



**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

July 7, 2020

Mark Matheny, Chairman of the Board
United Methodist Neighborhood
P.O. Box 111348
Memphis, Tennessee 38111-1348

Dear Mr. Matheny,

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) for United Methodist Neighborhood (Sponsor), Application Agreement number 00558, during the period of May 12, 2020, through May 26, 2020. Our scope of the review was for reimbursement made to the Sponsor for March 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 a 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 March 2020 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, we observed a breakfast meal service on March 12, 2020.

Our review of the Sponsor's documentation for March 2020 disclosed the following:

1. The Sponsor reported the number of meals served incorrectly

Condition

The Sponsor reported 257 breakfast meals, 257 lunch meals, and 245 supplements served. However, based on our review of available documents, we noted that there were 259 breakfast meals, 259 lunch meals, and 247 supplements supported, prior any meal disallowances.

The Sponsor under reported the number of breakfast meals served by two, under reported the number of lunch meals served by two, and under reported the number of supplements served by two.

This is a repeat finding from a previous report dated June 11, 2018.

Criteria

Title 7 of the Code of Federal Regulations Section 226.10 (c) states "...In submitting a Claim for Reimbursement, each institution shall certify the claim is correct and that records are available to support that claim..."

Recommendation

The Sponsor should ensure the number of meals claimed for reimbursement is reported accurately and based on supporting documentation.

2. The Sponsor did not provide evidence of sufficient quantities of milk purchase to support the meals claimed for reimbursement

Condition

Based on the number of meals reported served with milk as a component, the Sponsor required 3,044 ounces of milk. However, based on our review of the receipts provided by the Sponsor, we were able to verify the purchase of 2,560 ounces of milk. This resulted in a shortage of 484 ounces.

As a result, 81 breakfast meals claimed for reimbursement were disallowed.

Criteria

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 meals are served in accordance with the meal pattern requirements and maintain all receipts of food purchases to support the claims for reimbursement.

3. 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 257 participant days. However, we noted that there were 262 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...”

This is a repeat finding from a previous report dated June 11, 2018.

Recommendation

The Sponsor should ensure attendance is maintained and reported according to supporting documentation.

4. The Sponsor’s compensation policy did not include all required 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 that the compensation policies includes all required components, as required by the FNS CACFP requirements.

5. The Sponsor's training documentation did not meet USDA requirements

Condition

The Sponsor provided documentation to show CACFP training was provided to staff members. The training documentation did not list the names of the participants in attendance or the location of the training.

Criteria

Title 7 of the Code of Federal Regulations, section 226.15(e) states, "... At minimum, the following records shall be collected and maintained: (12) Information on training session date(s) and location(s), as well as topics presented and the names of participants;..."

Recommendation

The Sponsor should ensure documentation of all training provided is maintained and includes all requirements set forth by the Code of Federal Regulations.

Note: Our meal observation on March 12, 2020, revealed no significant deficiencies.

Technical Assistance Provided

Technical assistance was provided regarding record keeping.

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 \$136.08.

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 March 2020, 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

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 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, 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 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.

Sincerely,

Sam O. Alzoubi

Sam O. Alzoubi, CFE
Director of Audit Services

Exhibit

cc: Iletha Washington, Director, United Methodist Neighborhood
Allette Vayda, Director of Operations, Child and Adult Care Food Program
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: United Methodist Neighborhood

Review Month/Year: March 2020

Total Meal Reimbursement Received: \$1,640.59

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	9	9
Total Attendance	257	262
Number of Breakfasts Served	257	178
Number of Lunches Served	257	259
Number of P.M. Supplements Served	245	247
Number of Participants in Free Category	37	37
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	0	0
Total Number of Participants	37	37



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Mark Matheny, Chairman of the Board
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P.O. Box 111348
Memphis, Tennessee 38111-1348

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 March 2020, which contains the verified claim data from the enclosed exhibit.

Institution Name:	United Methodist Neighborhood
Institution Address:	6050 Summer Avenue Memphis, Tennessee 38134-6730
Agreement Numbers:	00558
Amount Due:	\$136.08
Due Date:	August 10, 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 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.

Thank you for your attention