



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

August 4, 2020

Maurice Hulon, Chairman of the Board
Hooks Dimmick Child Care Group
4982 Knight Arnold Road
Memphis, Tennessee 38118-3449

Dear Mr. Hulon,

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) for Hooks Dimmick Child Care Group, Application Agreement number 00317, during the period of May 21, 2020, through June 23, 2020. Our scope of the review was for reimbursement made to the Sponsor for January 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 a review of the documents obtained from the 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 USDA regulations set through the COVID19 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.

Important COVID-19 note: Due to 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 with you. If you need any assistance or have any questions, please do not hesitate to contact us via email.

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) for reimbursement.

We inspected meal count sheets for our test period and reconciled the meals claimed for reimbursement to the meals reported as served for each meal service. We also reviewed documentation of the Sponsor's financial transactions including but not limited to purchases of food.

In addition, we observed a lunch meal service on January 6, 2020.

Our review of the Sponsor's documentation for January 2020 disclosed the following:

1. The Sponsor claimed for reimbursement more meals than what was observed

Condition

On January 6, 2020, we conducted an on-site visit to observe a lunch meal service. We observed meals served to 42 children of 1 year and older. However, the Sponsor claimed 50 lunch meals for reimbursement.

As a result, 8 lunch meals claimed for reimbursement were disallowed.

Note: All infant lunch meals (5) claimed on the day of the meal observation were allowed as infants eat on demand.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, "...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 meals claimed for reimbursement are the same number of meals served and maintain proper supporting documentation.

2. The Sponsor reported the number of attendance days incorrectly

Condition

Based on our review of the Claim for Reimbursement for the test month, the Sponsor reported 947 participant days. However, we found that there were 927 participant days.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, "...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 attendance is reported based on enrollee participation and based on accurate supporting documentation.

3. The number of meals claimed for reimbursement exceeded the verified attendance

Condition

Based on the documentation provided, the number of lunch meals and supplement exceeded the number of verified participants in attendance for January 2020. The number of meals claimed for reimbursement should not exceed the number of participants in attendance. The verified attendance was 927. After disallowances, the lunch meals exceeded the attendance by 10, and the supplements exceeded the attendance by 18.

As a result, 10 lunch meals and 18 supplements claimed for reimbursement were disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, "...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 reported number of meals served is accurate and based on the supporting documentation.

4. The Sponsor provided infant menus that did not meet USDA meal pattern requirements

Condition

Based on our review of the infant menus provided by the Sponsor for the test month, the menus did not meet the USDA meal pattern requirements. The menus provided had deficiencies as follows:

Infant menus for participants aged 6-11 months

Dates	Deficiencies	Deficient Meal(s)
1/03/20, 1/06/20,1/07/20, 1/13/20, 1/14/20, 1/17/20, 1/21/20, 1/27/20, 1/28/20, 1/31/20	Missing Component: Fruit/Vegetable	Supplement

Note: The Sponsor did not provide individual infant menus. A general infant menu was provided. Therefore, we could not determine which infants had deficient meals on the dates noted.

There were no meals disallowed for infant menu deficiencies. Technical assistance was provided on USDA infant meal pattern requirements.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20 (b)(4)(2) states in part, “6 through 11 Months...Meals are reimbursable when institutions and facilities provide all the components in the meal pattern that the infant is developmentally ready to accept...Snack. Two to 4 fluid ounces of breastmilk or iron-fortified infant formula; and 0 to ½ slice bread; or 0-2 crackers; or 0-4 tablespoons infant cereal or ready-to-eat cereals; and 0 to 2 tablespoons of vegetable or fruit, or portions of both. Fruit juices and vegetable juices must not be served. A serving of grains must be whole grain-rich, enriched meal, or enriched flour.”

Recommendation

The Sponsor should ensure meals served meet the USDA meal pattern requirements.

5. The number of operational days was reported incorrectly

Condition

The number of days of operation was reported incorrectly for the review of January 2020. The number of operational days reported was 23 days, however, we verified 21 operational days.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(c) states, “...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 days of operation are reported accurately and based on supporting documentation.

6. The compensation policy provided by the Sponsor did not meet USDA requirements

Condition

The Sponsor provided a compensation policy for staff paid with CACFP funds; however, the policy did not list the required information. The written compensation policy must include rate of pay, hours of work, (including breaks and meal periods), payment schedule for regular compensation, overtime, compensatory time, holiday pay, benefits, awards, severance pay, and payroll tax withholding.

Criteria

FNS instruction 796-2 Revision 4, Financial Management –Child and Adult Care Food Program p. 44(c)(1) states “Institutions must establish and maintain a written compensation policy for every element of compensation charged to the Program. At a minimum, the written compensation policy must apply to any individual group of individuals employed by the institution and identify: (a) rates of pay; (b) hours of work, including breaks, and meal periods; and (c) the institutions policy and payment schedule for regular compensation, overtime, compensatory time, holiday pay, benefits, awards, severance pay, and payroll tax withholding. The timing and frequency of the institution’s

payments to its employees will follow a routine schedule as directed by its human resource policy...”

Recommendation

The Sponsor should maintain written compensation policies for staff paid with CACFP funds and ensure policies include the required information.

Technical Assistance Provided

Technical assistance was provided regarding USDA infant meal pattern requirements and the requirements of a compensation policy for employees paid with CACFP funds.

Disallowed Meals Cost

The disallowed meals cost associated with the findings above is below the DHS threshold for repayment.

Corrective Action

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

- 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 of Operations
Child and Adult Care Food Program
James K. Polk Building, 15th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

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: Lorraine Brown, Director, Hooks Dimmick Child Care Group
Allette Vayda, Director of Operations, Child and Adult Care Food Program
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

Verification of CACFP Independent Center Claim**Center: Hooks Dimmick Child Care Group****Review Month/Year: January 2020****Total Reimbursement: \$ 5,641.74**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	23	21
Total Attendance	947	927
Number of Breakfasts Served	926	926
Number of Lunches Served	945	927
Number of Supplements Served	945	927
Number of Participants in Free Category	52	52
Number of Participants in Reduced-Price Category	2	2
Number of Participants in Paid Category	4	4
Total Number of Participants	58	58