



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

December 21, 2017

Carlita Ross, Chairman of Board
Small Steps, Inc.
1422 Gillham Drive
Bartlett, Tennessee 38134-7547

Dear Ms. Ross:

The Department of Human Services (DHS) Audit Services staff conducted an on-site unannounced review of the Child and Adult Care Food Program (CACFP) at Small Steps, Inc., Application Agreement 00-497 on October 24, 2017. We reviewed the Sponsor's records of reimbursement and expenditures for the period of September 2017. The purpose of this review was to determine if the sponsoring organization 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 supplement meals served. Meals served by participating sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) system to seek reimbursement. We inspected meal count sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements.

Two types of programs were evaluated during the test month of September 2017- Childcare Centers and Homes. Our sample included one Childcare Center and four homes. We observed a meal service at Little Angels Learning Center on September 8, 2017. In addition we observed 4 meal services for our home sample as follows: Home 0020 and Home 0022 on September 25, 2017, Home 0002 on September 27, 2017 and Home 0014 on September 28, 2017.

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

Childcare Centers

The Sponsor had four childcare centers in operation during the month of September 2017. Little Angels Learning Center was selected as the sample site. Applications were also viewed at Kids Carousel of Learning and Elise All Star Academy to meet the required valid statistical sample.

Our review of the Sponsor's records for childcare centers for the test month of September 2017 disclosed the following:

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

Condition

The Claim for Reimbursement for the test month reported 103 participants in the free category, 15 participants in the reduced-price category, and 56 participants in the paid category. However, our review of the Sponsor's records verified there were 100 participants in the free category, 19 participants in the reduced-price category, and 55 participants in the paid category. The differences were based on the following:

Kids Carousel of Learning

- There was one participant reported in the reduced-price category whose application did not list the household income or a Families First assistance number. The participant was reclassified as paid.
- There were two participants reported in the paid category, but according to the applications the participants should have been reported as free. These participants were reclassified as free.
- There were two participants reported in the reduced-price category, but according to the applications the participants should have been reported as free. These participants were reclassified as free.
- There was one participant reported in the free category but according to the application should have been reported as reduced-price. The participant was reclassified as reduced-price.
- There was one participant that was reported in the reduced price category, but according to the application the participant should have been reported as free. The participant was reclassified as free.
- The number of participants in the free category was over reported by seven and the reduced-price category was under reported by seven.

Criteria

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

Recommendation

The Sponsor should ensure each participant is classified and reported according to income eligibility applications for child care center participants, maintained on file and updated annually.

2. The Sponsor reported incorrect meal counts

Condition

The Claim of reimbursement for the test month of September reported 2,315 breakfast meals, 2,301 lunch meals and 2,856 supplements and 68 suppers served. However, our review of the Sponsor's records reconciled 2,371 breakfast meals, 2,318 lunch meals and 2,918 supplements and 68 suppers prior to any meal disallowances. The Sponsor under reported the number of breakfast by 56, lunch meals by 17 and supplements by 62. The difference was based on the following:

Little Angels Learning Center

The sponsor reported 799 breakfast meals, 737 lunch meals and 942 supplements for Little Angels Learning Center. However our review of the records provided for the center reconciled 855 breakfast meals, 754 lunch meals and 1,004 supplements.

Criteria

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

Recommendation

The Sponsor should ensure the meal count claimed was based on the actual meal count documentation.

3. The Sponsor overstated the number of breakfast meals served for the meal observed by DHS program staff

Condition

On September 9, 2017, the day of our on-site visit, to Little Angels Learning Center, we observed 33 breakfast meals served during the meal service time of 8:00AM - 8:30AM. The Sponsor claimed a total of 44 breakfast meals as served.

As a result, the cost of the reimbursement for 11 breakfast meals was disallowed.

Criteria

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

Recommendation

The Sponsor should ensure the meals reported were based on the actual meals served.

4. Menus listed deficient components

Condition

The menus for Little Angels Learning Center had deficiencies and listed the following:

Date	Deficient or Missing Component	Disallowed Meals
09/05/17	Deficient component: Meat/Meat alternate Menu Listed: Milk, rice, chicken nuggets, pinto beans, and mixed fruit. The label provided for the chicken nuggets was not a CN label or product formulation statement and therefore the amount of protein could not be determined.	40 Lunch meals
09/12/17	Deficient component: Meat/Meat alternate Menu Listed: Milk, white bread, chicken nuggets, mixed fruit, fries. The label provided for the chicken nuggets was not a CN label or product formulation statement and therefore the amount of protein could not be determined.	37 Lunch meals
09/19/17	Deficient component: Meat/Meat alternate Menu Listed: milk, white bread, fish sticks, peaches, fries. The label provided for the fish sticks was not a CN label or product formulation statement and therefore the amount of protein could not be determined.	43 Lunch meals

As a result, the cost reimbursement 120 lunch meals were disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states. "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

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. See the sample formulation statement on page 73 with required information and documentation.”

Recommendation

The Sponsor should implement the following:

- The Sponsor should keep copies of commercially prepared food CN labels or Product Formulation Statements on file and follow the recommended serving sizes/equivalents listed on the label.
- The Sponsor should ensure all meals prepared meet the meal patterns established by the USDA, and menus should be reviewed to ensure they contain all required meal components to be eligible as reimbursable.

5. The number of attendance days reported was incorrect

Condition

The claim for reimbursement for the test month of September 2017 reported 3,480 participant days. However, our review verified 3,319 participant days. The difference was based on the following:

Little Angels Learning Center

The Sponsor reported 1,220 participant days for Little Angels Learning Center. However our review of the records provided for the center verified 1,059 participant days.

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."

Recommendation

The Sponsor should ensure the attendance is counted and reported correctly.

6. There were errors in the completion of enrollment addendum forms

Condition

Participants were missing enrollment forms or enrollment forms were not dated within the past 12 months. The errors were based on the following.

Little Angel Learning Center

- There were six participants who did not have enrollment addendum forms on file.

- There was one participant whose enrollment addendum form was dated more than 12 months ago.

Elise All Star Academy

- There was one participant whose enrollment addendum form was dated over 12 months ago.

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.”

Recommendation

The Sponsor should ensure enrollment forms are current and up to date for each participant.

Disallowed Costs for Centers

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 \$304.63.

Homes

The Sponsor had 27 homes in operation for test month of September 2017. Home 0020 (Essie James), Home 0022 (Kiwanna Nickson), Home 0002 (Enika Hillard), and Home 0014(Fayette Washington) were selected as sample sites.

Our review of the Sponsor’s records for sponsored homes for the test month of September 2017 disclosed the following:

7. The Sponsor reported incorrect meal counts

Condition

The Claim for Reimbursement for the test month had 5,521 breakfast meals, 3,786 lunch meals, 4,326 suppers and 8,747 supplements served. However, our review of the Sponsor’s records showed 5,514 breakfast meals, 3,777 lunch meals, 4,399 suppers and 8,773 supplements prior to any meal disallowances. The Sponsor over reported the number of breakfast meals by seven, over reported the number of lunch meals by nine, under reported the number of suppers by 73 and under reported the number of supplements by 26. The differences were based on the following:

Home 0020 Essie James

The sponsor reported 231 breakfast meals, 240 lunch meals, 220 suppers and 662 supplements. However, our review of the Sponsor's records reconciled 231 breakfast meals, 240 lunch meals, 220 suppers, and 680 supplements prior to any disallowances. The provider under reported the number of supplements by 18.

Home 0022 Kiwana Nickson

The sponsor reported 427 breakfast, 211 lunch meals, 372 suppers and 897 supplements. However, our review of the Sponsor's records showed 423 breakfast meals, 206 lunch meals, 445 suppers and 881 supplements prior to any disallowances. The sponsor over reported the number of breakfast by four, over reported the number of lunch meals by five, under reported the number of suppers by 73, and over reported the number of supplements by 16.

Home 0002 Erika Hillard

The sponsor reported 135 breakfast meals, 135 lunch meals, 103 suppers, and 238 supplements. However, our review of the Sponsor's records reconciled 132 breakfast, 133 lunch meals, 103 suppers and 339 supplements prior to any disallowances. The sponsor over reported the number of breakfast meals by three, over reported the number of lunch meals by two and under reported the number of supplements by 101.

Home 0014 Fayette Washington

The sponsor reported 126 breakfast meals, 124 lunch meals, 143 suppers and 220 supplements. However, our review of the Sponsor's records reconciled 126 breakfast, 122 lunch meals, 143 suppers and 143 supplements prior to any disallowances. The sponsor over reported the number of lunch meals by two and over reported the number of supplements by 77.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.15(c) states in part "...In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim..."

Recommendation

The Sponsor should ensure the meal count claimed agree with the actual meal count documentation submitted by the provider.

8. Menus did not meet USDA meal pattern requirements

Condition

The following menus had missing or deficient components and listed the following:

Home 0002 Enika Hillard

Date	Deficient or Missing Component	Disallowed Meals
09/05/17	Deficient Component : Meat/meat Menu listed: Milk, chicken nuggets, mashed potatoes, mixed fruit and sliced white bread. The label provided for the chicken nuggets was not a CN label or product formulation statement and therefore the amount of protein could not be determined.	7 Lunch meals 7 Suppers
09/12/17	Deficient Component : Meat/meat Alternate Menu listed: Milk, chicken nuggets, mashed potatoes, mixed fruit and sliced white bread. The label provided for the chicken nuggets was not a CN label or product formulation statement and therefore the amount of protein could not be determined.	7 Lunch meals 7 Suppers
09/19/17	Deficient Component : Meat/meat Alternate Menu listed: Milk, chicken nuggets, mashed potatoes, mixed fruit and sliced white bread. The label provided for the chicken nuggets was not a CN label or product formulation statement and therefore the amount of protein could not be determined.	6 Lunch meals 7 Suppers
09/26/17	Deficient Component : Meat/meat Alternate Menu listed: Milk, chicken nuggets, mashed potatoes, mixed fruit and sliced white bread. The label provided for the chicken nuggets was not a CN label or product formulation statement and therefore the amount of protein could not be determined.	7 Lunch meals

Home 0014 Fayette Washington

09/04/17	No Menu: Holiday	6 Breakfast meals 6 Lunch meals 7 Suppers 7 Supplements
09/11/17	Deficient Component : Meat/meat Alternate Menu listed: Milk, chicken nuggets, green beans, peaches, and a roll. The label provided for the chicken nuggets was not a CN label or product formulation statement and therefore the amount of protein could not be determined.	6 Lunch meals 7 Suppers
09/29/17	Deficient Component : Meat/meat Alternate Menu listed: Milk, chicken nuggets, baked beans, pineapples, and wheat rolls The label provided for the chicken nuggets was not a	6 Lunch meals 7 Suppers

	CN label or product formulation statement and therefore the amount of protein could not be determined.	
--	--	--

As a result, the cost reimbursement for six breakfast meals, 45 lunch meals, 42 suppers and seven supplements were disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states. "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

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. See the sample formulation statement on page 73 with required information and documentation."

Recommendation

The Menus should be reviewed to ensure they reflects the meal served and contain all required meal components.

9. Infant menus did not meet the meal pattern requirements

Condition

The menus provided for infants had deficiencies and listed the following:

Home 0020 Essie James

Infant: CC, 5 Months

Date	Missing Component	Disallowed Meals
09/18/17	Infant formula/Breast Milk	1 Breakfast

Infant: AJ, 10 Months

Dates	Missing Component	Disallowed Meals
09/15/17	Cereal or meat/meat alternate	1 Lunch
09/22/17	Cereal or meat/meat alternate	1 Lunch
09/28/17	Cereal or meat/meat alternate	1 Lunch

Home 0014 Fayette Washington

Infant: RI 6 Months

Dates	Missing Component	Disallowed Meals
09/28/17	Infant formula/Breast Milk	1 Breakfast
09/29/17	Infant formula/Breast Milk	1 Breakfast 1 Lunch

Infant: RH 3 Months

Dates	Missing Component	Disallowed Meals
09/28/17	Infant formula/Breast Milk	1 Supper 1 Supplement
09/29/17	Infant formula/Breast Milk	1 Supper 1 Supplement

Home 0002 Erika Hillard

Infant: AS 3 Months

Date	Missing Component	Disallowed Meals
September 2017	No Menu for the entire month	19 Breakfast meals 20 Lunch meals 20 Supplements

As a result the cost reimbursement for 22 breakfast meals, 24 lunch meals, two suppers and 22 supplements were disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states. "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

Recommendation

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

10. Meals were served outside the sponsor's approved meal service time

Condition

Providers did not serve meals during the approved meal service times at the following homes:

Home 0002 Erika Hillard

DHS audit services staff observed two lunch meals served outside of the approved meal service time at the provider home on September 27, 2017. Lunch was served from 10:47 am until 11:20 am and the approved meal service was from 11:00 am until 12:00 pm. One infant was served during the approved meal service time. No meals were disallowed due to the monitor's

observation of meals. However, meals should be served only during the approved meal service time.

Home 0014 Fayette Washington

DHS audit services staff arrived at the provider's home on September 28, 2017 at approximately 10:43 am. The provider had served meals for lunch prior to staff's arrival. The approved meal service time for lunch is 11:00 a.m. until 11:30 a.m. The provider claimed two lunch meals were served, which are non-reimbursable due to the meals being served outside of the approved meal service time.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(d) states in part "Each day care home participating in the program shall serve the meal types specified in its approved application ..."

As a result, 2 lunch meals were disallowed.

Recommendation

The Sponsor should ensure providers are serving in the approved time of meal service listed in the application.

11. The Sponsor claimed an unapproved meal service for one provider

Condition

The home provider Fayette Washington 0014 was approved in TIPS to serve, breakfast, lunch, pm snack, and supper. The provider reported a.m. supplements which were not approved in the provider's application. These meals were considered and disallowed in the meal count reporting error, finding 1.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(d) states in part "Each day care home participating in the program shall serve the meal types specified in its approved application ..."

Recommendation

Sponsor should ensure the providers are approved to claim meals before claiming them.

12. There were errors in the completion of enrollment addendum forms

Condition

Enrollment addendum forms were not completed or updated annually as required.

Home 0020 Essie James

- There were ten participant enrollment addendum forms dated over 12 months. The forms were not updated annually.
- There was one participant that did not have an enrollment addendum form on file.

The names and numbers of meals disallowed are as follows:

Name of Participant	Date of Enrollment Addendum form	Number Meals Disallowed
Jaiden H.	05/02/16	20 Suppers 40 Supplements
Kaliegh H.	05/02/16	20 Suppers 40 Supplements
Kaiden H.	05/02/16	20 Suppers 40 Supplements
Daliyah M.	05/02/16	20 Suppers 40 Supplements
Josiah M.	05/02/16	20 Suppers 40 Supplements
Damarien M.	05/02/16	20 Suppers 40 Supplements
Tyler W.	05/02/16	20 Suppers 40 Supplements
Zaven W.	05/02/16	20 Suppers 40 Supplements
Darren J.	05/02/16	20 Suppers 40 Supplements
Arthur W.	05/02/16	20 Suppers 40 Supplements
Nyla H.	No enrollment addendum form on file	20 Suppers 40 Supplements

As a result, 220 suppers and 440 supplements were disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section, 226.16 (e) states in part, "Each day care home must maintain on file documentation of each child's enrollment and must maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children. Such documentation of enrollment must be updated annually... Reimbursement may not be claimed for meals served to children who are not enrolled..."

Recommendation

Providers should ensure enrollment forms are current and updated annually.

13. The Sponsor did not conduct monitoring reviews as required

Condition

Sponsoring organizations are required to monitor each sponsored home at least three times each year, two of which must be unannounced with no more than six months between monitoring visits. If the sponsored home is new, monitoring must be completed within the first four weeks of operation. Monitoring incompliance was based on the following:

Essie James Home 0020

The provider was monitored on April 25, 2016, September 9, 2016 and May 11, 2017. More than six months elapsed between the dates of the monitoring visits. It could also not be determined, according to the monitoring forms, if the visits were announced or unannounced.

Kiwanna Nickson Home 0022

The provider was monitored on September 9, 2016, May 26, 2017 and August 25, 2017. More than six months elapsed between the dates of the monitoring visits. It could also not be determined, according to the monitoring forms, if the visits were announced or unannounced.

Enika Hillard Home 0002

The Sponsor did not conduct the monitoring reviews as required at the home provider of Enika Hillard. The provider was monitored on May 2, 2016, May 11, 2017 and August 31, 2017. More than six months elapsed between the dates of the monitoring visits. It could also not be determined, according to the monitoring forms, if the visits were announce or unannounced.

Fayette Washington Home 0014

The provider began operation in September 2017. The Sponsor did not provide documentation that a pre-operational visit for the home provider Fayette Washington during the first four weeks of operation.

Criteria

Title 7 of the Code of Federal Regulations Section 226.16(d)(4)(iii) states "Frequency and type of required facility reviews. Sponsoring organizations must review each facility three times each year, except as described in paragraph (d)(4)(iv) of this section. In addition:

- (A) At least two of the three reviews must be unannounced;
- (B) At least one unannounced review must include observation of a meal service;
- (C) At least one review must be made during each new facility's first four weeks of Program operations; and
- (D) Not more than six months may elapse between reviews."

Recommendation

The Sponsor should ensure the monitoring of providers is done no more than six months apart, and preoperational visits conducted prior to the start of services being rendered.

14. The Sponsor did not provide documentation of the last two board minutes for the determination of CACFP oversight

Condition

The Sponsor did not provide documentation for board minutes for the 2017 fiscal year. The two board minutes provided by the Sponsor were dated July 16, 2016 and October 7, 2017.

Criteria

The *USDA Guidance for Management Plans and Budgets, A Child and Adult Care Food Program Handbook*, page 15 states, "As a way of evaluating VCA, the State agency could review the Board minutes for the three most recent meetings and determine if CACFP oversight is documented in the minutes."

Recommendation

The Sponsor should maintain board minutes for each board meeting for the purpose of documenting CACFP oversight.

Observations

DHS Audit services staff verified on September 28, 2017 that home provider Fayette Washington did not have sign in and sign out sheets for participants at the time of the meal observation.

Disallowed Costs for Sponsor of Homes

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 \$1,035.90.

Total Disallowed 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 \$1,340.53.

Corrective Action

Small Steps, Inc. 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 September 2017, which contains the verified claim data from the enclosed exhibits. 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 \$1,340.53 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 overpayment is subject to an interest charge. The interest charge will be waived if your revised claim is received by our office within 30 days from the date of this report. If the revised claim is not received 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

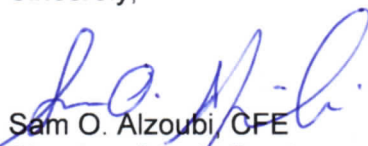
In accordance with the federal regulation found at *7 CFR Part 226.6 (k)*, your institution may appeal the overpayment identified by the monitoring report. The procedures for submitting an appeal are enclosed. The appeal must be submitted to:

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 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

Exhibit

Cc: Tanya Ragland, Executive Director, Small Steps, Inc.
Allette Vayda, Director, Child and Adult Care Food Programs
Debra Pasta, Program Manager, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

EXHIBIT A

Verification of CACFP Sponsor of Unaffiliated Centers Claim

Sponsor: Small Steps, Inc.

Program Area	Reported on Claim	Reconciled By Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Total Attendance	3,480	3,319
Number of Breakfast meals Served	2,315	2,360
Number of Lunch meals Served	2,301	2,198
Number of Suppers Served	68	68
Number of Supplements Served	2,856	2,918
Number of Participants in Free Category	103	100
Number of Participants in Reduced-Price Category	15	19
Number of Participants in Paid Category	56	55
Total Number of Participants	174	174
Total Number of Centers	XXXXXXXX	4

EXHIBIT B**Verification of Unaffiliated Sponsored Center Data****Center: Little Angels Learning Center**

Program Area	Reported	Reconciled by Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Total Attendance	1,220	1,059
Number of Breakfast meals Served	799	844
Number of Lunch meals Served	737	634
Number of Supplements Served	942	1004
Number of Participants in Free Category	11	11
Number of Participants in Reduced-Price Category	7	7
Number of Participants in Paid Category	43	43
Total Number of Participants	61	61
Total Amount of Food Costs	XXXXXXXX	\$1,575.92
Total Amount of Eligible Food and Nonfood Costs	XXXXXXXX	\$1,605.28

EXHIBIT C**Verification of Unaffiliated Sponsored Center Data****Center: Kids Carousel of Learning**

Program Area	Reported	Reconciled by Monitoring Review
Number of Days that CACFP Food Service was operated	NA	NA
Total Attendance	NA	NA
Number of Breakfast meals Served	NA	NA
Number of Lunch meals Served	NA	NA
Number of Supplements Served	NA	NA
Number of Participants in Free Category	46	43
Number of Participants in Reduced-Price Category	3	7
Number of Participants in Paid Category	12	11
Total Number of Participants	61	61
Total Amount of Food Costs	XXXXXXXX	NA
Total Amount of Eligible Food and Nonfood Costs	XXXXXXXX	NA

EXHIBIT D

Verification of Unaffiliated Sponsored Center Data

Center: Elise All Star Academy

Program Area	Reported	Reconciled by Monitoring Review
Number of Days that CACFP Food Service was operated	NA	NA
Total Attendance	NA	NA
Number of Breakfast meals Served	NA	NA
Number of Lunch meals Served	NA	NA
Number of Supplements Served	NA	NA
Number of Participants in Free Category	19	19
Number of Participants in Reduced-Price Category	3	3
Number of Participants in Paid Category	1	1
Total Number of Participants	23	23
Total Amount of Food Costs	XXXXXXXX	NA
Total Amount of Eligible Food and Nonfood Costs	XXXXXXXX	NA

EXHIBIT E

Verification of CACFP Claim for Home Sponsor

Sponsor: Small Steps, Inc.

Review Month/Year: September 2017

Program Area	Reported on Claim	Reconciled by Monitoring Review
Total Tier Average Daily Attendance	389	NA
Number of Tier 1 Breakfast meals Served	5,521	5,486
Number of Tier 1 Lunch meals Served	3,786	3,706
Number of Tier 1 Suppers Served	4,326	4,135
Number of Tier 1 Supplements Served	8,747	8,304
Total Number of Tier 1 Homes	27	27
Total Number of Homes	27	27

EXHIBIT F

Individual Home Review Data

Name of Home/Tier Type: Essie James 0020 /Tier 1

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	21	20
Reconciled Attendance	XXXXXX	460
Tier 1 Average Daily Attendance	23	23
Number of Tier 1 Breakfast meals Served	231	230
Number of Tier 1 Lunch meals Served	240	237
Number of Tier 1 Suppers Served	220	0
Number of Tier 1 Supplements Served	662	240

EXHIBIT G

Individual Home Review Data

Name of Home/Tier Type: Kiwana Nickson 0022/Tier 1

Program Area	Reported	Reconciled by Monitoring Review
Number of Days that CACFP Food Service was operated	21	20
Reconciled Attendance	XXXXXXXX	678
Tier 1 Average Daily Attendance	34	34
Number of Tier 1 Breakfast meals Served	427	423
Number of Tier 1 Lunch meals Served	211	206
Number of Tier 1 Suppers Served	372	445
Number of Tier 1 Supplements Served	897	881

EXHIBIT H

Individual Home Review Data

Name of Home/Tier Type: Enika Hillard 0002 /Tier 1

Program Area	Reported	Reconciled by Monitoring Review
Number of Days that CACFP Food Service was operated	21	20
Reconciled Attendance	XXXXXXX	236
Tier 1 Average Daily Attendance	14	12
Number of Tier 1 Breakfast meals Served	135	113
Number of Tier 1 Lunch meals Served	135	86
Number of Tier 1 Suppers Served	103	82
Number of Tier 1 Supplements Served	238	319

EXHIBIT I

Individual Home Review Data

Name of Home/Tier Type: Fayette Washington 0014/Tier 1

Program Area	Reported	Reconciled by Monitoring Review
Number of Days that CACFP Food Service was operated	21	20
Reconciled Attendance	XXXXXXX	269
Tier 1 Average Daily Attendance	13	14
Number of Tier 1 Breakfast meals Served	126	118
Number of Tier 1 Lunch meals Served	124	101
Number of Tier 1 Suppers Served	143	120
Number of Tier 1 Supplements Served	220	134

Exhibit J

Disallowed Costs	
Sponsored centers disallowed costs	\$304.63
Sponsored homes disallowed costs	\$1,035.90
Total Disallowed Costs	\$1,340.53

Thank you for your attention

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director, Community and Social Services- Food Programs- CACFP & SFSF at (615) 313-3769 or Allette.Vayda@tn.gov

Please note that the disallowed 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.

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

Please remit a check or money order payable to the Tennessee Department of Human Services in the amount of \$1,340.53 by the due date to:

Based on the monitoring report issued by the Audit Services Division within the Tennessee Department of Human Services, the Community and Social Services- Food Programs- CACFP & SFSF management has agreed with the findings which require Small Steps, Inc. to reimburse the Department of Human Services the disallowed cost noted in the report.

Institution Name:	Small Steps, Inc.
Institution Address:	1422 Gilliam Drive Bartlett, Tennessee 38134-7547
Agreement Numbers:	00-497
Amount Due:	\$1,340.53
Due Date:	January 23, 2018

Notice of payment due to findings disclosed in the monitoring report dated December 21, 2017, for Child and Adult Care Food Program (CACFP).

December 21, 2017
Carita Ross, Chairman of Board
Small Steps, Inc.
1422 Gilliam Drive
Bartlett, Tennessee 38134-7547

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES
CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403
TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices





Tennessee Department of Human Services
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: Small Steps, Inc		Agreement No. 00497	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
Mailing Address: 1422 Gilliam Drive Bartlett, Tennessee 38134-7547			

Section B. Responsible Principal(s) and/or Individual(s)	
Name and Title: Carlita Ross, Chairman of the Board	Date of Birth: / /

Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan	
Monitoring Report: 12/21/2017	Corrective Action Plan: 12/21/2017

Section D. Findings

Findings:

1. The number of participants reported in the free, reduced-price, and paid categories was incorrect
2. The Sponsor reported incorrect meal counts
3. The Sponsor overstated the number of breakfast meals served for the meal observed by DHS program staff
4. Menus listed deficient components
5. The number of attendance days reported was incorrect
6. There were errors in the completion of enrollment addendum forms
7. The Sponsor reported incorrect meal counts
8. Menus did not meet USDA meal pattern requirements
9. Infant menus did not meet the meal pattern requirements
10. Meals were served outside the sponsor's approved meal service time
11. The Sponsor claimed an unapproved meal service for one provider
12. There were errors in the completion of enrollment addendum forms
13. The Sponsor did not conduct monitoring reviews as required
14. The Sponsor did not provide documentation of the last two board minutes for the determination of CACFP oversight

The following measures will be completed within 30 calendar days of my institution's receipt of this corrective action plan:
Measure No. 1: 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:

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?):

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____ Position Title: _____
Name: _____ Position Title: _____

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:

Measure No. 2: The Sponsor reported incorrect meal counts

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:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____
Position Title: _____

Name: _____
Position Title: _____

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:

Measure No. 3: The Sponsor overstated the number of breakfast meals served for the meal observed by DHS program staff

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:

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

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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.

Measure No. 4: Menus listed deficient components

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:

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

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?):

Name:

Position Title:

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:

Measure No. 5: The number of attendance days reported was incorrect

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:

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

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?):

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: There were errors in the completion of enrollment addendum forms

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:

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?):

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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:

Measure No. 7: The Sponsor reported incorrect meal counts

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:

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?):

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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:

Measure No. 8: Menus did not meet USDA meal pattern requirements

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:

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

DHS staff should check the "Forms" section of the intranet to ensure the use of current versions. Forms may not be altered without prior approval.

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: Position Title:

Name: Position Title:

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:

Measure No. 9: Infant menus did not meet the meal pattern requirements

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:

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

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____
Position Title: _____

Name: _____
Position Title: _____

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:

Measure No. 10: Meals were served outside the sponsor's approved meal service time

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:

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

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?):

The finding will be fully and permanently corrected.

Measure No. 11: The Sponsor claimed an unapproved meal service for one provider

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:

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

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?):

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:

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

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?):

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____
Position Title: _____

Name: _____
Position Title: _____

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:

Measure No. 12: There were errors in the completion of enrollment addendum forms

DHS staff should check the "Forms" section of the Intranet to ensure the use of current versions. Forms may not be altered without prior approval.

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?):

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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:

Measure No. 13: The Sponsor did not conduct monitoring reviews as required

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:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

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:

Measure No. 14: The Sponsor did not provide documentation of the last two board minutes for the determination of CACFP oversight

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:

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

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: _____

Signature of Authorized Institution Official: _____

Date: / /

Signature of Authorized TDHS Official: _____

Date: / /

Position:

(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 claim 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 institution's 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

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

continuanace 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 continuanace 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.