



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

August 23, 2018

Betty Glover, Executive Director
Peace, Inc.
3707 Briar Rose
Memphis, Tennessee 38111-6515

Dear Ms. Glover,

The Department of Human Services (DHS) – Division of Audit Services staff conducted an unannounced on-site review of the Summer Food Services Program (SFSP) at Peace Inc., Application Agreement Number 00663, on July 16, 2018. The Sponsor was approved for one feeding site which was in operation during our unannounced visit in June 2018. The purpose of this review was to determine if the Sponsor complied with *Title 7 of the Code of Federal Regulations (CFR)* applicable parts, applicable agreement, and applicable Federal and State regulations.

Background

Meals served by participating sponsoring organizations must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. SFSP sponsors utilize meal count sheets to record the number of breakfast, lunch, supper, and supplements (snacks) served. Second meals are offered once all eligible children have been served first meals. The SFSP sponsor will report the number of meals served through the DHS Tennessee Information Payment System (TIPS) to seek reimbursement. We inspected meal count sheets for each site for our test period and reconciled the meals claimed to the meals reported as served for each meal service. In addition, a meal service was observed at the Peace site on June 18, 2018.

Our review of the Sponsor's records for June 2018 disclosed the following:

1. The number of meals reported was incorrect

Condition

Based on our review of the Claim for Reimbursement for the test month, we noted that the Sponsor reported 170 first lunch meals and 180 first PM supplements. However, our review of the available records reconciled 189 first lunch meals and 180 first PM supplements prior to any meal disallowances. The Sponsor under reported the number of first lunch meals by 19.

Criteria

The *United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Code of Federal Regulations 7 CFR Section 225.9 (d) (5)* states "Claims for reimbursement shall report information in accordance with the financial management system established by the State agency, and in sufficient detail to justify the reimbursement claimed and to enable the State agency to provide the Reports of Summer Food Service Program Operations required under §225.8(b). In submitting a claim for reimbursement, each sponsor shall certify that the claim is correct and that records are available to support this claim."

Recommendation

The sponsor should ensure the meal counts are accurately reported, and documentation is maintained to support the claim.

- 2. The Sponsor did not provide supporting documentation to show that sufficient quantities of milk were purchased for the number of meals served requiring milk**

Condition

Based on our review of the Sponsor's documents showing the number of meals served by with milk as a required component, we noted that the supporting documents for milk purchases were not enough to account for all meals claimed with milk as a required component. The Sponsor stated that the milk was donated but did provide the required documentation to verify the donation. Our review showed that the Sponsor's receipts disclosed that only 1,152 ounces were purchased; however, a total of 1,512 ounces were needed which resulted in a shortage of 360 ounces.

As a result, 60 lunch meals were disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 225.16(d) states, "The meal requirements for the Program are designed to provide nutritious and well balanced meals to each child. Sponsors shall ensure that meals served meet all of the requirements..."

The *Administration Guide Summer Food Service Program 2016*, page 58, states that for a breakfast, lunch and supper to be a reimbursable meal, it must contain one serving of milk. Page 59 states that meal pattern adjustments may be made for participants with disabilities or with special dietary needs when supported by a statement from a recognized medical authority that includes recommended alternate foods, *7 CFR 225.16 (f) (4)*.

Recommendation

The Sponsor should ensure the proper supporting documentation are maintained to support the claimed for reimbursement for each meal that required to be served with milk.

3. The Sponsor did not conduct a pre-operational visit

Condition

The Sponsor did not provide documentation that a pre-operational visit was conducted for the Peace site before the site began feeding.

Criteria

Title 7 of the Code of Federal Regulations, Section 225.14 (c)(6) states, "Sponsors must certify "all sites have been visited and have the capability and the facilities to provide the meal service planned for the number of children anticipated to be served" before they begin operations".

Recommendation

The Sponsor should conduct and document that a pre-operational visit is completed for each feeding site prior to operation.

4. The Sponsor did not conduct monitoring as required

Condition

The Sponsor provided a first week visit form, but there was no documentation of when the visit was completed. In addition, the first week visit form was not dated or signed by the Sponsor's monitor or representative. The Sponsor did not provide a Site Review Form that should be completed during the first four weeks of operation.

Criteria

Title 7 of the Code of Federal Regulations, Section 225.15 (d) (2) states, "Sponsors shall visit each of their sites at least once during the first week of operation under the Program and shall promptly take such actions as are necessary to correct any deficiencies."

Title 7 of the Code of Federal Regulations, Section 225.15 (d) (3) states, "Sponsors shall review food service operations at each site at least once during the first four weeks of Program operations, and thereafter shall maintain a reasonable level of site monitoring, Sponsors shall complete a monitoring form developed by the State agency during the conduct of these reviews."

Recommendation

The Sponsor should review all monitoring forms for completion and ensure that monitoring is completed within the specified time frame.

Technical Assistance Provided

During the sponsor visit, technical assistance was provided. We discussed keeping records and completing the required monitoring for sites.

Note: Our observation of the meal service on June 18, 2018, revealed no deficiencies.

Disallowed Meals Cost

Based on our review, we determined that the sponsor's noncompliance with the applicable Federal and State regulations that govern the SFSP resulted in a total disallowed meal cost of \$160.82.

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 June 2018, 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 SFSP claim for reimbursement.** OR
- If you are no longer participating in the SFSP 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 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
8th Floor Citizens Plaza Building
400 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
11th Floor, Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243

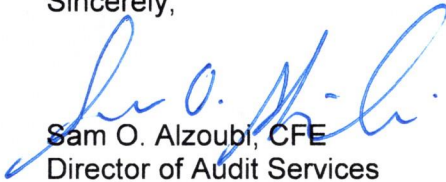
In accordance with the federal regulation found at 7 CFR Part 225.13, your institution may appeal the overpayment identified by the monitoring report. The procedures for submitting an appeal are enclosed. The appeal must be submitted to:

Tennessee Department of Human Services
Appeals and Hearings Division, Clerks Office
P.O. Box 198996
Nashville, Tennessee 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.

Sincerely,



Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

Cc: Allette Vayda, Director of Operations, Child and Adult Care Food Program
Debra Pasta, Program Manager, Child and Adult Food Program
Elke Moore, Administrative 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

Summary of Total of Claimed and Reconciled Meals

Sponsor: Peace Inc.

Review Month/Year: June/2018

Claim Reimbursement Total: \$ 834.23

Meal Type Service	Reported on Claim	Reconciled Meals to Meal Counts Sheets¹
Number of Participating Sites for Lunch	1	1
Number of Participating Sites for PM Snack	1	1
Number of 1st Lunch meals served	170	129 ¹
Number of 1st PM Snack meals served	180	180

¹Total allowable meals after any disallowance of meals as noted in all findings.

Exhibit B

Sponsor: Peace Inc.

Site: Peace

Review Month/Year: June/2018

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	10	10
Number of 1st Lunches Served	170	129
Number of 1st Snacks Served	180	180



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August 23, 2018

Betty Glover, Executive Director
Peace, Inc.
3707 Briar Rose
Memphis, Tennessee 38111-6515

Notice of payment due to findings disclosed in the monitoring report for Summer Food Services Program (SFSP)

Institution Name:	Peace, Inc.
Institution Address:	3707 Briar Rose Memphis, Tennessee 38111-6515
Agreement Numbers:	00663
Amount Due:	\$160.82
Due Date:	September 24, 2018

Based on the monitoring report issued by the Division of Audit Services within the Tennessee Department of Human Services, the Community and Social Services- Food Programs- CACFP & SFSP management has agreed with the findings which require your institution to reimburse the Department of Human Services the disallowed cost noted in the report

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 11th Floor
Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243-1403
Tennessee Department of Human Services**

Please note that the disallowed meals cost / overpayment noted in the report 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



Corrective Action Plan for Monitoring Findings

Instructions: Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your name, title and date of signature on the last page. Please sign your name in ink.

Please return ALL pages of the completed Corrective Action Plan form.

Section A. Institution Information

Name of Sponsor/Agency/Site: Peace, Inc.	Agreement No. 00663	<input checked="" type="checkbox"/> SFSP <input type="checkbox"/> CACFP
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Mailing Address: 3707 Briar Rose Memphis, TN 38111

Section B. Responsible Principal(s) and/or Individual(s)

Name and Title: Betty Glover, Executive Director	Date of Birth: / /
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Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan

Monitoring Report: 8/23/18	Corrective Action Plan: 8/23/18
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Section D. Findings

Findings:

1. The number of meals reported was incorrect
2. The Sponsor did not provide supporting documentation to show that sufficient quantities of milk were purchased for the number of meals served requiring milk
3. The Sponsor did not conduct a pre-operational visit
4. The Sponsor did not conduct monitoring as required

The following measures will be completed within **30 calendar days** of my institution's receipt of this corrective action plan:

Measure No. 1: The number of meals reported was incorrect

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No.2: The Sponsor did not provide supporting documentation to show that sufficient quantities of milk were purchased for the number of meals served requiring milk

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 3: The Sponsor did not conduct a pre-operational visit

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: _____ Position Title: _____

Name: _____ Position Title: _____

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 4: The Sponsor did not conduct monitoring as required

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

Printed Name of Authorized Institution Official:

Position:

Signature of Authorized Institution Official: _____

Date: / /

Signature of Authorized TDHS Official: _____

Date: / /

SUMMER FOOD SERVICE PROGRAM SPONSOR APPEAL PROCEDURES

7 C.F.R. § 225.13 governs appeals in the Summer Food Service Program and the maximum time limit for processing appeals is nineteen (19) calendar days for the Summer Food Service Program as follows:

1. The Department shall notify the appellant (Sponsor) in writing of the grounds upon which the Department has based the action. The Department's notice of action shall be sent by certified mail, return receipt requested, and shall also state that the sponsor or food service management company has the right to appeal the Department's action.
2. Appealable actions are outlined in 7 C.F.R. § 225.13(a) and are: A denial of an application for participation; a denial of a sponsor's request for an advance payment; a denial of a sponsor's claim for reimbursement (except for late submission under 7 CFR § 225.9(d)(6)); the Department's refusal to forward to FNS an exception request by the sponsor for payment of a late claim or a request for an upward adjustment to a claim, a claim against a sponsor for remittance of a payment, the termination of the sponsor or a site, a denial of a sponsor's application for a site, a denial of a food service management company's application for a site; of a food service management company's registration, if applicable.
3. The time period allowed for filing the appeal where actions are appealable as specified in 7 C.F.R. § 225.13(a) is ten (10) calendar days from the date on which the notice of action sent by certified mail return receipt requested is received.
4. The appeal must be in writing and must conform to the requirements outlined in 7 C.F.R. § 225.13(b) (4), which are set forth in number (6) below.
5. The address to file an appeal is as follows:

**Tennessee Department of Human Services
Appeals and Hearings Division, Clerk's Office
P.O. Box 198996
Nashville, TN 37219-8996
Toll Free. (866) 757-8209
Local (615) 744-3900
Fax. (866) 355-6136
AppealsClerksOffice.DHS@tn.gov**

6. The appellant is allowed to refute the charges in the notice of action in person, or by filing written documentation with the review official. If the appeal letter does not specifically request a hearing, a review of written documentation in lieu of a hearing will occur. To be considered, written documentation must be submitted by the appellant within seven (7) calendar days of submitting the appeal. An appellant is allowed the

opportunity to review information upon which the action described in the notice of action was based.

7. If the appellant requested a hearing in the appeal letter, the appellant shall be given at least five (5) calendar days advance written notice by certified mail, return receipt requested, of the date, time, and place of hearing.
8. If the appellant requested a hearing in the appeal letter, the hearing will be conducted within fourteen (14) calendar days of the receipt of the appeal. However, the hearing will not be held before the appellant's written documentation is received where the appellant has requested to submit the written documentation. The appellant may retain legal counsel or may be represented by another person. If the appellant institution or sponsoring agency is a corporation, partnership or other legally created entity, then the sponsoring institution or agency must be represented by an attorney. Otherwise, the individual representing the agency will have limited participation in the hearing. If the appellant institution or sponsoring agency is a natural person (not a corporation, partnership or other artificial entity), he/she may retain an attorney, represent themselves or be represented by another person. Failure of the appellant's representative to appear at a scheduled hearing shall constitute the appellant's waiver of the right to a personal appearance before the review official, unless the review official agrees to reschedule the hearing. A representative of the State agency shall be allowed to attend the hearing to respond to the appellant's testimony and written information and to answer questions from the review official. The review officer shall be independent of the original decision-making process.
9. Within five (5) working days after receiving the written documentation, and where a hearing was not requested in the appeal letter, the administrative review official, based on a full review of the administrative record, will inform the appellant, by certified mail, return receipt requested, of the official's determination.
10. Within five (5) working days after the hearing has been held, when a hearing was requested in the appeal letter, the hearing official, based on a full review of the administrative record, will inform the appellant, by certified mail, return receipt requested, of the official's determination.
11. 7 CFR. § 225.13(11) requires the Program's administrative action to remain in effect during the appeal process.
12. Participating sponsors and sites may continue to operate during an appeal of a termination.
13. Reimbursement shall be paid for meals served during the appeal process if the administrative review determination overturns the Program's administrative action that was appealed.

14. If the sponsor or site has been terminated for the reason of imminent dangers to the health or welfare of children, the operation shall not be allowed to continue during the appeal process and this reason shall be specified in the notice of action.
15. The review official will make a determination based on information provided by the State agency and the appellant, and on Program regulations.
16. The determination made by the hearing official is the final administrative determination provided under 7 225.13(12), and will become the Final Order and set forth the time limits for seeking judicial review.