



**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

October 19, 2020

George Fogel, Executive Director
Premier TN Needmore LLC
239 Needmore Road
Clarksville, Tennessee 37040-6676

Dear Mr. Fogel,

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 Premier TN Needmore LLC, Application Agreement number 00-756, on August 13, 2020. Additional information was requested on September 18, 2020. Our scope of the review was for reimbursement made to the Sponsor for June 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.

Important COVID-19 note: Due 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 to 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 counts 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.

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

1. The Sponsor reported the number of participants in the reduced-price and paid categories incorrectly

Condition

Based on our review of the Claim for Reimbursement for June 2020, we noted the Sponsor reported 20 participants in the free category, nine (9) participants in the reduced-price category, and 69 participants in the paid category. However, based on our review of the records available, we found there were 20 participants in the free category, eight (8) participants in the reduced-price category, and 70 participants in the paid category.

There was one (1) participant reported in the reduced-price category that did not meet categorical or income eligible requirements. This participant was reclassified as paid.

As a result, the Sponsor overreported the number of participants in the reduced-price category by one (1) participant and underreported the number of participants in the paid category by one (1) participant. (See Exhibit)

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 ..."

Title 7 of the Code of Federal Regulations, Section 226.15(e)(2) states, "All types of centers, except for emergency shelters and at-risk afterschool care centers, must maintain information used to determine eligibility for free or reduced-price meals in accordance with §226.23(e)(1). For child care centers, such documentation of enrollment must be updated annually, signed by a parent or legal guardian, and include information on each child's normal days and hours of care and the meals normally received while in care."

Recommendation

The Sponsor should maintain all information used to determine eligibility and ensure that each participant is classified and reported accurately based on categorical or income eligibility.

2. 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 June 2020, the menus provided did not meet the USDA meal pattern requirements. The menus provided had deficiencies as follows:

Date	Menu Deficiency	Meal Type	No. of Meals
6/10/2020	Menu: Scrambled eggs, whole wheat toast, and milk Deficiency: No fruit or vegetable component	Breakfast	31
6/24/2020	Menu: Fish sticks, homemade macaroni and cheese, peas, sliced wheat bread, and milk Deficiency: No fruit or vegetable component	Lunch	58

As a result, 31 breakfast meals and 58 lunch meals claimed for reimbursement were disallowed. (See Exhibit)

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 226.20 (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(c)(2) states, "Fluid milk, meat and meat alternatives, vegetable, fruits, and grains are required components in the lunch and supper meals."

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.

3. The Sponsor provided menus that did not name specific type of milk served to participants

Condition

The menu provided by the Sponsor did not identify the specific type of milk served to participants as required.

There were no meals disallowed as we were able to verify the proper type of milk was purchased for the meals served to participants in the various age groups.

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.... Menus and any other nutritional records required by the State agency shall be maintained to document compliance with such requirements.”

The USDA policy memorandum, CACFP 17-2017 Documenting Meals in the Child and Adult Care Food Program, states, “CACFP centers and day care homes are required to demonstrate that they are serving meals that meet the meal pattern requirements. Centers and day care homes must keep records of menus....”

The USDA policy memorandum, CACFP 17-2016 Nutrition Requirements for Fluid Milk and Fluid Milk Substitutions in the Child and Adult Care Food Program, states, “In order to ensure compliance with the milk requirements outlined in 7 CFR 226.20(a)(1) and this memorandum, centers and day care homes must document the type of milk served on their menu. This includes listing the fat content (e.g. whole, low-fat or 1%, and fat-free or skim) and if the milk is flavored. It is the responsibility of the State agency or sponsor, as applicable, to further ensure that the correct type of milk is being served when conducting reviews.”

Recommendation

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

Technical Assistance Provided

Technical assistance was provided regarding the updated” And Justice for All” poster and identifying SNAP/TANF case numbers.

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 \$146.99.

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 June 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
15th Floor, James K. Polk Building
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
16th Floor, James K. Polk Building
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: Sarah Clayman, Regional Director, Premier Needmore TN LLC
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
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: Premier TN Needmore LLC

Review Month/Year: June 2020

Total Meal Reimbursement Received: \$2,602.37

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	22	22
Total Attendance	1,244	1,244
Percentage of Free or Reduced-price Category	29.6%	29%
Number of Breakfasts Served	664	633
Number of Lunches Served	1,234	1,176
Number of Supplements Served	1,199	1,199
Number of Participants in Free Category	20	20
Number of Participants in Reduced-Price Category	9	8
Number of Participants in Paid Category	69	70
Total Number of Participants	98	98



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COMMISSIONER

Billing Notice

October 19, 2020

George Fogel, Executive Director
Premier TN Needmore, LLC
239 Needmore Road
Clarksville, Tennessee 37040-6676

This billing notice is based on the disallowance noted in the monitoring report of the Child and Adult Care Food Program (CACFP) due to noncompliance with the applicable Federal and State regulations that govern the CACFP.

Amount Due: \$146.99
Due Date: November 20, 2020
Date of the Monitoring Report: October 19, 2020
Agreement/Contract Number: 00756

Note1: If you are no longer participating in the CACFP, please remit a check payable to the Tennessee Department of Human Services in the disallowed amounts noted in the report by the due date to the address below:

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

Note 2: log into the Tennessee Information Payment System (TIPS) and revise the claim for reimbursement that was submitted for June 2020. Use the reconciled claim data of the exhibits enclosed in the monitoring report.

Please note that the disallowed cost 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