



**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

CERTIFIED MAIL RECEIPT #70163010000073892081

January 10, 2018

Harry Smith, Owner
Danielle Smith, Executive Director
Kids First Enrichment Center
3525 Hickory Hill Road
Memphis, Tennessee 38115-3832

RE: Notice Termination and Disqualification for the Child and Adult Care Food Program (CACFP) Agreement Number 00-349 and Demand for Overpayment.

Dear Mr. and Ms. Smith:

This letter serves as notice that the Tennessee Department of Human Services ("Department") is terminating the Child and Adult Care Food Program ("CACFP") agreement with Kids First Enrichment Center, Harry Smith, Owner and Danielle Smith, Executive Director (collectively, "Institution"). The grounds for this action are the Institution's failure to correct the serious deficiencies with the Institution's CACFP and the Institution's failure to return the over-payment money due to the Department. The authorization for this action is found in Paragraph 1.e. of your FY 2016 CACFP Provider Agreement and in the United States Department of Agriculture ("USDA") Food and Nutrition Service ("FNS") regulations at 7 C.F.R. § 226.6(c)(3).

The action in this letter is based on the Institution's failure to provide the over-payment money due to the Department and the Institution's failure to provide a Corrective Action Plan that meets the requirements contained on Page 4 of Memo Code CACFP 14-2012 dated May 1, 2012. On September 22, 2017, the Department of Human Services ("Department") sent you a Notice of Serious Deficiency. The notice outlined the following:

- Kids First Enrichment Center did not provide records on request, as required by the grant agreement
- The number of participants reported in the free and paid categories was incorrect
- The Sponsor reported incorrect meal counts
- The Sponsor did not provide documentation of daily meal count records at the time of the meal observation

- There were menus that did not meet USDA meal pattern requirements
- The Sponsor could not verify the quantities of milk that were purchased
- The Sponsor did not maintain infant menus or infant meal counts
- The Sponsor did not have a menu posted for the meal observed
- A meal observed did not meet USDA component requirements
- The Sponsor's reported attendance on the monthly claim for reimbursement did not agree with the verified attendance
- There were participants that did not have a CACFP enrollment addendum form
- The Sponsor did not provide documentation to show that they provided the required annual CACFP training
- The Sponsor did not have an adequate financial management system to ensure program accountability, and did not provide all records that we requested
- The Sponsor did not have a written compensation policy, and did not provide supporting documentation for labor costs
- The Sponsor did not have adequate procurement standards

This failure resulted in the Department determining that the Institution and the responsible individuals are seriously deficient in their operation of the CACFP and owe an over-payment to the Department in the amount of **\$14,002.20**, as set forth in the monitoring review.

The responsible individual was asked to complete corrective action. However, the Institution and responsible individuals failed to complete an adequate Corrective Action Plan (CAP). Accordingly, the Department determined that the Institution and the Executive Director and the Board Chair have failed to fully and permanently correct the serious deficiency cited in the Serious Deficiency Notice.

As a result of the Institution's failure to submit an adequate Corrective Action Plan, a Notice of Proposed Termination and Disqualification was issued November 2, 2017. The Institution did not appeal the Notice of Proposed Termination. As a result, the Institution's CACFP Provider Agreement is formally terminated as of the date of this letter and Kids First Enrichment Center, Harry Smith, Owner and Danielle Smith, Executive Director are disqualified from future CACFP participation as required by the CACFP regulations at 7 C.F.R. § 226.6 (c)(3)(iii)(E).

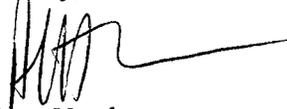
Institutions and individuals remain on the NDL until USDA's Food and Nutrition Service, in consultation with the Department, determines that the serious deficiencies have been corrected, or until seven years after their disqualification. However, if any debt relating to the serious deficiencies has not been repaid, they will remain on the NDL until the debt and any accrued interest is repaid. In accordance with 7 C.F.R. § 226.14(a), in part, the State agency must assess interest beginning February 20, 2017. For information about applied interest rates please visit the following website:

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

The authorization for this action is found in Paragraph 1.e. of your FY 2016 CACFP Provider Agreement and in the United States Department of Agriculture ("USDA") Food and Nutrition Service ("FNS") regulations at 7 C.F.R. § 226.6(c)(3).

If you have any questions, please feel free to contact Allette Vayda at (615) 313-3769.

Sincerely,



Allette Vayda
Director, CACFP & SFSP



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January 10, 2018

Harry Smith, Owner
Kids First Enrichment Center LLC
3525 Hickory Hill Road
Memphis, Tennessee 38115-3832

Notice of payment due to findings disclosed in the monitoring report dated September 22, 2017, for Child and Adult Care Food Program (CACFP).

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|----------------------|---|
| Institution Name: | Kids First Enrichment Center LLC |
| Institution Address: | 3525 Hickory Hill Road Memphis Tennessee 38115-3832 |
| Agreement Numbers: | 00349 |
| Amount Due: | \$14,002.22 |
| Due Date: | October 22, 2017 |

Based on the monitoring report issued on September 22, 2017, by the Audit Services Division within the Tennessee Department of Human Services, the Community and Social Services- Food Programs- CACFP & SFSP management has agreed with the findings which requires Kids First Enrichment Center, LLC. To reimburse the Department of Human Services unallowed cost in the amount of \$14,002.22

Please remit a check or money order payable to the *Tennessee Department of Human Services* in the amount of \$14,002.22 by the due date to:

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

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

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

Thank you for your attention

