



**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
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

March 19, 2020

April Dalida, Owner
Mount Carmel Daycare Center
510 West Main Street
Mount Carmel, Tennessee 37645

Dear Mrs. Dalida,

The Department of Human Services (DHS) - Division of Audit Services staff conducted an unannounced on-site monitoring review of the Child and Adult Care Food Program (CACFP) at Mt. Carmel Daycare Center (Sponsor), Application Agreement number 00-426, on February 12, 2020. The purpose of this review was to determine if the Sponsor complied with the *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, provider agreement, 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 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 January 7, 2020.

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

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

Condition

Based on our review of the menus provided by the Sponsor for January 2020, the menus provided did not meet the USDA meal pattern requirements. The menus provided for lunches listed PB & J Sandwiches and Cheese Sticks that do not meet the protein requirement for 3-5

year-old participants. The Child Nutrition (CN) labels provided document both the sandwiches and the cheese sticks contain 1.00 oz of meat alternate per serving. The menus provided had deficiencies as follows:

| Date | Menu | Deficiency | Lunches |
|-------------|--|--|----------------|
| 1/3/2020 | Milk, W/G PB&J sandwich, Carrot Sticks, Apple Slices | Insufficient protein for 3-5 year-old participants | 17 |
| 1/10/2020 | Milk, W/G PB&J sandwich, Carrot Sticks, Apple Slices | Insufficient protein for 3-5 year-old participants | 19 |
| 1/16/2020 | Milk, Cheese Sticks, Tossed Salad, Pineapples | Insufficient protein for 3-5 year-old participants | 17 |
| 1/17/2020 | Milk, W/G PB&J sandwich, Carrot Sticks, Apple Slices | Insufficient protein for 3-5 year-old participants | 18 |
| 1/20/2020 | Milk, Cheese Sticks, Green Beans, Applesauce | Insufficient protein for 3-5 year-old participants | 20 |
| 1/24/2020 | Milk, W/G PB&J sandwich, Carrot Sticks, Apple Slices | Insufficient protein for 3-5 year-old participants | 20 |
| 1/29/2020 | Milk, Cheese Sticks, Tossed Salad, Pineapples | Insufficient protein for 3-5 year-old participants | 22 |
| 1/31/2020 | Milk, W/G PB&J sandwich, Carrot Sticks, Apple Slices | Insufficient protein for 3-5 year-old participants | 16 |

As a result, 149 lunch meals claimed for reimbursement were disallowed. (See Exhibit)

The menus provided listed cereals that exceed the allowed sugar limit. Frosted Cheerios contain 9 grams of sugar per the 27 grams serving size and Very Berry Cheerios contain 9 grams of sugar per the 28 grams serving size. The menus provided had deficiencies as follows:

| Date | Menu | Meals |
|-------------|--------------------------------------|----------------|
| 1/7/2020 | Milk, Apple Slices, Frosted Cheerios | 22 Breakfasts |
| 1/9/2020 | Milk, Apple Slices, Berry Cheerios | 19 Breakfasts |
| 1/17/2020 | Berry grape juice, Frosted Cheerios | 29 Supplements |

Due to the new CACFP meal patterns requirements and emphasis on providing technical assistance during the implementation process, these meals were not disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17 (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...”

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 menus meet the USDA meal pattern requirements.

Technical Assistance Provided

Technical Assistance was provided as to the meal pattern requirements for amount of sugar content that is acceptable in cereal.

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 \$251.20.

Corrective Action

The Sponsor should 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 January 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 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

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, 16th 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.

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: Mount Carmel Daycare center****Review Month/Year: January 2020****Total Meal Reimbursement Received: \$1,440.75**

| Site Meal Service Reconciliation and Monitor Activity | Reported on Claim | Reconciled to Documentation |
|--|--------------------------|------------------------------------|
| Total Days of CACFP Food Service | 22 | 22 |
| Total Attendance | 648 | 648 |
| Percentage of Free or Reduced-price Category | 38% | 38% |
| Number of Breakfasts Served | 364 | 364 |
| Number of Lunches Served | 547 | 398 |
| Number of Supplements Served | 647 | 647 |
| Number of Participants in Free Category | 9 | 9 |
| Number of Participants in Reduced-Price Category | 5 | 5 |
| Number of Participants in Paid Category | 23 | 23 |
| Total Number of Participants | 37 | 37 |



**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
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

March 19, 2020

April Dalida, Owner
Mount Carmel Daycare Center
510 West Main Street
Mount Carmel, Tennessee 37645

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 January 2020, which contains the verified claim data from the enclosed exhibits.

| | |
|----------------------|---|
| Institution Name: | Mount Carmel Daycare Center |
| Institution Address: | 510 West Main Street Mount Carmel, TN 37645 |
| Agreement Numbers: | 00-426 |
| Amount Due: | \$251.20 |
| Due Date: | April 20, 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