



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

June 15, 2020

Dessie X, Owner
Education is the Key
975 Thomas Street
Memphis, Tennessee 38107-3859

Dear Mrs. X,

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 Education is the Key, Application Agreement number 00624, during the period of April 27, 2020, through May 8, 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 a review of the documents obtained from 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. Additionally, we observed a lunch meal service on December 18, 2019.

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

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

Condition

Based on our review of the Claim for Reimbursement for December 2019, we noted the Sponsor reported 85 participants in the free category, one participant in the reduced-price category, and zero participants in the paid category. However, based on our review of the records available, we noted that there were 86 participants in the free category, zero participants in the reduced-price category, and zero participants in the paid category. The difference was based on the following:

The Sponsor under reported the number of free participants by one and over reported the number of reduced-price participants by one.

This is a repeat finding from a previous report dated March 22, 2019.

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 each participant is classified and reported accurately and based on categorical or income eligibility.

2. The Sponsor reported an incorrect number of lunch meals from an observed meal service

Condition

On December 18, 2019, we observed 32 lunch meals served during the approved meal service time of 11:00 a.m. until 12:30 p.m. There were also 5 infants present who eat on demand. Based on the meal observation, the lunch meal count for that day was 37. However, the Sponsor claimed 52 lunch meals. The Sponsor over claimed the number of lunch meals by 15.

As a result, 15 lunch meals claimed for reimbursement were disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states in part "...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 meals reported agree with meals served during the approved meal service time.

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

Condition

Based on our review of the infant menus provided by the Sponsor for the test month, the menus provided did not meet USDA meal pattern requirements. The deficiencies are as follows:

Infant: MF, 10 Months

Menu Deficiency	Deficient Meal
Missing Component: Fruit/Vegetable	All of the participant's supplement menus

Infant: GL, 11 Months

Menu Deficiency	Deficient Meal
Missing Component: Fruit/Vegetable	All of the participant's supplement menus

Infant: TW, 11 Months

Menu Deficiency	Deficient Meal
Missing Component: Fruit/Vegetable	All of the participant's supplement menus

Infant: CW, 11 Months

Menu Deficiency	Deficient Meal
Missing Component: Fruit/Vegetable	All of the participant's supplement menus

Infant: DH, 11 Months

Menu Deficiency	Deficient Meal
Missing Component: Fruit/Vegetable	All of the participant's supplement menus

No meals were disallowed due to the Sponsor being provided technical assistance regarding infant meal pattern requirements.

This is a repeat finding from a previous report dated March 22, 2019.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(b)(4)(ii) states, "... (A) Breakfast, lunch, or supper. Six to 8 fluid ounces of breastmilk or iron-fortified infant formula, or portions of both;

and 0 to 4 tablespoons of iron-fortified dry infant cereal, meat, fish, poultry, whole egg, cooked dry beans, or cooked dry peas; or 0 to 2 ounces (weight) of cheese; or 0 to 4 ounces (volume) of cottage cheese; or 0 to 4 ounces of yogurt; and 0 to 2 tablespoons of vegetable, fruit, or portions of both. Fruit juices and vegetable juices must not be served. (B) Snack. Two to 4 fluid ounces of breastmilk or iron-fortified infant formula; and 0 to 1/2 slice bread; or 0-2 crackers; or 0-4 tablespoons infant cereal or ready-to-eat cereals; and 0 to 2 tablespoons of vegetable or fruit, or portions of both. Fruit juices and vegetable juices must not be served. A serving of grains must be whole grain-rich, enriched meal, or enriched flour.”

Recommendation

The Sponsor should ensure menus and meals served to meet the meal patterns established by the USDA.

4. 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.

Technical Assistance Provided

Technical assistance was provided regarding infant meal pattern requirements, review of the written compensation policy for accuracy, and review of free, reduced-price, and paid meal information for accuracy before submitting the claim.

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: Education is the Key

Review Month/Year: December 2019

Total Meal Reimbursement Received: \$8,721.19

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	20	20
Total Attendance	1,592	1,592
Percentage of Free or Reduced-price Category	XXXXXX	100%
Number of Breakfasts Served	1,589	1,589
Number of Lunches Served	1,185	1,170
Number of Supplements Served	1,590	1,590
Number of Participants in Free Category	85	86
Number of Participants in Reduced-Price Category	1	0
Number of Participants in Paid Category	0	0
Total Number of Participants	86	86