



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

July 27, 2020

Sabrina Church, Board Chair
First Step II Child Care Center
4605 Old Broadway Street
Knoxville, Tennessee 37918-1739

Dear Ms. Church,

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 First Step II Child Care Center (Sponsor), Application Agreement number 00-275, during the period of April 2, 2020 through June 17, 2020.

We requested information to complete the desk review on April 2, 2020. The sponsor responded on April 3, 2020 via email that they were currently closed and requested an extension until after Governor Lee's COVID-19 orders had been lifted for the State of Tennessee. We were completing the review to allow the Sponsor additional time to return requested documents and emailed the Sponsor with information pertaining to that request and the Sponsor stated they had reopened on April 27, 2020. Documentation was requested again on June 1, 2020 to review the claim for the month of March 2020. The sponsor provided the requested information and the review was conducted during the period of June 1, 2020 through June 16, 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 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

Based on our review of the Sponsor's records and information provided, the Sponsor had two (2)

feeding sites operating during the review month. First Step II Childcare Center (Site 0001) was selected as the sample.

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 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. Though requested, board minutes were not provided.

Important COVID-19 note: Due 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 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 March 2020 disclosed the following:

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

Condition

First Step (0001)- sample site

Based on our review of the menus provided by the Sponsor for March 2020, the menus provided did not meet the USDA meal pattern requirements. The menus provided had deficiencies as follows:

| Date | Menu | Menu Error | Lunch meals |
|-------------|--|--|--------------------|
| 3/13/20 | Chicken Sandwich, Sliced Carrots, Fried Cinnamon Apples. Whole Grain Bread, Milk | Insufficient protein in chicken for 3-5 old children | 20 |
| 3/16/20 | Chicken Patties, Peas, Mandarin Oranges, Whole Grain Roll, Pasta | Insufficient protein in chicken for 3-5 old children | 22 |

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 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 226.14 (b) states, “In the event that the State agency finds that an institution which prepares its own meals is failing to meet the meal pattern 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.

2. The Sponsor provided menus that did not name specific components

Condition

Based on our review of the menus provided by the Sponsor for March 2020, the menu for breakfast served on March 9, 2020 did not identify the type of “Chex cereal” served to participants.

There were no meals disallowed because receipts and labels provided were sufficient to identify that Chex cereal was purchased to meet the meal pattern for breakfast.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(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.... Menus and any other nutritional records required by the State agency shall be maintained to document compliance with such requirements.”

The USDA Monitoring Handbook for State Agencies, page 24, states, “Daily records of menus must contain a listing of the food items served in each meal type to ensure that the CACFP meal pattern requirements were met...”

The USDA policy memorandum, CACFP 17-2017 Documenting Meals in the Child and Adult Care Food Program, states, “CACFP centers and day care homes are required to demonstrate that they are serving meals that meet the meal pattern requirements. Centers and day care homes must keep records of menus....”

Recommendation

The Sponsor should ensure menus reflect and meet the meal patterns established by the USDA.

Technical Assistance Provided

Technical assistance was provided via email regarding menus, particularly protein requirements and preparation for the Sponsor review.

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

Exhibits

cc: Stephanie Bayne, Executive Director, First Step II Child Care Center
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

Verification of CACFP Sponsor Claim

Name of Agency: First Step II Child Care Center

Review Month/Year: March 2020

Total Meal Reimbursement Received: \$4,797.12

| Program Area | Reported on Claim | Reconciled to Documentation |
|--|--------------------------|------------------------------------|
| Total Number of Centers | 2 | 2 |
| Total CACFP Food Service Days | 16 | 16 |
| Total Attendance | 1,119 | 1,119 |
| Number of Breakfasts Served | 837 | 837 |
| Number of Lunches Served | 938 | 938 |
| Number of Supplements Served | 1,101 | 1,101 |
| Number of Participants in Free Category | 61 | NA ¹ |
| Number of Participants in Reduced-Price Category | 12 | NA ¹ |
| Number of Participants in Paid Category | 21 | NA ¹ |
| Total Number of Participants | 94 | NA ¹ |

¹The number of participants and their classifications was not verified due to the limited review because of COVID 19

Verification of CACFP Sponsored Center Claim**Sample Site: First Step II Child Care Center (001)**

| Program Area | Reported on Claim | Reconciled to Documentation |
|--|--------------------------|------------------------------------|
| Total CACFP Food Service Days | 16 | 16 |
| Total Attendance | 647 | 647 |
| Number of Breakfasts Served | 538 | 538 |
| Number of Lunches Served | 594 | 594 |
| Number of Supplements Served | 638 | 638 |
| Number of Participants in Free Category | 42 | NA ¹ |
| Number of Participants in Reduced-Price Category | 2 | NA ¹ |
| Number of Participants in Paid Category | 7 | NA ¹ |
| Total Number of Participants | 51 | NA ¹ |

¹The number of participants and their classifications was not verified due to the limited review because of COVID 19