



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

DEPARTMENT OF PROGRAM INTEGRITY
AUDIT SERVICES
CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403
TELEPHONE: 615-532-4268 FAX: 615-313-3196
TTY: 1-800-270-1349
www.tn.gov/humanservices/

BILL HASLAM

GOVERNOR

DANIELLE W. BARNES

COMMISSIONER

April 13, 2017

Kotourta Pruitt, Director
Sensational Enlightenment
5960 Knight Arnold Road
Memphis, Tennessee 38115-3202

Dear Mrs. Pruitt:

The Department of Human Services Audit (DHS) Services staff conducted an on-site unannounced review of the Child and Adult Care Food Program (CACFP) at Sensational Enlightenment (Sponsor), Application Agreement 00-483, on February 9 -10, 2017. Additional information was requested and received February 14, 2017, March 1, 2017, and March 21, 2017. We reviewed the Sponsor records of reimbursements and expenditures from October 2016 through December 2016. The purpose of this review was to determine if the Sponsor complied with *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, application agreement, and applicable Federal and State regulations.

Background

CACFP Sponsors utilize meal count sheets to record the number of meals served for breakfast, lunch, supper, and/or supplements 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. We inspected CACFP documentation such as income eligibility forms, enrollment addendum forms, master enrollment lists, attendance records, meal count records, menus, and food service cost records. We also assessed compliance with civil rights requirements and observed a meal service.

Our Review of the Sponsor's records for the months of October 1, 2016 through December 30, 2016 disclosed the following:

1. The Sponsor did not maintain support for four CACFP related expenditures

Condition

Based on our review of the Sponsor's supporting documentation for expenditures allocated to the CACFP, the Sponsor did not provide us with documentation to support four expenditures totaling \$309.62 that were allocated to the CACFP. See table below.

Vendor	General Ledger Date	Check/ACH Number	Check Total	Program Allocated Total
Intuit QB Online	12/8/2016	Debit Card	\$ 13.11	\$ 2.62
Kroger	12/21/2016	Debit Card	\$ 181.64	\$ 181.64
Family Dollar	12/27/2016	Debit Card	\$ 89.93	\$ 89.93
Dollar Tree	12/30/2016	Debit Card	\$ 35.43	\$ 35.43

Total \$ 309.62

The Sponsor's, during the review period, inability to provide documentation to support costs allocated to the CACFP resulted in disallowance of administrative cost of \$309.62. See recommendation for suggested corrective action.

Criteria

USDA – CACFP, Guidance for Management Plans and Budgets, Page 22, titled Adequate Documentation states, "All costs charged to the CACFP must be properly documented with receipts, invoices, or mileage logs, and time and attendance records. Payments made must be documented in bank statements, registers, and accounting systems. The State agency may identify the specific documentation it expects on general business practices."

Recommendation

The Sponsor's management should maintain documents such as receipts and invoices, to support expenditure transactions allocated to the CACFP. The Sponsor's management should ensure that the disallowed administrative cost of \$309.62 be reimbursed to the Sponsor's CACFP account utilizing non-federal or State funds. The Sponsor's management should also provide DHS food program management with evidence that the amount disallowed was refunded to the CACFP account when submitting the corrective action plan.

2. The Sponsor's expenditures exceeded the approved CACFP budget

Condition

Based on comparing the Sponsor's expenditures to the approved budget, we noted the following discrepancies:

- The Sponsor's expenditures for rent exceeded the approved budgeted amount. The budgeted amount for rent was \$1,000.00. However, for October through December 2016, the Sponsor allocated \$2,426.46 to the CACFP. See Table 1 below.

- The Sponsor allocated 14.60 to the CACFP of the 73.00 that was paid to Waste Management. The Waste Management invoice dated December 5, 2016. The approved budget did not include utilities, facility maintenance, or janitorial services.
- The Sponsor allocated \$31.63 to the CACFP for gas purchase. The gas purchase invoice dated December 1, 2016. The Sponsor's budget did not include reimbursement for mileage or travel.
- The Sponsor's budget did not include reimbursement for building security system. However, the Sponsor allocated to the program \$77.20 for a building security system invoice dated December 1, 2016 that totaled \$386.00.
- An employee was paid \$958.60 for December 2016 labor; however, the employee was not approved to receive a Salary. See Table II below.

Table I

Vendor	Month	Rent	Amount Allocated
Reality Income	Dec-16	4,044.10	808.82
Reality Income	Nov-16	4,044.10	808.82
Reality Income	Oct-16	4,044.10	808.82
Total			\$2,426.46
Budget			\$1,000.00
Difference			\$1,426.46

Table II

Employee Title	Check Date	Check Number	Total
Cook	12/19/16	014225	\$518.41
Cook	12/29/16	014242	\$467.19
Total			\$958.60

While these costs appear reasonable and allocable to the CACFP as operational and/or administrative expenditures, the Sponsor, during the review period, did not submit a revision or an amendment to the budget to address the above noted costs. This condition did not include disallowed cost.

Criteria

USDA Guidance for Management Plans and Budgets, Page 43 titled Revising or Amending Budgets; states, "At any point after the budget is approved, the organization may submit revisions or amendments to the budget for State agency approval. The State agency should follow its own procedures for approving or denying amendment requests. An organization is prohibited from spending CACFP funds in accordance with the amended budget until the amendments have been reviewed and approved by the State agency."

Budget Revisions Required of Sponsoring Organizations. The following are examples that require the submission of a revised budget:

- *Changes to salaries and/or benefits, equipment, travel, consultant and/or contract services.*
- *Line-item increases or decreases in dollar amount.*

Recommendation

The Sponsor's management should ensure that budget amendments or revisions are submitted and approval is obtained from DHS food program management prior to CACFP expenditures exceed the approved budget. The Sponsor's management, as needed, should seek technical assistance or training for DHS food program management.

3. The number of participants reported in the free, reduced- price, and paid categories was incorrect

Condition

Based on our review of available documents and information, we noted that the number of participants reported in the free, reduced-price, and paid categories was incorrect.

The Claim for Reimbursement for the test period reported 58 participants in the free category, eight participants in the reduced-price category, and 17 participants in the paid category. However, our review of the Sponsor's records verified there were 65 participants in the free category, three participants in the reduced-price category, and 14 participants in the paid category. The differences were based on the following:

- There was one participant reported in the free category, but based on the household income, the participant should have been reported as paid.
- There was one participant reported in the paid category, but based on the household income, the participant should have been classified as free.
- Five Head start participants were reported in the paid category and one was reported in the reduced-price category. Head start participants are categorically eligible as free participants and not required to complete an application.
- The number of participants reported in the free category was under reported by seven, the reduced-price category was over reported by five and the paid category was over reported by three.

There were 83 participants reported in the program and 82 participants verified.

Criteria

Title 7 of the Code of Federal Regulations Section 226.10 (c) states that "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim ..."

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 18) states "To operate the CACFP and receive reimbursement, all independent child care centers

and sponsoring organizations must keep accurate records on the eligibility of enrolled participants for free and reduced-price meals.”

Title 7 of the Code of Federal Regulations Section 226.17 (8) “Child care centers shall collect and maintain documentation of the enrollment of each child, including information used to determine eligibility for free and reduced price meals in accordance with §226.23(e)(1). In addition, Head Start participants need only have a Head Start statement of income eligibility or a statement of Head Start enrollment from an authorized Head Start representative, to be eligible for free meal benefits under the CACFP. Such documentation of enrollment must be updated annually, signed by a parent or legal guardian, and include information on each child’s normal days and hours of care and the meals normally received while in care.”

Recommendation

The sponsor should ensure that each participant is reported according to the income eligibility application for child care center participants. The sponsor should also ensure that all documented head start participants are categorized in the free category.

This is a repeat finding from the report dated July 11, 2016.

4. Menus did not contain all required components

Condition

A lunch meal consists of one serving of meat or meat alternate, two servings of fruit and/or vegetables, one serving of bread/grains, and one serving of fluid milk. The menus that the Sponsor provided had the following menu deficiencies:

- On December 13, the lunch menu listed hot dogs, fruit, French cut green beans, baked beans, and milk. The menu did not include a bread/grain component. In addition, the menu did not specify the type of fruit served. 76 lunches were documented as served.
- On December 20, the menu listed Ramen noodles, celery & carrots, mash potatoes, white or wheat bread, and milk. The menu did not include a meat/meat alternative component. 16 lunches were documented as served.

As a result, 92 lunches were disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.20 states, "... each meal served must contain all required components ...”

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 26) states, “All meals must meet the meal patterns established by the USDA to be eligible for CACFP reimbursement.” The USDA meal pattern requirements are on pages 27-32.

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 24) states, “It is recommended that the specific names of all breads or bread alternates, meats or meat alternates, vegetables, fruits and juices be identified on the menus supporting all meal services”.

Recommendation

The Sponsor management should ensure that menus contain all required meal components to be eligible as a reimbursable meal. The menu should also list the specific names of all components served.

5. Insufficient quantities of milk were purchased

Condition

Based on the number of meals served with milk as a required component, a total of 11,708 ounces were needed. However, the Sponsor could only document the purchase of 10,528 ounces of milk available for December 2016, which resulted in a shortage of 1,180 ounces.

As a result, 148 breakfasts were disallowed. (See Exhibit)

Criteria

Title 7 of the Code of Federal Regulations Section 226.20 (a) states, "... each meal claimed for reimbursement must meet minimum meal pattern requirements ..."

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 23) states, "all meals must meet the meal patterns established by the USDA to be eligible for CACFP reimbursement and all food items that are identified on the menus are supported by purchase receipts."

Recommendation

- The Sponsor should purchase enough milk to provide all participants with the required ounces of milk for meals that are claimed for reimbursement.
- The Sponsor should complete a monthly milk inventory which is completed on the last day of operation for each month, and list the amount of milk purchased and not used during the month and is available at the close of business on the last day of operation of that month.

6. The Sponsor's attendance claim did not agree with the verified attendance

Condition

The Claim for Reimbursement for the test month reported 1,005 participant days. However, based on our review, we noted 994 participant days.

Criteria

The *USDA FNS Code of Federal Regulations 7 CFR, Section 226.10 (c)* states that "... Institutions shall certify that the claim submitted for reimbursement is correct ..."

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p.23) states that "each institution must maintain documentation of individual children's attendance on a daily basis."

Recommendation

The Sponsor should ensure that the attendance claimed records agree with the actual attendance.

This is a repeat finding from the report dated July 11, 2016.

Disallowed Meals Cost

The adjustments to the number of participants in the free, reduced-price, and paid categories, meals disallowed for menu deficiencies and a milk shortage resulted in total disallowed meals cost of \$236.22.

Disallowed Administrative Cost

Based on the review, we determined that the Sponsor's inability to provide documentation to support costs allocated to the CACFP resulted in a total disallowed cost of \$309.62. See recommendation in finding 1 for resolution of this cost.

Corrective Action

Sensational Enlightenment must complete the following actions within 30 days from the date of this report:

- Login to the Tennessee Information Payment System (TIPS) and revise the claim submitted for December 2016, which contains the verified claim data from the enclosed exhibit. A copy of the claim form is attached for your use;
- Remit a check payable to the ***Tennessee Department of Human Services*** in the amount of \$236.22 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
Child and Adult Care Food Program
8th Floor Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov

Please note that the amount of disallowed meals cost is subject to an interest charge. The interest charge will be waived if your revised claim within 30 calendar 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
11th Floor, Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243

In accordance with the federal regulation found at 7 *CFR Part 226.6 (k)*, your institution may appeal the overpayment identified by the 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, please contact Jackie Yokley, Audit Director 2, at 615-837-5035 or Jackie.D.Yokley@tn.gov.

Sincerely,


Sam O. Alzoubi, CFE
Director of Audit Services

Exhibit

Cc: Allette Vayda, Director, Child and Adult Care Food Programs
Brian Anthis, Program Coordinator, Child and Adult Care Food Program
Sean Baker, Director of Quality Assurance
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 (Claiming Percentages)

Name of Agency: Sensational Enlightenment

Review Month/Year: December 2016

Total Meal Reimbursement Received: \$4,716.40

Program Area	Reported on Claim	Verified By Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	1,005	994 ¹
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXX	83%
Number of Breakfasts Served	981	834 ²
Number of Lunches Served	981	889 ³
Number of Suppers Served	NA	NA
Number of Supplements Served	981	981 ⁴
Number of Participants in Free Category	58	65 ⁵
Number of Participants in Reduced-Price Category	8	3 ⁵
Number of Participants in Paid Category	17	14 ⁵
Total Number of Participants	83	82 ⁵
Total Amount of Eligible Food Costs	XXXXXXXX	\$4,109.52
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$6,104.04

¹The difference is due to a reporting error.

²The difference is due to a milk shortage.

³The difference is due to menu deficiencies.

⁴Under claimed one lunch.

⁵Under claimed one supplement.

⁵The difference is due to application and reporting errors.

(Breakfast: disallowed 148 less 1 under reported = 147 disallowed)

(Lunches: 92 disallowed)



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-532-4528 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

April 13, 2017

Kotourta Pruitt, Director
Sensational Enlightenment
5960 Knight Arnold Road
Memphis, Tennessee 38115-3202

Notice of payment due to findings disclosed in the monitoring report dated April 13, 2017, for Child and Adult Care Food Program (CACFP).

Institution Name:	Sensational Enlightenment
Institution Address:	5960 Knight Arnold Road Memphis, Tennessee 38115-3202
Agreement Number:	00-483
Amount Due:	\$236.22
Due Date:	May 15, 2017

Based on the monitoring report issued on April 13, 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 require your institution to reimburse the Department of Human Services the disallowed meals cost.

Please remit a check or money order payable to the **Tennessee Department of Human Services** in the amount of \$236.22 by the due date to:

**Fiscal Services 11th Floor
Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243-1403
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, Community and Social Services - Food Programs- CACFP & SFSP 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: Sensational Enlightenment	Agreement No. 00-483	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
--------------------------------------------------------	-------------------------	----------------------------------------------------------------------------

Mailing Address: 5960 Knight Arnold Road Memphis, Tennessee 38115-3202

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

Name and Title: Kotourta Pruitt, Director	Date of Birth: / /
-------------------------------------------	--------------------

Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan

Monitoring Report: 04/13/2017	Corrective Action Plan: 04/13/2017
-------------------------------	------------------------------------

Section D. Findings

Findings:

1. The Sponsor did not maintain support for four CACFP related expenditures.
2. The Sponsor's expenditures exceeded the approved CACFP budget.
3. The number of participants reported in the free, reduced-price, and paid categories was incorrect.
4. Menus did not contain all required components.
5. Insufficient quantities of milk were purchased.
6. The Sponsor's attendance claim did not agree with the verified attendance.

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 did not maintain support for four CACFP related expenditures.

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's expenditures exceeded the approved CACFP budget.

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 number of participants reported in the free, reduced-price, and paid categories was incorrect.

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: Menus did not contain all required components.

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 Insufficient quantities of milk were purchased.

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's attendance claim did not agree with the verified attendance.

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: / /

APPEAL PROCEDURES FOR CHILD AND ADULT CARE INSTITUTIONS AND SPONSORING AGENCIES

Appeal Procedures

1. Pursuant to 7 CFR §226.6(k)(4), the TN Department of Human Services (TDHS) must provide administrative review procedures to institutions and responsible principals and responsible individuals as follows:

- (a) Annually to all institutions;
- (b) To an institution and to each responsible principal and responsible individual when the State agency takes any action subject to an administrative review as described in 7 CFR §226.6(k)(2); and
- (c) Any other time upon request.

2. Pursuant to 7 CFR 226.6(k)(3) and (k)(9), some administrative actions are not subject to administrative review. Those actions are listed in paragraph 2.(a). Other administrative actions may be administratively appealed. Those actions are listed in paragraph 2.(b) and (c). All institutions and sponsoring agencies may appeal any adverse administrative action listed in paragraph 2.(b) which are taken by the TDHS by requesting a fair hearing to appear in person to refute the action, or by requesting a review of written information in lieu of a fair hearing.

(a) Pursuant to 7 CFR Part 226.6 (k)(3) TDHS is prohibited from offering administrative reviews of the following actions:

- (i) FNS decisions on claim deadline exceptions and requests for upward adjustments to a claim.
- (ii) Determination of serious deficiency.
- (iii) State agency determination that corrective action is inadequate.
- (iv) Disqualification and placement on State agency list and National disqualified list.
- (v) Termination.
- (vi) State agency or FNS decision regarding removal from the National disqualified list.
- (vii) State agency's refusal to consider an application submitted by an institution or facility on the National disqualified list.

(b) Pursuant to 7 CFR Part 226.6(k)(9), an abbreviated appeal process is available for the following actions. TDHS must limit the administrative review to a review of written submissions by the TDHS and institutions or sponsoring agencies concerning the accuracy of the State agency's determination if the application was denied, or the State agency proposes to terminate the institution's agreement because:

- (viii) The information submitted on the application was false;
- (ix) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is on the national disqualified list;
- (x) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities is ineligible to participate in any other publicly funded program by reason of violation of the requirements of the program;

- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.
4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.
5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.
6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16th calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.
7. To be considered for a fair hearing or for a review of written information in lieu of a fair

Appeal Procedures for Child and Adult Care Food Program-Institutions
Revised March 2017

hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:

(i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.

(ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.

(iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.

9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.

10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.

11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.

12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.

13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

Appeal Procedures for Child and Adult Care Food Program-Institutions
Revised March 2017

continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

Tennessee Department of Human Services
Division of Appeals and Hearings
PO Box 198996, Clerk's Office
Nashville, TN 37219-8996
Fax: (615) 248-7013 or (866) 355-6136
E-mail: AppealsClerksOffice.DHS@tn.gov

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.



TENNESSEE DEPARTMENT OF HUMAN SERVICES
CLAIM FOR REIMBURSEMENT
 CHILD AND ADULT CARE FOOD PROGRAM

Read INSTRUCTIONS carefully before completing claim.

1. Check Appropriate Claim Type

- Original Claim
 Revised Claim

2. AGREEMENT NUMBER

3. NAME AND ADDRESS OF INSTITUTION

4. MONTH AND YEAR CLAIMED

MONTH YEAR
 [][] [][][][]

5. TOTAL NUMBER OF DAYS FOOD SERVICE WAS PROVIDED FOR PERIOD CLAIMED

[][]

6. TOTAL ATTENDANCE FOR CLAIM PERIOD

A. CHILD OR ADULT CARE CENTERS

B. OUTSIDE SCHOOL HOUR

C. ELIGIBLE PROPRIETARY TITLE XX/
TITLE XIX CENTERS

[][][][][][][][]

[][][][][][][][]

[][][][][][][][]

7. TOTAL NUMBER OF ELIGIBLE PROPRIETARY TITLE XX CENTERS (CHILD) OR TITLE XIX CENTERS (ADULT)

[][][]

MEALS SERVED TO PARTICIPANTS IN CHILD/ADULT CARE CENTERS

	A. BREAKFAST	B. LUNCHES	C. SUPPERS	D. SUPPLEMENTS
8. FREE	[][][][][][][]	[][][][][][][]	[][][][][][][]	[][][][][][][]
9. REDUCED	[][][][][][][]	[][][][][][][]	[][][][][][][]	[][][][][][][]
10. PAID	[][][][][][][]	[][][][][][][]	[][][][][][][]	[][][][][][][]

(REQUIRED FOR ALL CENTER CLAIMS)

11. TOTAL

[][][][][][][]

[][][][][][][]

[][][][][][][]

[][][][][][][]

12. TOTAL NUMBER OF PARTICIPANTS ENROLLED IN CENTERS FOR THIS CLAIM PERIOD BY INCOME GROUP

FREE

REDUCED

PAID

[][][][][][][]

[][][][][][][]

[][][][][][][]

13. REMARKS

I CERTIFY that to the best of my knowledge and belief, this claim is true and correct in all respects, that records are available to support this claim, that is in accordance with the terms of existing Agreement(s); I recognize that I will be fully responsible for any excess amounts which may result from erroneous or neglectful reporting herein. I further certify that claims submitted for meals served in proprietary centers meet the requirements for reimbursement as established by the Federal Regulations as 7CFR Part 226. I further certify that all claims for reimbursement shall be submitted to the State Office no later than 30 days after end of the claim month. I understand that failure to submit claims within the 30 day deadline may result in such claims not being paid.

14. SIGNATURE OF AUTHORIZED REPRESENTATIVE

14. TITLE

15. PREPARATION DATE

MO DAY YEAR
 [][] [][] [][][]

All receipts, invoice and other evidence of purchase must be retained and available for future audit for a period of 3 years after the end of the fiscal year to which they pertain.

No further reimbursement shall be paid under the CACFP for the period covered by this claim unless this is completed and filed as required by the Tennessee Department of Human Services and the Federal Regulations at 7 CFR Part 226