



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

June 15, 2020

Teramena Oliver, Owner
The Academy Performing Arts Preschool
1651 Madison Avenue
Memphis, Tennessee 38104-2506

Dear Ms. Oliver,

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 The Academy Performing Arts Preschool, Application Agreement number 00523 during the period of April 29, 2020, through May 05, 2020. Our scope of the review was for reimbursement made to the Sponsor for December 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 the 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 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. In addition, a lunch meal service was observed on December 12, 2019.

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

1. The Sponsor reported meal counts incorrectly

Condition

Based on our review of the Claim for Reimbursement for the test month, the Sponsor reported 368 breakfast meals, 373 lunch meals, and 372 supplements served. However, based on our review of available documents, we noted that there were 368 breakfast meals, 372 lunch meals, and 372 supplements served.

As a result, one lunch meal claimed for reimbursement was over reported.

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 claims for reimbursement are completed accurately and based on 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 374 participant days. However, our review of records found that there were 380 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 participant days are reported based on attendance and documentation is maintained to support the claim.

3. The compensation policy provided did not contain all compensation components.

Condition

The Sponsor provided a compensation policy for an employee paid with CACFP funds; however, the policy did not list the payment schedule. The written compensation policy must include a rate of pay, hours of work, (including breaks and meal periods), the 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 information is accurate and complete.

Note: Our observation of the lunch meal service on December 12, 2019, revealed no deficiencies.

Technical Assistance Provided

Technical assistance was provided regarding listing the content of the fruit cocktail on the menu and checking the claim for accuracy before filing for reimbursement. We also made a referral to a Program Specialist for assistance with adding infants to the program per the Sponsor's request.

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: The Academy Performing Arts Preschool

Review Month/Year: December 2019

Total Meal Reimbursement Received: \$1,520.35

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	19	19
Total Attendance	374	380
Percentage of Free or Reduced-price Category	XXXXXXX	59%
Number of Breakfasts Served	368	368
Number of Lunches Served	373	372
Number of Supplements Served	372	372
Number of Participants in Free Category	14	14
Number of Participants in Reduced-Price Category	2	2
Number of Participants in Paid Category	11	11
Total Number of Participants	27	27