



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
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NASHVILLE, TENNESSEE 37243-1403

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

CERTIFIED MAIL RECEIPT- Due COVID-19 this notice will not be sent via certified mail, please confirm receipt of this notice by email

July 31, 2020

John Bode, Board Chair
Russ Barker, Chief Operating Officer
Boys and Girls Clubs of Chattanooga
P.O. Box 11567
Chattanooga, TN 37401-2567

RE: Notice of Serious Deficiency for the Child and Adult Care Food Program (CACFP) Agreement Number 00-717

Dear Mr. Bode,

The Department of Human Services (DHS) - Division of Audit Services staff conducted a limited desk review of the Child and Adult Care Food Program (CACFP) at Boys and Girls Clubs of Chattanooga (Sponsor), Application Agreement number 00-717 during the period of May 1, 2020 through June 12, 2020. Our scope of the review was for reimbursement made to the Sponsor for March 2020.

Due to the outbreak and the risk that COVID19 poses to the Sponsor and our staff, the review was limited to verification, based on review of the documents obtained from Sponsor, via e-mail, mail, or other electronic transmissions of documents. We also, obtained confirmation from the feeding sites and Sponsor staff via telephone or e-mail relative to the operation and administration of the CACFP.

The purpose of this review was to determine if the Sponsor complied with the applicable *Title 7 of the Code of Federal Regulations (CFR)* applicable parts, provider agreements, and applicable Federal and State regulations, taking into consideration the waivers granted to the Sponsor's operation during the COVID-19 period.

Based on our review of the Sponsor's records and information provided, the Sponsor had two (2) feeding sites operating during the review period. Boys & Girls Club of Chattanooga Highland Park (Highland Park) was selected as the sample.

Important COVID-19 note: Due the current outbreak and the risk that COVID19 poses to your organization personnel and our staff, all our staff are working from home with no or very limited access to the office. Therefore, we will not send a copy of this report via regular mail until further notice. Please confirm the receipt of this email as it is currently the option to communicate to you. If you need any assistance or have any questions, please do not hesitate to contact us via email.

SERIOUS DEFICIENCY DETERMINATION

Based on the monitoring review, the Department has determined that Boys and Girls Clubs of Chattanooga is seriously deficient in its operation of the CACFP. In addition, the Department has identified John Bode, Board Chair and Russ Barker, Chief Operating Officer as responsible for the serious deficiencies in light of their responsibility for the overall management of Boys and Girls Clubs of Chattanooga's CACFP.

If Boys and Girls Clubs of Chattanooga does not fully and permanently correct all of the serious deficiencies and submit documentation of the corrective action by the due date, the Department will:

- Propose to terminate Boys and Girls Clubs of Chattanooga's agreement to participate in the CACFP;
- Propose to disqualify Boys and Girls Clubs of Chattanooga from future CACFP participation; and
- Propose to disqualify John Bode, Board Chair and Russ Barker, Chief Operating Officer from future CACFP participation.

In addition, if Boys and Girls Clubs of Chattanooga voluntarily terminates its CACFP agreement after receiving this letter, the Department will propose to disqualify Boys and Girls Clubs of Chattanooga and John Bode, Board Chair and Russ Barker, Chief Operating Officer from future CACFP participation. If disqualified, Boys and Girls Clubs of Chattanooga, and John Bode, Board Chair and Russ Barker, Chief Operating Officer and will be placed on the National Disqualified List ("NDL"). While on the NDL, Boys and Girls Clubs of Chattanooga will not be able to participate in the CACFP as an institution or facility. John Bode, Board Chair and Russ Barker, Chief Operating Officer will not be able to serve as a principal in any institution or facility or as a day care home provider in the CACFP.

Institutions and individuals remain on the NDL until the United States Department of Agriculture's Food and Nutrition Service, in consultation with the Department, determines that the serious deficiencies have been corrected, or until seven years after their disqualification. However, if any debt relating to the serious deficiencies has not been repaid, they will remain on the list until the debt has been repaid.

The authorization for this action is found in Paragraph 1.e. of your FY 2016 CACFP Provider Agreement and in the CACFP regulations at 7 C.F.R. § 226.6(c)(3). You may not appeal a finding of serious deficiency.

SERIOUS DEFICIENCIES, ADDITIONAL FINDINGS AND REQUIRED CORRECTIVE ACTION

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfasts, lunch, supper, and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines

set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) for reimbursement.

We inspected meal counts sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements. In addition, we observed a pm supplement meal service at Highland Park on March 10, 2020.

Our review of the Sponsor's records for March 2020 disclosed the following:

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

This is a Serious Deficiency:

Condition

Highland Park – sample site

Based on the number of meals served with milk as a component, the Sponsor was required to purchase a total of 440 half pints of milk. However, no milk purchases could be documented or verified.

The Sponsor provided a receipt for milk purchased from Mayfield Dairy with a handwritten note dating the receipt for March 2, 2020, However, based on our communication with Mayfield Dairy, the milk purchase was made on January 8, 2020. This was also confirmed by the Sponsor's Director of Accounting.

We verified that the milk purchased from Mayfield Dairy on March 10, 2020 was sent to the East Lake Unit site.

Since there was no milk that could be documented as available for the Highland Park site, the 440 supper meals claimed for reimbursement were disallowed. (See Exhibit B)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17a(l) states, "At-risk afterschool snacks must meet the meal pattern requirements for snacks in §226.20(b)(6) and/or (c)(4); at-risk afterschool meals must meet the meal pattern requirements for meals in §226.20(b)(6) and/or (c)(1), (c)(2), or (c)(3)."

Title 7 of the Code of Federal Regulations, Section 226.20(c)(2) states, "Fluid milk, meat and meat alternatives, vegetable, fruits, and grains are required components in the lunch and supper meals."

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: Children one year of age must be served unflavored whole milk. Children two through five years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk. Children six years old and older must be served milk that is low-fat (1 percent fat or less) or fat-free (skim). Milk may be unflavored or flavored from July 1, 2018,

through June 30, 2019 (school year 2018-2019).”

Recommendation

The Sponsor should perform a month-end inventory for milk and maintain all receipts for food purchases to verify the required amount of milk was purchased and served.

2. The Sponsor provided menus that did not name specific components

Condition

Non-specific juice was listed on menus for supplement at the sample site. There were no meals disallowed because receipts were sufficient to identify the types of juice purchased.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(b)(4) states, “Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20.... Menus and any other nutritional records required by the State agency shall be maintained to document compliance with such requirements.”

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

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

Recommendation

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

Technical Assistance Provided

The Sponsor requested technical assistance regarding correcting information on the site application and the updated “And Justice for All” poster as the new poster was not displayed.

OVERPAYMENT-RIGHT TO APPEAL

Disallowed Meals Cost

Based on the review, we determined that the Sponsor’s noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$1,604.90.

The procedures for submitting an appeal regarding the amount of overpayment are enclosed. Please note that the appeal must be in writing and must be received by our Department no later than fifteen

(15) calendar days from your receipt of this letter. 7 C.F.R. § 226.6(k). 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 overpayment, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

In accordance with the CACFP regulations at 7 C.F.R. § 226.14(a), in part, the State agency must assess interest 30 days from the initial request for repayment. For information about applied interest rates please visit the following website:

http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical_rates.htm

SUMMARY

The Department has determined that Boys and Girls Clubs of Chattanooga is seriously deficient in its operation of the CACFP and that John Bode, Board Chair and Russ Barker, Chief Operating Officer are responsible for the serious deficiencies.

You may not appeal the serious deficiency determination itself. If the Department proposes to terminate Boys and Girls Clubs of Chattanooga's CACFP agreement, and the responsible individuals, you will be able to appeal those actions and you will be advised of your appeal rights and the appeal procedures at that time.

Boys and Girls Clubs of Chattanooga may continue to participate in the CACFP during the corrective action period. The Department will pay any valid claims for reimbursement submitted by Boys and Girls Clubs of Chattanooga for the corrective action period. As always, you must submit claims within sixty (60) calendar days of the last day of the month covered by the claim. The Department will deny any portion of a claim we determine is invalid. If the Department denies payment of any portion of a claim submitted for the corrective action period, that action would be appealable.

To provide for the full and permanent correction of the serious deficiencies and findings, please complete the following actions within thirty (30) days of your receipt of this notice:

- Log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for March 2020, which contains the verified claim data from the enclosed exhibits. ***Please note that, if the claim is revised,*** TIPS will automatically deduct the overpayment from your next CACFP claim for reimbursement. **OR**
- If you are no longer participating in the CACFP program, remit a check payable to the ***Tennessee Department of Human Services*** in the amount noted in the report for recovery of the amounts disallowed in this report. ***Please return the attached billing notice with your check;*** and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If the Department does not receive the corrective action plan by the deadline date, or the Department determines that the corrective action plan does not provide for the full and permanent correction of the serious deficiencies and findings, the Department will propose to terminate the Institution's CACFP Provider Agreement and to disqualify you and the Institution from future CACFP participation by issuing a Notice of Proposed Termination and Disqualification.

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,

Allette Vayda

Allette Vayda
Director of Operations- Food Programs

Exhibits

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

EXHIBIT A**Sponsor of At-Risk Afterschool Meals Program Data****Name of Agency: Boys and Girls Clubs of Chattanooga****Review Month/Year: March 2020****Total Reimbursement: \$4,116.38**

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	10	10
Number of Sites	2	2
Total Attendance	940	940
Number of Suppers Served	893	453
Number of Supplements Served	914	914

EXHIBIT B**At-Risk Afterschool Site Data****Sample Site: Highland Park**

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	10	10
Total Attendance	487	487
Number of Suppers Served	440	0
Number of Supplements Served	487	487



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COMMISSIONER

July 31, 2020

John Bode, Board Chair
Boys and Girls Clubs of Chattanooga
P.O. Box 11567
Chattanooga, TN 37401-2567

Note: If you are no longer participating in the CACFP, remit a check payable to the Tennessee Department of Human Services in the amounts disallowed in this report to the address below. Please return the attached billing notice with your check.

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

Institution Name:	Boys and Girls Clubs of Chattanooga
Institution Address:	P. O. Box 11567 Chattanooga, TN 37401-2567
Agreement Numbers:	00-717
Amount Due:	\$1,604.90
Due Date:	August 31, 2020

Please remit a check or money order payable to the Tennessee Department of Human Services in the amount noted above by the due date to:

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

Please note that the disallowed meals cost / overpayment of the CACFP is subject to an interest charge. The interest charge will be waived if the payment is received by the due date. If payment is not received by the end of 5th day of the due date, an interest charge may be added to the original amount due and will be billed to your entity.

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director of Operations at (615) 313-3769 or Allette.Vayda@tn.gov.

Thank you for your attention