



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

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

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**BILL LEE**  
GOVERNOR

**DANIELLE W. BARNES**  
COMMISSIONER

May 26, 2020

Pam Bratcher, Executive Director  
Martin Housing Authority  
134 East Heights Drive  
Martin, Tennessee 38237-1527

Dear Mrs. Bratcher,

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 Martin Housing Authority, Application Agreement number 00048, during the period of March 25, 2020, through April 30, 2020. Our scope of the review was for reimbursement made to the Sponsor for November 2019.

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 Sponsor, via e-mail, mail, or another 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.

**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.

Based on our review of the Sponsor's records and information provided, the Sponsor had one feeding site operating during the review period, Crossroads Teen Center. We observed a supplement service on November 21, 2019.

Our review of the Sponsor's documentation for November 2019 disclosed the following:

**1. 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 1,360 ounces of milk. However, the Sponsor could only document the purchase of 384 ounces of milk, resulting in a shortage of 976 ounces of milk. The Sponsor did not provide a milk inventory from the previous month to support any rollover milk that may have been used.

As a result, 122 supplements claimed for reimbursement were disallowed.

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)(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) 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. (iii) Children 6 years and older. 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)." (iv) Adults. 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 maintain all receipts for food and milk purchases to verify the required amount of milk was served.

### **2. The Sponsor did not maintain an inventory of food and non-food items**

#### Condition

The Sponsor did not maintain an annual inventory of food and non-food items purchased with CACFP funds. As a result, we could not determine if excess CACFP funds exist.

#### Criteria

The USDA Independent Child Care Centers, A Child and Adult Care Food Program Handbook, pages 56-57, in part states, "Many State agencies require the calculation of the "cost of food used" at the end of each month. .... Other State agencies may, however, require an inventory to be taken once a year so centers can make adjustments in the cost of food on an annual basis. In this case, the same procedure as for the monthly inventory would be followed, but only once a year.... Costs of Nonfood Supplies Nonfood supplies include small kitchen equipment, paper goods, such as napkins and plates, and cleaning supplies used directly for the foodservice operation. Itemized receipts or invoices must be kept on file as documentation. State agencies may require a monthly or yearly inventory of these supplies."

#### Recommendation

The Sponsor should ensure an inventory is completed at least annually for food and nonfood supplies purchased with CACFP funds.

### **3. The Sponsor did not provide sufficient payroll records for an employee paid with CACFP funds**

#### Condition

The Sponsor provided check stubs as documentation of payroll records for an employee paid with CACFP funds. The Sponsor did not provide timesheets or time distribution records for an employee paid with CACFP funds.

#### Criteria

The USDA Guidance for Management Plans and Budgets, A Child and Adult Care Food Program Handbook, page 35, states, "Administrative labor costs for both salaried and hourly employees must be documented. Documentation includes Timesheets; Time and attendance reports; Time distribution records; Payroll records."

#### Recommendation

The Sponsor should maintain time distribution records for employees paid with CACFP funds.

### **4. The Sponsor did not complete monitoring of its feeding site as required**

#### Condition

The Sponsor did not meet all monitoring requirements. The following deficiencies were discovered:

### **Crossroads Teen Center**

The center was monitored on January 17, 2019 (unannounced) and October 3, 2019 (unannounced). Deficiencies are as follows:

- The five-day reconciliation recorded on the January and October monitoring visit did not include the prior five days of operation. The day of the meal observation was included as well as dates after the monitoring date.

#### ***Observations:***

- Monitoring documentation dated January 17, 2019, shows ethnic and racial categories were not completed accurately.
- The site operates as an SFSP site. Due to COVID-19, nonessential workers are working from home, and the Sponsor's staff did not have access to the 2019 SFSP monitoring documents; therefore, we were unable to audit three Sponsor monitoring reviews for the review period, and six months appears to have elapsed between CACFP monitoring review dates.

#### **Criteria**

*Title 7 of the Code of Federal Regulations, Section 226.16(d)(4)(ii)* states, "Reviews must examine the meal counts recorded by the facility for five consecutive days during the current and/or prior claiming period..."

*Title 7 of the Code of Federal Regulations, Section 226.16(d)(4)(iii)* states, "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 once 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 monitoring forms are completed accurately and according to USDA requirements.

### **5. The Sponsor's menu did not specify if grain components served were whole grain rich**

#### **Condition**

Based on our review of the menus provided, the Sponsor did not specify whether grain components listed as served were whole grain on several days during the review period. The Sponsor is only approved to serve one supplement, and when a grain is listed as one of the two components, it must be a whole grain.

No meals were disallowed due to the Sponsor being provided technical assistance and time to conform to the updated USDA meal pattern requirements effective October 2017.

### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.20(a)(4)(a)(b)* states “At least one serving per day, across all eating occasions of bread, cereals, and grains, must be whole grain-rich. Whole grain-rich foods contain at least 50 percent whole grains and the remaining grains in the food are enriched and must meet the whole grain-rich criteria specified in FNS guidance.”

### Recommendation

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

**Note:** Our observation of the p.m. supplement service on November 21, 2019, revealed no significant deficiencies.

**Observation:** Due to COVID-19, we understand that non-essential workers are working from home may have limited access to records and files. The Sponsor's staff stated via email that they have completed the CACFP training but were unable to access the documentation. This was not listed as a deficiency at this time.

### **Technical Assistance Provided**

Technical assistance was provided regarding meal pattern requirements, monitoring requirements, year-end inventory of food and non-food items, maintaining a milk inventory, and maintaining payroll records for employees paid with CACFP funds.

### **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 \$114.68.

### **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 November 2019, which contains the verified claim data from the enclosed exhibit. ***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 is completed 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 meal 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,



Sam O. Alzoubi, CFE  
Director of Audit Services

Exhibits

cc: Joyce Washington, Chairman of the Board, Martin Housing Authority  
Kristy Robinson, Social Services Director, Martin Housing Authority  
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 for the Sampled Sites**

**Sponsor: Martin Housing Authority**

**Review Month/Year: November 2019**

**Total Reimbursement: \$818.74**

<b>Site Meal Service Reconciliation and Monitor Activity</b>	<b>Reported on Claim</b>	<b>Reconciled to Documentation</b>
Total Days of CACFP Food Service	16	16
Number of Sites	1	1
Total Attendance	894	894
Number of Supplements Served	871	749





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May 26, 2020

Pam Bratcher, Executive Director  
Martin Housing Authority  
134 East Heights Drive  
Martin, Tennessee 38237-1527

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 plan to continue participating in the CACFP, log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for November 2019, which contains the verified claim data from the enclosed exhibit.

Institution Name:	Martin Housing Authority
Institution Address:	134 East Heights Drive Martin, Tennessee 38237-1527
Agreement Numbers:	00-048
Amount Due:	\$114.68
Due Date:	<b>June 26, 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:

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

Please note that the disallowed meal 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