



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

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

BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

June 2, 2020

Tony Parks, Owner
Little Harvard Childcare
2548 Jackson Avenue
Memphis, Tennessee 38108-3317

Dear Mr. Parks,

The Department of Human Services (DHS) - Division of Audit Services staff conducted a limited desk review of the Child and Adult Care Food Program (CACFP) for Little Harvard Childcare, Application Agreement number 00386, during the period of March 30, 2020, through April 23, 2020. Our scope of the review was for reimbursement made to the Sponsor for January 2020.

Due to the outbreak and the risk that COVID19 poses to the Sponsor and our staff, the review was limited to verification based on a review of the documents obtained from Sponsor, via e-mail, mail, or other electronic transmissions of documents. We also, obtained confirmation from the feeding sites and Sponsor staff via telephone or e-mail relative to the operation and administration of the CACFP.

The purpose of this review was to determine if the Sponsor complied with USDA regulations set through the COVID-19 period, taking into consideration the waivers granted to the Sponsor's operation. Also, to determine if the Sponsor complied with the applicable Title 7 of the Code of Federal Regulations (CFR) applicable parts, provider agreements, and applicable Federal and State regulations.

Important COVID-19 note: Due to the current outbreak and the risk that COVID19 poses to your organization personnel and our staff, all our staff are working from home with no or very limited access to the office. Therefore, we will not send a copy of this report via regular mail until further notice. Please confirm the receipt of this email as it is currently the option to communicate with you. If you need any assistance or have any questions, please do not hesitate to contact us via email.

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) for reimbursement.

We inspected meal count sheets for our test period and reconciled the meals claimed for reimbursement to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements. We also reviewed documentation of the Sponsor's financial transactions including but not limited to purchases of food. In addition, we observed a lunch meal service on January 15, 2020.

Our review of the Sponsor's records for January 2020 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 January 2020, we noted that the Sponsor reported 98 participants in the free category, 25 participants in the reduced-price category, and 19 participants in the paid category. However, based on our review of the records available, we noted that there were 94 participants in the free category, 27 participants in the reduced-price category, and 23 participants in the paid category. The difference is based on the following:

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

There were 142 participants reported on the Claim for Reimbursement. However, based on our review of the Sponsor's records, we noted that there were 144 participants enrolled in the program.

This is a repeat finding from a previous report dated April 3, 2019.

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 number of reported participants is based on attendance during the review period and supporting documentation should support the claim.

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

Condition

On January 15, 2020, we observed a lunch meal service. We observed 67 lunch meals served. However, the Sponsor claimed 70 lunch meals for reimbursement. The Sponsor over reported three (3) lunch meals.

As a result, three (3) lunch meals claimed for reimbursement were disallowed.

Note: The number of reported and reconciled meals listed above does not include infant meals because they eat on demand and were not observed eating during the meal observation. The number of reported infant meals coincided with the number we observed present and no infant meals were disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states in part "...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 meals reported are based on meals served during the approved meal service time.

3. The Sponsor reported the number of attendance days incorrectly

Condition

Based on our review of the Claim for Reimbursement for the test month, the Sponsor reported 2,113 participant days. However, based on our review of records, we noted that there were 2,130 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 participant days are reported based on attendance and documentation is maintained to support the claim.

4. The Sponsor provided menus that contained grain-based desserts

Condition

Based on our review of the menus provided by the Sponsor, two supplement menus were not in accordance with the USDA meal pattern requirements.

- The supplement menu on January 21, 2020, listed whole grain fig bars and orange juice.
- The supplement menu on January 29, 2020, listed whole grain-rich rice crispy treats and orange juice.

Fig bars and rice crispy treats are considered grain-based desserts and are not creditable components.

No meals were disallowed due to the Sponsor provided technical assistance and time to conform to the updated USDA meal pattern requirements effective October 2017.

Criteria

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

Recommendation

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

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

Condition

During our review of the infant menus provided by the Sponsor, we noted the following deficiencies:

Infant: JB, 11 Months

Dates	Missing Component	Meal Type
01/22/20	Bread/Cracker/Cereal	Supplement
01/23/20	Fruit/Vegetable	Supplement

Infant: LF, 9 Months

Dates	Missing Component	Meal Type
01/22/20	Bread/Cracker/Cereal	Supplement
01/23/20	Fruit/Vegetable	Supplement

Infant: CM, 9 Months

Dates	Missing Component	Meal Type
01/22/20	Bread/Cracker/Cereal	Supplement

Infant: RA, 7 Months

Dates	Missing Component	Meal Type
01/22/20	Bread/Cracker/Cereal	Supplement
01/23/20	Fruit/Vegetable	Supplement

Infant: BC, 8 Months

Dates	Missing Component	Meal Type
01/22/20	Bread/Cracker/Cereal	Supplement
01/23/20	Fruit/Vegetable	Supplement

Infant: IS, 6 Months

Dates	Missing Component	Meal Type
01/23/20	Fruit/Vegetable	Supplement

No meals were disallowed for infant menu deficiencies due to the technical assistance provided to the Sponsor.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(b)(4)(ii) states, "... (B) Snack. Two to 4 fluid ounces of breastmilk or iron-fortified infant formula; and 0 to 1/2 slice bread; or 0-2 crackers; or 0-4 tablespoons infant cereal or ready-to-eat cereals; and 0 to 2 tablespoons of vegetable or fruit, or portions of both. Fruit juices and vegetable juices must not be served. A serving of grains must be whole grain-rich, enriched meal, or enriched flour."

Recommendation

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

6. The Sponsor served meals outside of the approved meal service time

Condition

During our monitoring visit on January 15, 2020, the observed lunch meal was served outside of the TIPS approved meal service time. The approved meal service time listed in TIPS was from 11:00 a.m. until 12:00 p.m. The meal was observed served from 10:58 a.m. until 12:27 p.m. There were 16 children observed served after 12:00 p.m.

No meals were disallowed due to the monitor's presence and observation of creditable meals.

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 226.17(b)(9) states, "Each child care center must maintain daily records of the time of service meal counts by type (breakfast, lunch, supper, and snacks) served to enroll children, and to adults performing labor necessary to the foodservice."

Recommendation

The Sponsor should ensure all meals are served during the approved meal service time.

7. The compensation policy provided was not completed in its entirety

Condition

The Sponsor provided a compensation policy for staff paid with CACFP funds; however, the policy wasn't filled out in its entirety. The policy did not list the payment schedule, breaks or lunch hours, or the benefits. In addition, after review of the check stubs, the rate of pay did not coincide with the rate listed on the compensation policy. The written compensation policy must include a rate of pay, hours of work, (including breaks and meal periods), the payment schedule for regular compensation, overtime, compensatory time, holiday pay, benefits, awards, severance pay, and payroll tax withholding.

Criteria

FNS instruction 796-2 Revision 4, Financial Management –Child and Adult Care Food Program p. 44(c)(1) states "Institutions must establish and maintain a written compensation policy for every element of compensation charged to the Program. At a minimum, the written compensation policy must apply to any individual group of individuals employed by the institution and identify: (a) rates of pay; (b) hours of work, including breaks, and meal periods; and (c) the institutions' policy and payment schedule for regular compensation, overtime, compensatory time, holiday pay, benefits, awards, severance pay, and payroll tax withholding. The timing and frequency of the institution's payments to its employees will follow a routine schedule as directed by its human resource policy..."

Recommendation

The Sponsor should maintain written compensation policies for staff paid with CACFP funds and ensure information is accurate and complete.

Technical Assistance Provided

Technical Assistance was provided regarding the license being posted and visible, meal pattern and meal service requirements, and the written compensation policy.

Disallowed Meals Cost

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$331.05.

Corrective Action

The Sponsor 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 January 2020, which contains the verified claim data from the enclosed exhibit. **Please note that, if the claim is revised**, TIPS will automatically deduct the overpayment from your next CACFP claim for reimbursement. **OR**
- If you are no longer participating in the CACFP program, remit a check payable to the ***Tennessee Department of Human Services*** in the amount noted in the report for

recovery of the amounts disallowed in this report. **Please return the attached billing notice with your check**; and

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

AuditServices.CAPS.DHS@tn.gov

If you have questions relative to the corrective action plan, please contact:

Allette Vayda, Director of Operations
Child and Adult Care Food Program
James K. Polk Building, 15th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

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

Child and Adult Care Food Program
Fiscal Services
James K. Polk Building, 16th Floor
505 Deaderick Street
Nashville, Tennessee 37243

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

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

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

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

Sincerely,

Sam O. Alzoubi

Sam O. Alzoubi, CFE
Director of Audit Services

Exhibit

cc: Allette Vayda, Director of Operations, Child and Adult Care Food Programs
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
Rick Reese, Fiscal Director
Comptroller of the Treasury, State of Tennessee

EXHIBIT

Verification of CACFP Independent Center Claim

Name of Agency: Little Harvard Childcare

Review Month/Year: January 2020

Total Meal Reimbursement Received: \$11,332.71

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Attendance	2,113	2,130
Percentage of Free or Reduced-price Category	87%	84%
Number of Breakfasts Served	2,101	2,101
Number of Lunches Served	2,039	2,036
Number of Supplements Served	2,104	2,104
Number of Participants in Free Category	98	94
Number of Participants in Reduced-Price Category	25	27
Number of Participants in Paid Category	19	23
Total Number of Participants	142	144



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

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

BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

June 2, 2020

Tony Parks, Owner
Little Harvard Childcare
2548 Jackson Avenue
Memphis, Tennessee 38108-3317

Note: If you are no longer participating in the CACFP, remit a check payable to the Tennessee Department of Human Services in the amounts disallowed in this report to the address below. Please return the attached billing notice with your check.

If you plan to continue participating in the CACFP, log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for January 2020, which contains the verified claim data from the enclosed exhibit.

Institution Name:	Little Harvard Childcare
Institution Address:	2548 Jackson Avenue Memphis, Tennessee 38108-3317
Agreement Numbers:	00-386
Amount Due:	\$331.05
Due Date:	July 6, 2020

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

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

Thank you for your attention