Technical Assistance Provided**

During our monitoring visit on December 6, 2018, the Sponsor requested technical assistance regarding menu description, enrollment information, application requirements, CACFP training, milk requirements, meal patterns, and recording keeping in regards to attendance records. We provided technical assistance during our visit and provided additional technical assistance via email on December 7, 2018.

## OVERPAYMENT-RIGHT TO APPEAL

### Disallowed Costs

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 \$2,852.56.

**The procedures for submitting an appeal regarding the amount of overpayment are enclosed. Please note that the appeal must be in writing and must be received by our Department no later than fifteen (15) calendar days from your receipt of this letter. 7 C.F.R. § 226.6(k). The appeal must be submitted to:**

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

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

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

[http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical\\_rates.htm](http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical_rates.htm)

### SUMMARY

The Department has determined that Grace M. Eaton Child Care is seriously deficient in its operation of the CACFP and that Dewayne Scott, Chairman of the Board and Arnita Rena Hall, Executive Director are responsible for the serious deficiencies.

You may not appeal the serious deficiency determination itself. If the Department proposes to terminate Grace M. Eaton Child Care's CACFP agreement, or propose to Grace M. Eaton Child Care 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.

Grace M. Eaton Child Care may continue to participate in the CACFP during the corrective action period. The Department will pay any valid claims for reimbursement submitted by Grace M. Eaton Child Care 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:

- Log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for October 2018, which contains the verified claim data from the enclosed exhibits. **Please note that, if the claim is revised,** TIPS will automatically deduct the overpayment from your next CACFP claim for reimbursement. **OR**

- If you are no longer participating in the CACFP program, remit a check payable to the *Tennessee Department of Human Services* in the amount noted in the report for recovery of the amounts disallowed in this report. *Please return the attached billing notice with your check*; and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

[AuditServices.CAPS.DHS@tn.gov](mailto: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](mailto:sean.baker@tn.gov).

Sincerely,



Allette Vayda  
Director of Operations- Food Programs

Exhibit

cc: Arnita Rena Hall, Executive Director, Grace Eaton Child Care  
Debra Pasta, Program Manager, Child and Adult Care Food Program  
Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program  
Constance Moore, Program Specialist, Child and Adult Care Food Program  
Marty Widner, Program Specialist, Child and Adult Care Food Program  
Comptroller of the Treasury, State of Tennessee

**EXHIBIT**

**Independent Center Program Data**

**Name of Agency: Grace Eaton Child Care**

**Review Month/Year: October 2018**

**Total Meal Reimbursement Received: \$3,577.75**

<b>Site Meal Service Reconciliation and Monitor Activity</b>	<b>Reported on Claim</b>	<b>Reconciled to Documentation</b>
Total Days of CACFP Food Service	23	23
Total Attendance	644	634 <sup>1</sup>
Number of Breakfasts Served	633	168
Number of Lunches Served	633	287
Number of Supplements Served	633	443
Number of Participants in Free Category	21	14
Number of Participants in Reduced-Price Category	5	0
Number of Participants in Paid Category	2	29
Total Number of Participants	28	43
Total Amount of Eligible Food Costs	XXXXXXXX	\$840.19
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$3,042.78

<sup>1</sup>The difference in the reported and verified is immaterial and was not included in this report as a finding



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

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**BILL LEE**  
GOVERNOR

**DANIELLE W. BARNES**  
COMMISSIONER

January 22, 2019

Dewayne Scott, Chairman of the Board  
Grace M. Eaton Child Care  
283 Plus Park Blvd  
Nashville, Tennessee 37217-1003

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

Institution Name:	Grace M. Eaton Child Care
Institution Address:	283 Plus Park Blvd, Nashville, Tennessee 37217-1003
Agreement Numbers:	00-298
Amount Due:	\$2,852.56
Due Date:	<b>February 22, 2019</b>

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 16th Floor  
James K. Polk Building  
505 Deaderick Street  
Nashville, Tennessee 37243  
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](mailto: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.**

<b>Section A. Institution Information</b>	
<b>Name of Institution</b> Grace M. Eaton Child Care	<b>CACFP Agreement No.</b> 00-298
<b>Mailing Address:</b> 283 <sup>1</sup> Plus Park Boulevard Nashville, Tennessee 37217	
<b>Section B. Responsible Principal(s) and/or Individual(s)</b>	
<b>Name and Title:</b>	<b>Date of Birth (s):</b>
Dewayne Scott, Chairman of the Board Arnita Rena Hall, Executive Director	
<b>Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan</b>	
<b>SD Report:</b>	<b>Corrective Action Plan:</b>
January 22, 2019	January 22, 2019
<b>Section D. Findings</b>	
<b>Findings:</b>	
<ol style="list-style-type: none"> <li>1. The Sponsor reported the number of participants in the free, reduced-price, and paid categories incorrectly</li> <li>2. The Sponsor reported meal counts incorrectly</li> <li>3. The Sponsor reported meal counts for an observed meal incorrectly</li> <li>4. The Sponsor provided menus that did not meet USDA meal pattern requirements</li> <li>5. The Sponsor did not provide infant menus</li> <li>6. The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals reported</li> <li>7. The Sponsor did not provide enrollment information for participants</li> <li>8. The Sponsor did not provide documentation of CACFP training for key staff as required</li> <li>9. The Sponsor did not have adequate financial management system to ensure program accountability</li> </ol>	

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

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

The finding will be fully and permanently corrected.

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

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

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

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

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

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

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**Measure No.2: The Sponsor reported meal counts incorrectly**

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

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

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

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

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

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

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**Measure No. 3: The Sponsor reported meal counts for an observed meal incorrectly**

The finding will be fully and permanently corrected.

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

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

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

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

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

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

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**Measure No. 4: The Sponsor 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:

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

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

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

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**Measure No. 5: The Sponsor did not provide infant menus**

The finding will be fully and permanently corrected.

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

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

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

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

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

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

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**Measure No. 6: The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals reported**

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

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

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

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

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

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

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**Measure No. 7: The Sponsor did not provide enrollment information for participants**

The finding will be fully and permanently corrected.

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

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

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

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

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

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

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**Measure No. 8: The Sponsor did not provide documentation of CACFP training for key staff as required**

The finding will be fully and permanently corrected.

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

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

Name: \_\_\_\_\_ Position Title: \_\_\_\_\_

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

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

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

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

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**Measure No. 9: The Sponsor did not have adequate financial management system to ensure program accountability**

The finding will be fully and permanently corrected.

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

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

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

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

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

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

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

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Printed Name of Authorized Institution Official

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Position

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Signature of Authorized Institution Official

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Date

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Signature of Authorized TDHS Official

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Date

## APPEAL PROCEDURES FOR CHILD AND ADULT CARE INSTITUTIONS AND SPONSORING AGENCIES

### Appeal Procedures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appeal Procedures for Child and Adult Care Food Program-Institutions

Revised March 2017

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

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

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

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

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