



**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

**TONY MATHEWS**  
COMMISSIONER

December 3, 2020

Connie Reed, Board Chair  
Colonial Heights United Methodist Preschool  
P.O. Box 6027  
Kingsport, Tennessee 37663

Dear Ms. Reed,

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 Colonial Heights United Methodist Preschool (Sponsor), Application Agreement number 00-761, on October 7, 2020 through November 16, 2020. Our scope of the review was for reimbursement made to the sponsor for August 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.

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 August 2020 and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights

requirements.

**Important COVID-19 note:** Due to the current outbreak and the risk that COVID-19 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.

Our review of the Sponsor’s records for August 2020 disclosed the following:

## 1. The Sponsor reported meal counts incorrectly

### Condition

Based on our review of the Claim for Reimbursement for August 2020. The Sponsor reported 577 lunch meals, 608 am supplements and 577 pm supplements for reimbursement. However, based on our review of available documents, we noted there were 647 lunch meals, 682 am supplements and 636 pm supplements, prior to any meal disallowances.

As a result, 70 lunch meals, 74 am supplements and 59 pm supplements were underreported. (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....”

### Recommendation

The Sponsor should ensure that claims for reimbursement are completed correctly and based on accurate supporting documents.

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

Date	Menu	Menu Error	Meal Type	No. of Meals
8/04/2020	Bagels w/ Cream Cheese	Missing second component	AM Supplement	29
8/07/2020	Biscuits and gravy, Hash browns, peaches, Whole milk	Missing protein component	Lunch	29
8/11/2020	Bagels w/ Cream Cheese	Missing second component (Cream Cheese is not creditable)	AM Supplement	30
8/18/2020	Bagels w/ Cream Cheese	Missing second	AM	31

		component (Cream Cheese is not creditable)	Supplement	
8/20/2020	Homemade Meatloaf, Smashed Potatoes, Peas, Orange slices/Mandarins, Whole milk	Missing bread/grain component	Lunch	31
8/25/2020	Bagels w/ Cream Cheese	Missing second component(Cream Cheese is not creditable)	AM Supplement	30

As a result, 60 lunch meals and 120 am supplements claimed for reimbursement were disallowed. (See Exhibit)

Date	Menu	Menu Error	Meal Type	No. of Meals
8/3/2020	Cheese quesadillas, Peas, Applesauce, Whole milk	Insufficient protein	Lunch	35
8/05/2020	Made from scratch pizza, Broccoli, Strawberries, Whole milk	Insufficient protein	Lunch	37
8/10/2020	Grilled cheese, Baked beans, Pears, Whole milk	Insufficient protein	Lunch	34
8/12/2020	Made from scratch pizza, Green Beans, Watermelon, Whole milk	Insufficient protein	Lunch	34
8/19/2020	Made from scratch pizza, Carrots, Strawberries, Whole milk	Insufficient protein	Lunch	37
8/26/2020	Made from scratch pizza, Cooked Baby Carrots, Watermelon, Whole milk	Insufficient protein	Lunch	34

Due to the new CACFP meal pattern requirements and emphasis on providing technical assistance during the implementation process, there were no lunch meals or pm supplement meals 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(c)(3)* states, “Serve two of the following five components: Fluid milk, meat and meat alternates, vegetables, fruits, and grains. Fruit juice, vegetable juice, and milk may comprise only one component of the snack...”

*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 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 did not provide documentation to support sufficient quantities of milk were purchased for all meals reported**

#### Condition

Based on the number of meals served with milk as a component, the Sponsor was required to purchase a total of 3,034 ounces of milk. However, the Sponsor could only document the purchase of 2,432 ounces of milk, resulting in a shortage of 602 ounces of milk.

As a result, 100 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)(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)(1) states, "Fluid milk must be served as a beverage or on cereal, or a combination of both, as follows: (i) Children one year of age must be served unflavored whole milk. (ii) Children two through five years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk."*

#### Recommendation

The Sponsor should perform a month-end inventory for milk and maintain all receipts for food purchases to verify the required amount of milk was purchased and served.

### **4. The Sponsor did not serve a whole grain-rich component once per day as required**

#### Condition

Based on our review of the menus provided by the Sponsor for August 2020, the Sponsor did not document a whole grain component was served once per day as required.

However, due to the new CACFP meal pattern requirements and emphasis on providing technical assistance during the implementation process, there were no meals disallowed.

## Criteria

*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 menus meet the meal patterns established by the USDA.

### **5. The Sponsor provided a menu that contained grain-based desserts as a component**

## Condition

The Sponsor’s menu for pm supplements served on August 28, 2020 listed vanilla wafers, raisins and applesauce. Vanilla wafers are a grain-based dessert.

However, due to the new CACFP meal pattern requirements and emphasis on providing technical assistance during the implementation process, there were no meals disallowed.

## Criteria

*Title 7 of the Code of Federal Regulations, Section 226.17(b)(4)* states, “Each childcare 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(a)(4)(iii)* states, “Grain-based desserts do not count towards meeting the grains requirement.”

*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 menus meet the meal patterns established by the USDA.

## **Technical Assistance Provided**

Technical assistance was given regarding meal count documentation.

## 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 \$204.93.

## 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 August 2020, which contains the verified claim data from the enclosed exhibits.
- 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: Kaela Vines, Director, Colonial Heights United Methodist Preschool  
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: Colonial Heights United Methodist Preschool**

**Review Month/Year: August 2020**

**Total Meal Reimbursement Received: \$818.75**

<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	21	21
Total Attendance	709	712 <sup>1</sup>
Number of Lunches Served	577	487
Number of Supplements Served	1,185	1,198
Number of Participants in Free Category	8	NA <sup>2</sup>
Number of Participants in Reduced-Price Category	2	NA <sup>2</sup>
Number of Participants in Paid Category	58	NA <sup>2</sup>
Total Number of Participants	68	NA <sup>2</sup>

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

<sup>2</sup>The number of participants and their classifications was not verified due to the limited review because of COVID-19.





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COMMISSIONER

**Billing Notice**

December 3, 2020

Connie Reed, Board Chair  
Colonial Heights United Methodist Preschool  
P.O. Box 6027  
Kingsport, Tennessee 37663

This billing notice is based on the disallowed meals cost 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: \$204.93  
Due Date: January 8, 2021  
Date of the Monitoring Report: December 3, 2020  
Agreement/Contract Number: 00-761

**Note1:** Remit a check payable to the Tennessee Department of Human Services in the disallowed amount noted in the monitoring report by the due date to the address below:

Tennessee Department of Human Services  
Fiscal Services 16<sup>th</sup> 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 August 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 5<sup>th</sup> 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