



**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 31, 2020

Don Campbell, Board Chair  
Boys and Girls Club of Greater Kingsport, Incorporated  
P.O. Box 784  
Kingsport, Tennessee 37662

Dear Mr. Campbell,

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 Boys and Girls Club of Greater Kingsport (Sponsor), Application Agreement number 00173 on February 20, 2020. Additional information was requested and provided on February 28, 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.

Based on our review of the Sponsor's records and information provided, the Sponsor had two (2) feeding sites operating during the review period. The Eastman Center was selected as the sample.

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfasts, 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 to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements. In addition, we observed a supper meal service at the Eastman site on January 7, 2020.

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

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

### Condition

#### ***Eastman Center - sample site***

Based on our review of the Claim for Reimbursement for January 2020, we noted that the Sponsor reported 107 participants in the free category, 17 participants in the reduced-price category and nine (9) participants in the paid category. However, based on our review of the records available, we noted that there were 111 participants in the free category, 13 participants in the reduced-price category and 14 participants in the paid category.

The differences were based on the following:

- There were two (2) participants reported in the reduced-price category whose application was incorrectly classified. These participants were reclassified as free.
- There were two (2) participants reported in the free category and three (3) participants reported in the reduced-price category whose application was not signed or dated by the Determining Official. These participants were reclassified as paid.
- The number of participants reported in the free category was underreported by four (4) participants and the reduced-price category was underreported by one (1) participant.

There were 133 participants reported on the Claim for Reimbursement. However, based on our review of the Sponsor's records, we found there were 138 participants enrolled in the program.

As a result, the Sponsor underreported the number of participants in the free category by four (4) participants, overreported the number of participants in the reduced-price category by four (4) participants and underreported the number of participants in the paid category by five (5) participants. (See Exhibit B)

***This is a repeat finding from a previous report dated November 6, 2017.***

### 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."

*Title 7 of the Code of Federal Regulations, Section 226.17(b)(8)* states, in part, "Child care centers shall collect and maintain documentation of the enrollment of each child, including

information used to determine eligibility for free and reduced price meals in accordance with §226.23(e)(1). ...”

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 reported meal counts incorrectly**

Condition

***Eastman Center - sample site***

Based on our review of the Claim for Reimbursement for January 2020, the Sponsor claimed 79 breakfast meals, 144 lunch meals, 140 supplement and 1,097 supper meals. However, based on our review of the available documents, we noted there were 79 breakfast meals, 142 lunch meals, 140 supplements and 1,097 supper meals, prior to any meal disallowances.

As a result, two (2) lunch meals claimed for reimbursement were overreported. (See Exhibit B)

***This is a repeat finding from a previous report dated November 6, 2017.***

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 that claims for reimbursement are completed correctly and based on accurate supporting documents.

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

Condition

***Eastman Center - sample site***

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 had deficiencies as follows:

<b>Date</b>	<b>Menu</b>	<b>Menu Error</b>	<b>Meal Type</b>	<b>No. of Meals</b>
1/9/2020	Chicken Wings, Tossed Salad (iceburg lettuce, romaine lettuce, red cabbage, carrots) Mandarin Oranges and Milk	No Grain component served	Supper	68
1/17/2020	Pork Riblet, Baked Beans,	No Grain component	Supper	59

	Applesauce and Milk	served		
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As a result, 127 supper meals claimed for reimbursement were disallowed. (See Exhibit B)

Additionally, the January 6, 2020 supplement menu listed yogurt and graham crackers. Upstate Farms cherry vanilla yogurt contains 32 grams of sugar per the 8-ounce serving size which exceeds the allowed sugar limit.

Menus provided did not document a whole grain-rich component was served once per day as required. A whole grain-rich component was not served on January 2, 2020, January 10, 2020, January 16, 2020, January 20, 2020, January 22, 2020, January 23, 2020 and January 24, 2020.

Due to the new CACFP meal pattern 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 226.20(c)(2)* states, “Fluid milk, meat and meat alternatives, vegetable, fruits, and grains are required components in the lunch and supper meals.”

*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.”

*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.

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

##### Condition

Monitoring forms for the Eastman Center site were incomplete. The documentation provided showed the Sponsor is conducting monitoring but did not specify if the monitoring visit was an announced or unannounced visit.

##### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.16(d)(4)* details the requirements for Sponsor monitoring including: review elements, reconciliation of meal counts, and the frequency and type of required facility reviews.

*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 one 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 that the required monitoring is completed timely and the forms are completely filled out.

##### **Technical Assistance Provided**

Technical assistance regarding the updated USDA meal pattern requirements effective October 1, 2017 for sugar in yogurt and whole grain requirement was provided. We provided assistance during the visit and follow up emails to the Sponsor.

##### **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 \$540.69.

##### **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 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](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 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 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](mailto:Sean.Baker@tn.gov).

Sincerely,



Sam O. Alzoubi, CFE  
Director of Audit Services

Exhibit

cc: Lisa Beilharz, Chief Executive Officer, Boys and Girls Club of Greater Kingsport  
Kim Gibson, Director of Operations, Boys and Girls Club of Greater Kingsport  
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**

**Name of Agency: Boys and Girls Club of Greater Kingsport**

**Review Month/Year: January 2020**

**Total Meal Reimbursement Received: \$4,973.83**

<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	22	22
Number of Breakfast meals	79	79
Number of Lunch meals	144	142
Number of Supplements	140	140
Number of Supper meals	1,242	1,115
Number of Participants in Free Category	107	111
Number of Participants in Reduced-Price Category	17	13
Number of Participants in Paid Category	9	14
Total Number of Participants	133	138



**Exhibit B****Sample Site: Eastman Center  
Month: January 2020**

<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	22	22
Total Attendance	1,925	1,894 <sup>1</sup>
Number of Participants in Free Category	107	111
Number of Participants in Reduced-Price Category	17	13
Number of Participants in Paid Category	9	14
Total Number of Participants	133	138
Number of Breakfast meals	79	79
Number of Lunch meals	144	142
Number of Supplements	140	140
Number of Supper meals	1,097	970

<sup>1</sup>The difference in the reported and verified attendance is immaterial and was not included in this report as a finding



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Don Campbell, Board Chair  
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Kingsport, Tennessee 37662

**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:	Boys and Girls Club of Greater Kingsport
Institution Address:	P.O. Box 784 Kingsport, Tennessee 37662
Agreement Numbers:	00-173
Amount Due:	\$540.69
Due Date:	<b>May 1, 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 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](mailto:Allette.Vayda@tn.gov).

Thank you for your attention