



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

July 27, 2020

Tim Schade, Board Chair
Shades of Development
6701 West Emory Road
Knoxville, Tennessee 37931

Dear Mr. Schade,

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) at Shades of Development (Sponsor), Application Agreement number 00-486, during the period of April 9, 2020 through June 18, 2020. Our scope of the review was for reimbursement made to the Sponsor for February 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 review of the documents obtained from Sponsor, via e-mail, mail, or other electronic transmission 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.

Based on our review of the Sponsor's records and information provided, the Sponsor had seven (7) feeding sites operating during the review period. New Hopewell Elementary (New Hopewell), Sam E. Hill, and Sunnyview Primary (Sunnyview) were selected as the sample.

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfast, lunch, supper, and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through

the DHS Tennessee Information Payment System (TIPS) for 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.

Important COVID-19 note: Due 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 to you. If you need any assistance or have any questions, please do not hesitate to contact us via email.

Our review of the Sponsor’s records for February 2020 disclosed the following:

1. The Sponsor reported meal counts incorrectly

Condition

Sunnyview – sample site

Based on our review of the Claim for Reimbursement for February 2020, the Sponsor reported 537 supplements served. However, based on our review of available documents, we noted that there were 532 supplements served, prior to any meal disallowances.

As a result, five (5) supplements were overreported. (See Exhibit D)

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.

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

Condition

Based on our review of the menus provided by the Sponsor for February 2020, the menus provided did not meet the USDA meal pattern requirements. The menus provided had deficiencies as follows:

New Hopewell – sample site

Date	Menu	Menu Error	Meal Type	No. of Meals
02/04/20	Veggie Straws, Applesauce, and Water	Veggie Straws not a creditable component	Supplement	17

02/12/20	Veggie Straws, Applesauce, and Water	Veggie Straws not a creditable component	Supplement	12
02/14/20	Yogurt, Veggie Straws, Water	Veggie Straws not a creditable component	Supplement	5
02/21/20	Popcorn, Goldfish	Missing milk, meat/meat alternate, fruit/vegetable	Supplement	13
02/27/20	Veggie Straws, Applesauce	Veggie Straws not a creditable component	Supplement	8

As a result, 55 supplements served were disallowed. (See Exhibit B)

Sam E. Hill -sample site

The snack meal served on February 24, 2020 listed “Smorgasboard” and fruit punch. The menu for this date was non-specific and did not list the components served.

As a result, 35 supplements served were disallowed. (See Exhibit C)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17a(l) states, “At-risk afterschool snacks must meet the meal pattern requirements for snacks in §226.20(b)(6) and/or (c)(4); at-risk afterschool meals must meet the meal pattern requirements for meals in §226.20(b)(6) and/or (c)(1), (c)(2), or (c)(3).”

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 alternate, vegetables, fruits, and grains. Fruit juice, vegetable juice and milk may comprise only one component of the snack...”

Recommendation

The Sponsor should ensure that all meals prepared meet the meal patterns established by the USDA, and menus should be reviewed to ensure they contain all required meal components to be eligible as a reimbursable meal.

3. The sponsor did not serve a whole grain-rich component once per day as required

Condition

Based on our review of the menus for the sample sites, the Sponsor did not document a whole grain component was served once per day as required.

Due to the new CACFP meal pattern requirements and emphasis on providing technical assistance during the implementation process, there were no meals disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(a)(4)(a)(b) 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.”

Title 7 of the Code of Federal Regulations, Section 226.14 (b) states, “In the event that the State agency finds that an institution which prepares its own meals is failing to meet the meal requirements of 226.20, the State agency need not disallow payment or collect an overpayment arising out of such failure if the institution takes such other action as, in the opinion of the State agency, will have a corrective effect..”

Recommendation

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

4. The sponsor did not provide documentation of the CACFP annual training as required

Condition

The Sponsor provided the agenda for the CACFP annual training that was conducted on September 13, 2019. However, the Sponsor did not provide a sign-in sheet with the staff signatures to document attendance.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.15(e) states, “... 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; and (14) ...records documenting the attendance at annual training of each staff member with monitoring responsibilities. Training must include instruction, appropriate to the level of staff experience and duties, on the Program’s meal patterns, meal counts, claims submission and claim review procedures, recordkeeping requirements, and an explanation of the Program’s reimbursement system.”

Recommendation

The Sponsor should ensure that all the required training is completed annually and that all employees sign in to document their attendance.

Technical Assistance Provided

Technical assistance was offered however it was declined by the Sponsor.

Disallowed Meals Cost

The disallowed meals cost associated with the findings above is below the DHS threshold for repayment.

Corrective Action

The Sponsor must complete the following actions within 30 days from the date of this report:

- 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

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

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

Sincerely,



Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

cc: Sindy Dawkins-Schade, Executive Director, Shades of Development
Stacey Duncan, Field Supervisor, Shades of Development
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
Comptroller of the Treasury, State of Tennessee

Exhibit A

Sponsor of At-Risk Afterschool Meals Program Data

Sponsor: Shades of Development
Review Month/Year: February 2020
Total Reimbursement: \$ 2,831.28

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	16	16
Number of Sites	7	7
Total Attendance	3,012	3,007
Number of Supplements Served	3,012	2,917

Exhibit B

At-Risk Afterschool Site Data

Sample Site: New Hopewell

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	16	16
Total Attendance	153	153
Number of Supplements Served	153	98

Exhibit C

At-Risk Afterschool Site Data

Sample Site: Sam E. Hill

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	16	16
Total Attendance	600	600
Number of Supplements Served	600	565

Exhibit D

At-Risk Afterschool Site Data

Sample Site: Sunnyview

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	16	16
Total Attendance	537	532
Number of Supplements Served	537	532