



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

AUDIT SERVICES UNIT
CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403
TELEPHONE: 615-532-4528 FAX: 615-313-3196
TTY: 1-800-270-1349
www.tn.gov/humanservices/

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

May 5, 2017

Joseph Harris, Chairman of the Board
Northside Learning Center
923 Mississippi Avenue
Chattanooga, Tennessee 37405-3023

Dear Mr. Harris:

The Department of Human Services (DHS) Audit Services staff conducted an on-site unannounced monitoring review of the Child and Adult Care Food Program (CACFP) at Northside Learning Center (Sponsor), Application Agreement 00-444, on March 9, 2017. Additional information requested from Gordon Food Service regarding a ravioli product became available on March 22, 2017. 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.

We reviewed the sponsor's records of reimbursements and expenditures for January 2017.

Background

CACFP sponsors utilize meal count sheets to record the number of meals served for breakfast, lunch, supper and 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. The CACFP sponsors report the number of meals served through the DHS Tennessee Information Payment System (TIPS) to seek reimbursement. We inspected CACFP documentation such as income eligibility forms, enrollment addendum forms, attendance records, meal count records, menus, sign-in and sign-out forms and food service cost records for January 2017. A meal service was observed on March 9, 2017 at Northside Learning Center.

Our review of the Sponsor's records for January 2017 disclosed the following:

- 1. According to CACFP applications on file, participants were categorized in incorrect categories**

Condition

There was one participant classified as free that did not have an application on file for the test month. This participant was reclassified as paid.

Criteria

7 C.F.R. §226.17(b)(8) states, "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."

The State of Tennessee Child and Adult Care Food Program Policies and Procedures Manual (2014, 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."

Recommendation

The Sponsor should ensure all applications are completed correctly, and that all participants' applications are current and up to date.

2. Three participants did not have an enrollment addendum form on file

Condition

Three participants did not have current enrollment addendum forms on file.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.15(e)(2) states, "Documentation of the enrollment of each participant at centers (except for outside-school-hours care centers, emergency shelters, and at-risk afterschool care centers). All types of centers, except for emergency shelters and at-risk afterschool care centers, must maintain information used to determine eligibility for free or reduced-price meals in accordance with §226.23(e)(1). For child care centers, 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."

The State of Tennessee Child and Adult Care Food Program Policies and Procedures Manual, page 20, states, "Each institution must meet the enrollment requirements mandated by child care licensing regulations. In addition, each institution must have an enrollment form for each CACFP participant. The enrollment form must meet the following requirements:

1. Be updated annually and signed by a parent or guardian of the participant;
2. Identify the "normal" days and hours in care for each enrolled participant; and
3. Identify the meals to be received by each enrolled participant."

Recommendation

The sponsor should establish a periodic second-look process to ensure a current enrollment addendum form is on file for each participant.

3. The reported meal count documentation did not agree with the claimed meals served

Condition

The Claim for Reimbursement for the test month had 1,125, breakfasts, 1,260 lunches and 1,232 supplements served. However, based on our review of the Sponsor's records, we noted that there were 1,120 breakfasts, 1,258 lunches and 1,231 supplements served prior to any meal disallowances. (See Exhibit)

As a result, five breakfasts, two lunches, and one supplement were disallowed."

Criteria

7 CFR Section 226.10(c) states, in part, "(c) 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 final Report of the Child and Adult Care Food Program (FNS 44) required under §226.7(d). 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 State of Tennessee Child and Adult Care Food Program Policies and Procedures Manual, page 41, states, "All independent child care centers, outside-school-hours centers, and sponsoring organizations of child care centers must submit to the TDHS accurate monthly reports on the number of meals served. Claims for partial months cannot be accepted. Reimbursement claim forms must be received by the TDHS within the time frame identified in the CACFP Grant Agreement. Accurate and complete documentation must be on file to support each claim submitted for reimbursement."

Recommendation

The sponsor should establish an accurate method of counting meals served, and develop a second glance process to help eliminate errors.

4. Menus did not meet USDA meal pattern requirements

Condition

There was one breakfast meal that did not document serving a grain component. On January 9, 2017, the menu contained milk, sliced banana, and scrambled egg with cheese. As a result, there 56 breakfast meals were disallowed.

There was one lunch meal that did not document serving an adequate meat or meat alternative component. On January 10, 2017 the menu included milk, garlic roll, sliced apples, vegetable marinara, and baked breaded cheese ravioli. The ravioli did not have a CN label and the menu did not list any additional protein added to the meal. After multiple requests, the manufacturer did not provide meat equivalent information for the review. Based on our review of the available nutrition labeling, the ravioli contained an insufficient amount of protein to meet the definition of a meat / meat alternative.

Based on the results of our review, 68 lunches were disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states, in part, "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 ..."

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, "When crediting such products as chili-macs, pizzas, pot pies, sloppy Joes, and raviolis toward the meat/meat alternate component, the amount of meat/meat alternate per serving (not the total portion size) is the determining factor for crediting purposes. Because of the uncertainty of the actual amount of meat/meat alternate contained in these products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a sales person) that shows how the crediting has been determined. Remember that only a CN-labeled product carries a warranty that protects against financial audit claims."

Recommendation

Menus should be reviewed to ensure they reflect and contain all required meal components.

The sponsor must document the nutritional value of processed foods with either a Child Nutrition (CN) label or a manufacturer's statement of the nutritional value of the food, and must keep these items on file to support the menu choices.

Recipes for combination items prepared at the center must be kept on file and made available at the time of the program review.

5. The type of milk served to children over 2 years of age did not meet USDA milk requirements

Condition

During the monitoring visit on March 9, 2017 we observed 26 children over the age of two who were served 2% milk for lunch.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20 (a)(1) states, "Fluid milk must be served as a beverage or on cereal, or a combination of both, as follows:

- (i) Children 1 year old. Children one year of age must be served unflavored whole milk.
- (ii) Children 2 through 5 years old. Children two through five years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk.
- (iii) Children 6 years old and older. Children six years old and older must be served unflavored low-fat (1 percent), unflavored fat-free (skim), or flavored fat-free (skim) milk."

Recommendation

The sponsor must ensure the appropriate type of milk is provided to each age group in order to submit a valid claim for reimbursement. The sponsor was advised to exclude these 26 meals from the March claim.

6. An inventory of food and non-food items was not maintained

Condition

The sponsor does not maintain an inventory of food and non-food items purchased with CACFP funds. This information is needed to complete a year-end reconciliation.

Criteria

The State of Tennessee Child and Adult Care Food Program Policies and Procedures Manual, page 204, states, "The institution must perform the following: maintain records identifying all of its food service activities; retain all non-profit food service revenue in a restricted account; Use the non-profit food service account only for allowable costs; correct any deficiencies identified by the TDHS; and implement corrective action when TDHS determines an excessive non-profit food service account balance exists; since allowable food costs is to be determined by the net cost of food used and not the cost of all food purchased, food purchases must be reconciled to the cost of the food actually used; and complete an inventory of non-food supplies and office supplies purchased but not used at the end of the program year."

Recommendation

The sponsor must prepare and make available to reviewers an inventory to make it clear what items purchased with CACFP funds were used and what remain for use at the end of each program year.

7. The sponsor did not provide documentation for the required annual CACFP training

Condition:

The sponsor did not provide documentation of the annual training for staff. Training is required and must emphasize food service procedures and record keeping requirements.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17 (b)(10) states, "Each child care center must require key staff, as defined by the State agency, to attend Program training prior to the center's participation in the Program, and at least annually thereafter, on content areas established by the State agency."

The State of Tennessee CACFP Policies and Procedures Manual, page 166, states, "All institutions and sponsoring organizations must provide training at least once a year for all personnel of the institution and sponsoring organization and for all personnel of sponsored centers and homes to review program requirements. In addition, all new personnel must be thoroughly trained before beginning their work in the program."

The annual training provided by TDHS personnel on application requirements and program operations does not meet this annual training requirement."

Recommendation

The Sponsor should establish an annual CACFP training program which covers all the required program topics. The Sponsor should obtain and keep a training roster that can be made available to reviewers upon request.

Disallowed Meals Costs

Based on our 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 \$143.01.

Corrective Action

Northside Learning Center 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 January 2017, which contains the verified claim data from the enclosed exhibit;
- Remit a check payable to the **Tennessee Department of Human Services** in the amount of \$143.01 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
(615) 313-3769

Please note that the overpayment is subject to an interest charge. The interest charge will be waived if your revised claim is received 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
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 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, 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: Leslie Morris, Executive Director, Northside Learning Center
Allette Vayda, Director, Child and Adult Care Food Programs
Brian Anthis, Program Coordinator, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

EXHIBIT A

Verification of CACFP Independent Center Claim

Name of Sponsor: Northside Learning Center

Review Month/Year: January 2017

Total Meal Reimbursement Received: \$1,417.18

Program Area	Reported on Claim	Verified By Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Total Attendance	1,261	1,261
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXX	NA
Number of Breakfasts Served	1,125	1,064
Number of Lunches Served	1,260	1,190
Number of Supplements Served	1,232	1,231
Number of Participants in Free Category	4	3
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	69	68
Total Number of Participants	73	71
Total Amount of Eligible Food Costs	XXXXX	6,490.75
Total Amount of Eligible Food and Non-Food Costs	XXXXX	\$7,035.65



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

May 5, 2017

Mr. Joseph Harris, Chairman of the Board
 Northside Learning Center
 923 Mississippi Avenue
 Chattanooga, Tennessee 37405-3023

Notice of payment due to findings disclosed in the monitoring report dated March 20, 2017, for Child and Adult Care Food Program (CACFP).

Institution Name:	Northside Learning Center
Institution Address:	923 Mississippi Avenue; Chattanooga, TN 37405-3023
Agreement Numbers:	00444
Amount Due:	\$143.01
Due Date:	June 5, 2017

Based on the monitoring report issued on May 5, 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 requires Northside Learning Center to reimburse the Department of Human Services unallowed cost in the amount of \$143.01.

Please remit a check or money order payable to the **Tennessee Department of Human Services** in the amount of \$143.01 by the due date to:

Tennessee Department of Human Services
Fiscal Services 11th Floor
Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243-1403

Please note that the unallowed 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: Northside Learning Center	Agreement No. 00-444	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
--	-------------------------	--

Mailing Address: 923 Mississippi Avenue Chattanooga, Tennessee 37405-3023

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

Name and Title: Joseph Harris, Chairman of the Board	Date of Birth: / /
--	--------------------

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

Monitoring Report: 05/05/2017	Corrective Action Plan: 05/05/2017
-------------------------------	------------------------------------

Section D. Findings

Findings:

1. According to CACFP applications on file, participants were categorized in incorrect categories.
2. Three participants did not have an enrollment addendum form on file.
3. The reported meal count documentation did not agree with the claimed meals served.
4. Menus did not meet USDA meal pattern requirements.
5. The type of milk served to children over 2 years of age did not meet USDA milk requirements.
6. An inventory of food and non-food items was not maintained.
7. The sponsor did not provide documentation for the required annual CACFP training.

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

Measure No. 1: According to CACFP applications on file, participants were categorized in incorrect categories.

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: Three participants did not have an enrollment addendum form on file.

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 reported meal count documentation did not agree with the claimed meals served.

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 meet USDA meal pattern requirements.

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 type of milk served to children over 2 years of age did not meet USDA milk requirements.

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: An inventory of food and non-food items was not maintained.

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. 7: The sponsor did not provide documentation for the required annual CACFP training.

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 PERIOD CLAIMED

	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 it 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