



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

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

TELEPHONE: 615-313-4700 FAX: 615-741-4165  
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www.tn.gov/humanservices

**BILL LEE**  
GOVERNOR

**DANIELLE W. BARNES**  
COMMISSIONER

July 14, 2020

Steve Minton, Board Chair  
Cumberland Mountain Industries, Incorporated  
1214 Cedar Fork Road  
Tazewell, Tennessee 37879-5000

Dear Mr. Minton,

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 Cumberland Mountain Industries, Incorporated (Sponsor), Application Agreement number 00-236, during the period of April 2, 2020 through June 4, 2020. Our scope of the review was for reimbursement made to the Sponsor for February 2020.

Due to the outbreak and the risk that COVID-19 poses to the Sponsor and our staff, the review was limited to verification, based on review of the documents obtained from the Sponsor, via e-mail, mail, or other electronic transmission 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 USDA regulations set through the COVID-19 period, taking into consideration the waivers granted to the Sponsor's operation. Also, 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.

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfast, lunch, supper, and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) to for 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. In addition, we observed a lunch meal service on February 5, 2020 and observed

no deficiencies.

**Important COVID-19 Note:** Due to the current outbreak and the risk that COVID-19 poses to your organization personnel and our staff, the review was limited to verification, based on review of the documents obtained from the Sponsor, via e-mail or other electronic transmission of documents. Since we did not receive the requested information, a follow up monitoring visit may be made to review the February 2020 claim once the outbreak has passed and it is safe for all parties to be in contact with each other.

Our review of the Sponsor's records for February 2020 revealed the following:

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

#### Condition

Based on the number of meals served with milk as a component, the Sponsor was required to purchase a total of 4,144 ounces of milk for pm supplement meals requiring milk as a second component. However, the Sponsor could only document the purchase of 5,632 ounces of milk to be served with all meals. Additionally, based on 608 breakfast and 688 lunch meals served, 10,368 ounces of milk would be required to be available if all adult participants chose to take milk with their meal. Since this is an adult center which utilizes an offer vs. serve meal service, no additional meals were disallowed.

As a result, 518 supplement meals claimed for reimbursement were disallowed. (See Exhibit)

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.20(c)(3)* states, "Serve two of the following five components: Fluid milk, meat and meat alternates, vegetables, fruits, and grains. Fruit juice, vegetable juice, and milk may comprise only one component of the snack. ..."

*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) Adults 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). Six ounces (weight) or 3/4 cup (volume) of yogurt may be used to fulfill the equivalent of 8 ounces of fluid milk once per day. Yogurt may be counted as either a fluid milk substitute or as a meat alternate, but not as both in the same meal."

#### Recommendation

The Sponsor should ensure that enough milk is available for all participants for every meal that milk is served as required.

#### **Technical Assistance Provided**

Technical assistance was given regarding the updated "And Justice for All" poster as the new poster was not displayed.

#### **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 \$486.92.

### **Corrective Action**

The Sponsor must complete the following actions within 30 days from the date of this report:

- Log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for February 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](mailto:AuditServices.CAPS.DHS@tn.gov)

If you have questions relative to the corrective action plan, please contact:

Allette Vayda, Director of Operations  
Child and Adult Care Food Program  
James K. Polk Building, 15<sup>th</sup> Floor  
505 Deaderick Street  
Nashville, Tennessee 37243  
[Allette.Vayda@tn.gov](mailto:Allette.Vayda@tn.gov)  
(615) 313-3769

Please note that the amount of disallowed cost is subject to an interest charge. The interest charge will be waived if your revised claim 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  
James K. Polk Building, 16<sup>th</sup> Floor  
505 Deaderick Street  
Nashville, Tennessee 37243

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

Tennessee Department of Human Services  
Appeals and Hearings Division, Clerk's Office  
P.O. Box 198996  
Nashville, TN 37219

If the Institution decides to appeal the amount of disallowed administrative and meals cost, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or [Sean.Baker@tn.gov](mailto:Sean.Baker@tn.gov).

Sincerely,

A handwritten signature in blue ink that reads "Sam O. Alzoubi". The signature is written in a cursive, flowing style.

Sam O. Alzoubi, CFE

Exhibit

cc: Leslie Martin, Executive Director, Cumberland Mountain Industries, Incorporated  
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**

**Verification of CACFP Sponsor of Adult Center**

**Sponsor: Cumberland Mountain Industries, Incorporated**

**Review Month/Year: February 2020**

**Total Reimbursement: \$4,115.12**

<b>Site Meal Service Activity and Monitor Reconciliation</b>	<b>Reported on Claim</b>	<b>Reconciled to Documentation</b>
Total Days of CACFP Food Service	19	19
Total Attendance	695	695
Number of Breakfasts claimed	608	608
Number of Lunches claimed	688	688
Number of Supplements claimed	518	0



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Steve Minton, Board Chair  
Cumberland Mountain Industries, Incorporated  
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Tazewell, Tennessee 37879-5000

**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 February 2020 which contains the verified claim data from the enclosed exhibits.**

Institution Name:	Cumberland Mountain Industries, Incorporated
Institution Address:	1214 Cedar Fork Road, Tazewell, Tennessee 37879
Agreement Numbers:	00236
Amount Due:	\$486.92
Due Date:	<b>August 18, 2020</b>

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:

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

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](mailto:Allette.Vayda@tn.gov).

Thank you for your attention