



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

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**BILL LEE**  
GOVERNOR

**DANIELLE W. BARNES**  
COMMISSIONER

July 7, 2020

Dr. Edna Varner, Board Chair  
Siskin Children's Institute  
1101 Carter Street  
Chattanooga, Tennessee 37402-5017

Dear Dr. Varner,

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 Siskin Children's Institute (Sponsor), Application Agreement number 00-494, during the period of April 2, 2020 through May 27, 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 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.

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. In addition, we observed a lunch meal service on February 4, 2020.

**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

Based on our review of the Claim for Reimbursement for February 2020, the Sponsor reported 1,881 breakfast meals, 2,247 lunch meals, and 2,158 supplements served. However, based on our review of the available documents, we noted that there were 1,827 breakfast meals, 2,189 lunch meals, and 2,141 supplements supported, prior to any meal disallowances.

As a result, 54 breakfast meals, 58 lunch meals, and 17 supplements claimed for reimbursement were overreported. (See Exhibit)

***This is a repeat finding from a previous report dated August 22, 2017.***

### 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 proper supporting documents.

## **2. The Sponsor provided menus that did not meet the 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:

| <b>Date</b> | <b>Menu</b>    | <b>Menu Error</b>        | <b>Number of Meals Disallowed</b> |
|-------------|----------------|--------------------------|-----------------------------------|
| 2/18/2020   | Vanilla Wafers | Missing second component | 112 supplements                   |
| 2/20/2020   | Club Crackers  | Missing second component | 107 supplements                   |

As a result, 219 supplement meals claimed for reimbursement were disallowed. (See Exhibit)

The infant menus that the Sponsor provided showed the following deficiencies:

**Infant ER: age 11 months**

| Date   | Meal       | Menu                               | Missing component                  |
|--------|------------|------------------------------------|------------------------------------|
| 2/3/20 | Supplement | Infant formula, animal crackers    | Fruit or vegetable                 |
| 2/4/20 | Supplement | Infant formula, Ritz bits crackers | Fruit or vegetable                 |
| 2/5/20 | Supplement | Infant formula, strawberries       | Bread or grain                     |
| 2/6/20 | Supplement | Infant formula, cheese             | Fruit or vegetable; bread or grain |
| 2/7/20 | Supplement | Infant formula, goldfish crackers  | Fruit or vegetable                 |

Note: child was included in attendance records the remainder of the month, but no further menus were provided.

**Infant LH: age 11 months**

| Date   | Meal       | Menu                               | Missing component                  |
|--------|------------|------------------------------------|------------------------------------|
| 2/3/20 | Supplement | Infant formula, animal crackers    | Fruit or vegetable                 |
| 2/4/20 | Supplement | Infant formula, Ritz bits crackers | Fruit or vegetable                 |
| 2/5/20 | Supplement | Infant formula, strawberries       | Bread or grain                     |
| 2/6/20 | Supplement | Infant formula, cheese             | Fruit or vegetable; bread or grain |
| 2/7/20 | Supplement | Infant formula, goldfish crackers  | Fruit or vegetable                 |

Note: child was included in attendance records the remainder of the month, but no further menus were provided. He turned one year old on 2/22/20 and menus were not needed after that date.

**Infant EM: age 8 months**

| Date    | Meal       | Menu                               | Missing component                           |
|---------|------------|------------------------------------|---|
| 2/3/20  | Supplement | Infant formula, Ritz bits crackers | Fruit or vegetable                          |
| 2/5/20  | Supplement | Infant formula, strawberries       | Bread or grain                              |
| 2/24/20 | Supplement | Infant formula, peaches            | Bread or grain                              |
| 2/25/20 | Supplement | Infant formula, graham crackers    | Fruit or vegetable                          |
| 2/27/20 | Lunch      | No foods listed                    | Infant formula, protein, fruit or vegetable |
| 2/27/20 | Supplement | Infant formula, banana             | Bread or grain                              |
| 2/28/20 | Lunch      | No foods listed                    | Infant formula, protein, fruit or vegetable |
| 2/28/20 | Supplement | Infant formula, crackers           | Fruit or vegetable                          |

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

Criteria

*Title 7 of the Code of Federal Regulations, Section 226.17(b)(4)* states, "Each childcare 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)(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..."

*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 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 provided menus that contained grain-based desserts as a component**

#### 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 for supplements listed a grain-based dessert and had deficiencies as follows:

| <b>Date</b> | <b>Menu</b>                          | <b>Supplements</b> |
|-------------|--------------------------------------|--------------------|
| 2/14/2020   | Rice Krispy treat and peaches        | 112                |
| 2/28/2020   | Vanilla Wafers and strawberry yogurt | 113                |

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 226.17(b)(4)* states, “Each childcare 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)(4)(iii)* states, “Grain-based desserts do not count towards meeting the grains requirement.”

*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.”

#### Condition

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

### **4. The Sponsor served a breakfast cereal that did not meet USDA meal component 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 Sponsor’s menu for breakfast served on February 10, 2020, listed a cereal that exceeds the allowed sugar limit. Cinnamon Toast Crunch cereal contains 9 grams of sugar per 31 grams of dry cereal.

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)(ii)* states, "... Breakfast cereals must contain no more than 6 grams of sugar per dry ounce (no more than 21.2 grams sucrose and other sugars per 100 grams of dry cereal) ..."

*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.

### **5. The Sponsor provided menus that did not name specific components**

#### Condition

Based on our review of the menus provided by the Sponsor for February 2020, the menu for pm supplement on February 14, 2020 did not identify the type of "mixed cereal" served to participants.

There were no meals disallowed because receipts and labels provided were sufficient to identify the types of food items purchased.

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.10(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.... Menus and any other nutritional records required by the State agency shall be maintained to document compliance with such requirements."

The USDA Monitoring Handbook for State Agencies, page 24, states, "Daily records of menus must contain a listing of the food items served in each meal type to ensure that the CACFP meal pattern requirements were met..."

The USDA policy memorandum, CACFP 17-2017 Documenting Meals in the Child and Adult Care Food Program, states, "CACFP centers and day care homes are required to demonstrate that they are serving meals that meet the meal pattern requirements. Centers and day care homes must keep records of menus...."

#### Recommendation

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

### **Technical Assistance Provided**

The Sponsor was provided regarding infant meals and proper completion of infant menus on February 6, 2020 and referred to Program Specialists for further assistance.

### **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 \$124.85.

### **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 February 2020, 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 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, 15<sup>th</sup> Floor  
505 Deaderick Street  
Nashville, Tennessee 37243  
[Allette.Vayda@tn.gov](mailto: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 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, 16<sup>th</sup> 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 meals 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](mailto:Sean.Baker@tn.gov).

Sincerely,



Sam O. Alzoubi, CFE  
Director of Audit Services

Exhibit

cc: Derek Bullard, President and CEO, Siskin Children's Institute  
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**

**Verification of CACFP Independent Center Claim**

**Name of Agency: Siskin Children's Institute**

**Review Month/Year: February 2020**

**Total Meal Reimbursement Received: \$3,457.02**

| <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                             | 19                       | 19                                 |
| Total Attendance   | 2,327                    | 2,327                              |
| Number of Breakfasts Served                                  | 1,881                    | 1,827                              |
| Number of Lunches Served                                     | 2,247                    | 2,189                              |
| Number of Supplements Served                                 | 2,158                    | 1,922                              |
| Number of Participants in Free Category                      | 17                       | NA <sup>1</sup>                    |
| Number of Participants in Reduced-Price Category             | 1                        | NA <sup>1</sup>                    |
| Number of Participants in Paid Category                      | 125                      | NA <sup>1</sup>                    |
| Total Number of Participants                                 | 143                      | NA <sup>1</sup>                    |

<sup>1</sup>The number of participants and their classifications was not verified due to the limited review because of COVID 19



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July 7, 2020

Dr. Edna Varner, Board Chair  
Siskin Children's Institute  
1101 Carter Street  
Chattanooga, Tennessee 37402-5017

**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 continue participating in the CACFP, log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for February 2020, which contains the verified claim data from the enclosed exhibits.**

|                      |   |
|----------------------|---|
| Institution Name:    | Siskin Children's Institute                           |
| Institution Address: | 1101 Carter Street; Chattanooga, Tennessee 37402-5017 |
| Agreement Numbers:   | 00494   |
| Amount Due:          | \$124.85  |
| Due Date:            | <b>August 10, 2020</b>                                |

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