



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

November 6, 2020

Regina Barrett, Owner
Little House Child Care Center
436 Roan Street
Kingsport, Tennessee 37665-1520

Dear Mrs. Barrett,

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 Little House Child Care Center (Sponsor), Application Agreement number 00-754, on September 22, 2020. Our scope of the review was for reimbursement made to the sponsor for August 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 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) for reimbursement.

We inspected meal counts sheets for August 2020 and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements.

Important COVID-19 note: Due to the current outbreak and the risk that COVID-19 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.

Our review of the Sponsor’s records for August 2020 disclosed the following:

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

Condition

Based on our review of the menus provided by the Sponsor for August 2020, the menus provided did not meet the USDA meal pattern requirements. The menus provided had deficiencies as follows:

Date	Menu	Menu Error	Meal Type	No. of Meals
8/5/2020	Bananas, Vanilla Wafers	Vanilla Wafers are not a creditable component	Supplement	19
8/12/2020	Bananas, Vanilla Wafers	Vanilla Wafers are not a creditable component	Supplement	15
8/19/2020	Bananas, Vanilla Wafers	Vanilla Wafers are not a creditable component	Supplement	15
8/26/20	Bananas, Vanilla Wafers	Vanilla Wafers are not a creditable component	Supplement	14
8/6/2020	Diced wieners, pork-n-beans, tater tots, buttered bread	Insufficient protein in the wieners	Lunch	17
8/13/220	Diced wieners, pork-n-beans, tater tots, buttered bread	Insufficient protein in the wieners	Lunch	16
8/20/2020	Diced wieners, pork-n-beans, tater tots, buttered bread	Insufficient protein in the wieners	Lunch	14
8/27/2020	Diced wieners, pork-n-beans, tater tots, buttered bread	Insufficient protein in the wieners	Lunch	16

Due to the new CACFP meal pattern requirements and emphasis on providing technical assistance during the implementation process, there were no meals disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, “Each childcare 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 ...”

Title 7 of the Code of Federal Regulations, Section 226.20(a)(4)(iii) states, “Grain-based desserts do not count towards meeting the grains requirement.”

Title 7 of the Code of Federal Regulations, Section 226.14(b) states, “In the event that the State Agency finds that an institution which prepares its own meals is failing to meet the meal requirements of 226.20, the State Agency need not disallow payment or collect an overpayment

arising out of such failure if the institution takes such other action as, in the opinion of the State Agency, will have a corrective effect.”

Recommendation

The Sponsor should ensure that 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 a reimbursable meal.

2. The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals reported

Condition

Based on the number of meals served with milk as a component, the Sponsor was required to purchase a total of 3,304 ounces of milk. However, the Sponsor could only document the purchase of 3,200 ounces of milk, resulting in a shortage of 104 ounces of milk.

As a result, 17 breakfast meals claimed for reimbursement were disallowed. (See Exhibit)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, “Each childcare 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....” (Centers)

Title 7 of the Code of Federal Regulations, Section 226.20 (c)(1) states, in part, “Fluid milk, vegetables or fruit, or portions of both, and grains are required components of the breakfast meal.”

Title 7 of the Code of Federal Regulations, Section 226.20(a)(1) states, “Fluid milk must be served as a beverage or on cereal, or a combination of both, as follows: (i) Children 1 year old. Children one year of age must be served unflavored whole milk. (ii) Children 2 through 5 years old. Children two through five years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk.

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.

Technical Assistance Provided

The Sponsor requested technical assistance regarding menu deficiencies such as grain-based desserts and components that have insufficient protein. Additionally, the importance of saving expense receipts was discussed.

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: 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 Independent Center Claim

Name of Agency: Little House Child Care Center

Review Month/Year: August 2020

Total Meal Reimbursement Received: \$1,201.70

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	21
Total Attendance	348	348
Percentage of Free or Reduced-price Category (For Profit Center Only)	48%	48%
Number of Breakfasts Served	288	271
Number of Lunches Served	346	346
Number of Supplements Served	342	342
Number of Participants in Free Category	11	NA ¹
Number of Participants in Reduced-Price Category	0	NA ¹
Number of Participants in Paid Category	12	NA ¹
Total Number of Participants	23	NA ¹

¹The number of participants and their classifications was not verified due to the limited review because of COVID-19.