



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

September 16, 2019

Dr. Carolyn Bibbs, President - CEO
Creative Life, Incorporated
1222 Riverside Boulevard
Memphis, Tennessee 38106-2531

Dear Dr. Bibbs,

The Department of Human Services (DHS) - Division of Audit Services staff conducted an unannounced on-site monitoring review of the Summer Food Service Program (SFSP) at Creative Life, Incorporated (Sponsor), Application Agreement number 00020, on August 5, 2019. Additional information was requested and received on August 8, 2019, to complete the sponsor review. The purpose of this review was to determine if the Sponsor complied with *Title 7 of the Code of Federal Regulations (CFR)* applicable parts, applicable agreement, and applicable Federal and State Regulations.

Based on our review of the Sponsor's records and information provided, the Sponsor had one feeding site operating during the review period. Creative Life, Incorporated was selected for the sample site.

Background

SFSP 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 SFSP 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 requirement. In addition, we observed a lunch meal service during our site visit on June 18, 2019.

Our review of the Sponsor's records for June 2019 disclosed the following:

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

Condition

During our on-site visit to the feeding site on June 18, 219, to observe a lunch meal service, we observed 28 lunch meals served during the approved meal service. The Sponsor reported a total of 29 lunch meals served.

As a result, one lunch meal claimed for reimbursement was disallowed. (See Exhibit B)

Criteria

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Code of Federal Regulations 7 CFR Section 225.9 (d) (5) states "Claims for reimbursement shall report information in accordance with the financial management system established by the State agency, and in sufficient detail to justify the reimbursement claimed and to enable the State agency to provide the Reports of Summer Food Service Program Operations required under §225.8(b). In submitting a claim for reimbursement, each sponsor shall certify that the claim is correct and that records are available to support this claim."

Recommendation

The Sponsor should ensure that the feeding site supervisors are taking an accurate point of service as meal count as meals are being served to participants.

2. The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals claimed for reimbursement

Condition

Based on the number of meals served with milk as a required component, a total of 8,416 ounces of milk was required. However, the Sponsor could only document the purchase of 7,808 ounces of milk, resulting in a shortage of 616 ounces of milk.

As a result, 76 breakfast meals claimed for reimbursement were disallowed. (See Exhibit B)

Criteria

Title 7 of the Code of Federal Regulations, Section 225.9 (d) (5) states, "... In submitting a claim for reimbursement, each sponsor shall certify that the claim is correct and that records are available to support this claim...."

Title 7 of the Code of Federal Regulations, Section 225.15 (c) (1) states, "Sponsors shall maintain accurate records justifying all meals claimed and documenting that all Program funds were spent only on allowable Child Nutrition Program costs. Failure to maintain such records may be grounds for denial of reimbursement for meals served and/or administrative costs claimed during the period covered by the records in question..."

Title 7 of the Code of Federal Regulations, Section 225.16 (d) states, "The meal requirements for the Program are designed to provide nutritious and well-balanced meals to each child. Sponsors shall ensure that meals served meet all of the meal pattern requirements."

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Summer Food Service Program 2016 Administration Guide for Sponsors, page 58, states in part, that for breakfast, lunch, and supper to be a reimbursable meal it must contain one serving of milk.

Recommendation

The Sponsor should keep a milk inventory to ensure there is enough milk for each meal that requires milk.

3. The Sponsor did not complete the first four weeks feeding site monitoring of its feeding site as required

Condition

The Sponsor did not complete all required questions of the first four weeks feeding site monitoring form. The Sponsor only completed page one of a three page monitoring form.

Criteria

The USDA FNS Code of Federal Regulations 7 CFR Section 225.15 (d) (3) states "Sponsors shall review food service operations at each site at least once during the first four weeks of Program operations, and thereafter shall maintain a reasonable level of site monitoring. Sponsors shall complete a monitoring form developed by the State agency during the conduct of these reviews."

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Summer Food Service Program 2016 Administration Guide for Sponsors, page 118, states "Sponsors must conduct a review of the food service at least once in the first four weeks of Program operations. If a site operates less than four weeks, the sponsor must still conduct a review. After this initial period, sponsors must conduct a "reasonable" level of monitoring."

Recommendation

The Sponsor should use an updated form approved by DHS food program management.

4. The Sponsor did not complete the Racial and Ethnic Data Form correctly

Condition

The Sponsor recorded 100 participants as being observed on the Racial and Ethnic data Form dated July 3, 2019. The Sponsor reported 25 children on the meal count form served on July 3, 2019. The Sponsor stated that they recorded the percentage of children participating and not an actual count.

Criteria

The USDA FNS Code of Federal Regulations 7 CFR Section 225.7 (g)(1) states, "Each State Agency shall comply with all requirements of title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, the Age

Discrimination Act of 1975, and the Department's regulations concerning nondiscrimination (7 CFR parts 15, 15a and 15b), including requirements for racial and ethnic participation data collection, public notification of the nondiscrimination policy, and reviews to assure compliance with such policy, to the end that no person shall, on the grounds of race, color, national origin, sex, age, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, the Program.”

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Summer Food Service Program 2016 Administration Guide for Sponsors, page 122, states “Each year, every sponsor must determine the number of potentially eligible participants by racial/ ethnic category for the area served. This information may be obtained from census data or public school enrollment data. The sponsor also must collect ethnic/racial category data each year by ethnic/racial category for each site under the sponsor’s jurisdiction. Sponsors of residential camps must collect and maintain this information separately for each session of the camp. For all other sites, the sponsor must count the participating children at least once during the site’s operation.”

Recommendation

The Racial and Ethnic Data Form should be completed correctly recording the number of children participating in the program the day the data was collected.

5. The Sponsor did not take the opportunity to avoid paying sales tax

Condition

The Sponsor paid \$65.09 in sales tax for nine purchases made in June 2019. As a non-profit tax-exempt agency, the Sponsor has not taken the steps to avoid paying sales tax where applicable.

Criteria

The Internal Revenue Service grants federal tax-exempt status to a charitable organization that meets the requirements of section 501(c)(3) of the tax code. Nonprofit status is conferred under state laws. In some states, nonprofit organizations are eligible for exemptions from sales taxes.

Tennessee Department of Revenue (Sales and Use Tax Guide) Page 42, states “this certificate (Certificate of Exemption form for nonprofit organization and institutions) is used by non-governmental organizations, that have been issued a certification of exemption by the Commissioner of Revenue to purchase free of tax goods and taxable service that the organizations will use, consume...”

Recommendation

The Sponsor should implement procedures to avoid paying sales tax.

6. The Sponsor did not provide all required documentation of inventory records

Condition

The Sponsor did not provide a complete inventory record of food items cost.

Criteria

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Summer Food Service Program 2016 Administration Guide for Sponsors, page 141, states "Records to support the cost of food used should include at minimum... Inventory records that show the kinds of food items on hand at the beginning and end of the inventory period, the quantity of each item, documented major inventory adjustments, and the total value of the beginning and ending inventory."

Recommendation

The Sponsor should ensure when completing inventory that the form is completed accurately and includes all required components.

Note:

Our observation of the lunch meal service on June 18, 2019, revealed no significant deficiencies.

Technical Assistance

Technical Assistance was provided to the Sponsor regarding accurately completing the Racial and Ethnic Data Form.

Disallowed Meals Cost

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the SFSP resulted in a total disallowed cost of \$178.64.

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 June 2019, which contains the verified claim data from the enclosed exhibits.
- 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
Summer Food Service Program
James K. Polk Building, 15th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

Please mail your check and the billing notice to:

Summer Food Service 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 225.13, 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.

Sincerely,


Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

cc: Allette Vayda, Director of Operations, Summer Food Service Program
Debra Pasta, Program Manager, Summer Food Service Program
Elke Moore, Administrative Services Assistant 3, Summer Food Service Program
Constance Moore, Program Specialist, Summer Food Service Program
Marty Widner, Program Specialist, Summer Food Service Program
Comptroller of the Treasury, State of Tennessee

Exhibit A
Summary of Total Claimed and Reconciled Meals
Sponsor: Creative Life, INC.
Review Month/Year: June 2019
Claim Reimbursement Total: \$3,422.10

Site Meal Service Activity	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	20	20
Number of Participating Sites for Breakfast Meal	1	1
Number of Participating Sites for Lunch Meal	1	1
Number of Breakfast Meals Served	475	399
Number of Lunch Meals Served	578	577

Exhibit B
Sponsor: Creative Life, INC
Site: Creative Life, Incorporated
Review Month/Year: June 2019

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	20	20
Number of 1st Breakfast meals served	475	399
Number of 1st Lunch meals served	578	577



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September 16, 2019

Dr. Carolyn Bibbs, President - CEO
Creative Life, Incorporated
1222 Riverside Boulevard
Memphis, Tennessee 38106-2531

Notice of payment due to findings disclosed in the monitoring report for the Summer Food Service Program (SFSP)

Institution Name:	Creative Life, INC
Institution Address:	1222 Riverside Boulevard Memphis, TN 38106-2531
Agreement Numbers:	00-020
Amount Due:	\$178.64
Due Date:	October 17, 2019

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
James K. Polk Building, 16th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Tennessee Department of Human Services**

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



Corrective Action Plan for Monitoring Findings

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 name, title and date of signature on the last page. Please sign your name in ink. **Please return ALL pages of the completed Corrective Action Plan form.**

Section A. Institution Information

Name of Sponsor/Agency/Site: Creative Life, Incorporated	Agreement No. 00020	xxxxx SFSP <input type="checkbox"/> CACFP
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Mailing Address:

**1222 Riverside Boulevard
Memphis, Tennessee 38106-2531**

Section B. Responsible Principal(s) and/or Individual(s)

Name and Title: Dr. Carolyn Bibbs, President - CEO	Date of Birth: 08/14/1951
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Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan

Monitoring Report: 09/16/2019	Corrective Action Plan: 09/16/2019
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Section D. Findings

1. **The Sponsor reported an incorrect number of meals from an observed meal service**
2. **The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals claimed for reimbursement**
3. **The Sponsor did not complete the first four weeks feeding site monitoring of its feeding site as required**
4. **The Sponsor did not complete the Racial and Ethnic Data Form correctly**
5. **The Sponsor did not take the opportunity to avoid paying sales tax**
6. **The Sponsor did not provide all required documentation of inventory records**

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

Measure No. 1: The Sponsor reported an incorrect number of meals from an observed meal service

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:

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?):

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

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:

Measure No.2: The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals claimed for reimbursement

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:

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?):

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

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:

Measure No. 3: The Sponsor did not complete the first four weeks feeding site monitoring of its feeding site 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:

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?):

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

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:

Measure No. 4: The Sponsor did not complete the Racial and Ethnic Data Form correctly

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:

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?):

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

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:

Measure No. 5: The Sponsor did not take the opportunity to avoid paying sales tax

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:

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?):

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

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:

Measure No.6: The Sponsor did not provide all required documentation of inventory records

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:

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?):

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

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:

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. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

Printed Name of Authorized Institution Official:

Position:

Signature of Authorized Institution Official:

Date: / /

Signature of Authorized TDHS
Official: _____

Date: / /