



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

October 9, 2019

Jason McKinney, Executive Director
City of Chattanooga
1102 South Watkins Street
Chattanooga, Tennessee 37404-4615

Dear Mr. McKinney,

The Department of Human Services (DHS) - Division of Audit Services staff conducted an unannounced on-site monitoring review of the Summer Food Service Program (SFSP) at City of Chattanooga (Sponsor), Application Agreement 00-016, on August 28, 2019. 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 15 feeding sites operating during the review period. The Hixson Youth and Family Development Center (**Hixson**), the North Chattanooga Youth and Family Development Center (**North Chattanooga**), and the Shepherd Youth and Family Development Center (**Shepherd**) feeding sites were selected as the sample. In addition, we reviewed all meal counts for all sites operating during the review period.

Background

SFSP 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 SFSP 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 meal services during our site visits throughout the review period.

Our review of the Sponsor's records for June 2019 disclosed the following:

1. The Sponsor reported more meals than were observed served during a monitoring visit

Condition

Hixson – sample site

During our monitoring visit at **Hixson** on June 5, 2019, we observed a lunch meal service. We observed 88 1st lunch meals and zero (0) 2nd lunch meals served. The Sponsor provided a meal count form for this meal service reporting 110 1st lunch meals and 10 2nd lunch meals were served.

As a result, 22 lunch meals claimed for reimbursement were disallowed. (Exhibit B)

Criteria

Title 7 of the Code of Federal Regulations, Section 225.9 (d)(5) states, "... In submitting a claim for reimbursement, each sponsor shall certify that the claim is correct and that records are available to support this claim..."

Title 7 of the Code of Federal Regulations, Section 225.15 (c)(1) states, "Sponsors shall maintain accurate records justifying all meals claimed and documenting that all Program funds were spent only on allowable Child Nutrition Program costs. Failure to maintain such records may be grounds for denial of reimbursement for meals served and/or administrative costs claimed during the period covered by the records in question..."

Recommendation

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

2. The Sponsor provided menus for meals that did not meet the USDA meal pattern requirements

Condition

During our monitoring visits on August 28, 2019, we requested menus and supporting documentation for meals served at the sample sites during the review period. The Sponsor provided breakfast menus for June 7 and 28, 2019 (incorrectly dated June 8 and 29, 2019, respectively) listed whole-grain breakfast bar, yogurt, and milk as served. **The menus did not contain a fruit or vegetable component.**

Meals were disallowed for menu errors for the following feeding sites:

Sample Site	No. of Meals June 7, 2019	No. of Meals June 28, 2019	Exhibit
Hixson	90	90	B
North Chattanooga	30	20	C
Shepherd	80 ¹	80	D

¹Observed meal missing fruit or vegetable

As a result, 390 breakfast meals claimed for reimbursement were disallowed. (See Exhibits)

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 USDA SFSP Administration Guide, pages 58, states, “For a breakfast to be a reimbursable meal, it must contain: One serving of milk (whole, low-fat, or fat-free); One serving of a vegetable, fruit, or full-strength juice; and One serving of a grain.”

Recommendation

The Sponsor should ensure all meals provided meet meal pattern guidelines established by the USDA in order for meals to be reimbursable.

3. The Sponsor provided meals that did not match the posted menu during monitoring site visits

Condition

The Sponsor provided menus for the review period that did not match the lunch meal observed during our monitoring at **Hixson** on June 5, 2019. The menu listed meat/cheese and spinach wrap, yogurt, pear, pretzels, and milk. The meal served was roast beef and cheese spinach wrap, grapes, pretzels, and milk.

The meal observed met the meal pattern requirements, therefore, no meals were disallowed.

Criteria

The USDA SFSP State Agency Monitor Guide, page 32, states, “Daily records of menus must be reviewed to ensure that meal pattern requirements were met... Menu substitutions must be recorded to reflect actual foods served to Program participants.”

Recommendation

The Sponsor should list specific components that will be served for each meal service in order for accurate determination of whether meals are creditable and to ensure items are not served to participants with medical issues or special dietary needs.

Note: Our observation of the lunch meal service on June 6, 2019 at **North Chattanooga** revealed no significant deficiencies.

Technical Assistance Provided

During our monitoring visits on August 28, 2019, technical assistance was provided regarding breakfast meal pattern requirements.

Disallowed Meals Cost

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the SFSP resulted in a total disallowed cost of \$966.73.

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 2019, 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

If you have questions relative to the corrective action plan please contact:

Allette Vayda, Director of Operations
Summer Food Service Program
James K. Polk Building 15th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

Please mail your check and the billing notice to:

Summer Food Service Program
Fiscal Services, 16th Floor
James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243

In accordance with the federal regulation found at 7 *CFR Part 225.13*, 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.

Sincerely,

Sam O. Alzoubi

Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

cc: Avis Johnson, Grants Specialist, City of Chattanooga
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

Sponsor: City of Chattanooga
Review Month/Year: June 2019

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Number of Participating Sites for Breakfast	15	15
Number of Participating Sites for Lunch	15	15
Number of 1st Breakfasts Served	14,075	13,685
Number of 2 nd Breakfasts Served	3	3 ²
Number of 1st Lunches Served	20,704	20,682
Number of 2 nd Lunches Served	67	67 ²

²Max allowed and paid out by TIPS for 2nd meals is 2% of 1st meals. We did not conclude on 2nd meals.

Exhibit B

Sample Site: Hixson Youth and Family Development Center

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	20	20
Number of Breakfasts Served	1,770	1,590
Number of Lunches Served	2,010	1,988

Exhibit C

Sample Site: North Chattanooga Youth and Family Development Center

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	20	20
Number of 1 st Breakfasts Served	470	420
Number of 1 st Lunches Served	1,010	1,010

Exhibit D

Sample Site: Shepherd Youth and Family Development Center

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Number of Days Food Served	20	20
Number of Breakfasts Served	1,583	1,423
Number of Lunches Served	2,242	2,242

Note: There were no reporting significant reporting errors for the non-samples sites. Therefore, there are no exhibits included for these sites.



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October 9, 2019

Jason McKinney, Executive Director
City of Chattanooga
1102 South Watkins Street
Chattanooga, Tennessee 37404-4615

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

Institution Name:	City of Chattanooga
Institution Address:	1102 S Watkins St, Chattanooga, Tennessee 37404-4615
Agreement Numbers:	00-016
Amount Due:	\$966.73
Due Date:	November 12, 2019

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
James K. Polk Building, 16th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Tennessee Department of Human Services**

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: City of Chattanooga	Agreement No. 00016	<input checked="" type="checkbox"/> SFSP <input type="checkbox"/> CACFP
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Mailing Address: 1102 South Watkins Street Chattanooga, Tennessee 37404-4615

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

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

Monitoring Report: 10/9/2019	Corrective Action Plan: 10/9/2019
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Section D. Findings

Findings:

1. The Sponsor reported more meals than were observed served during a monitoring visit
2. The Sponsor provided menus for meals that did not meet the USDA meal pattern requirements
3. The Sponsor provided meals that did not match the posted menu during monitoring site visits

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

Measure No. 1: The Sponsor reported more meals than were observed served during a monitoring 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.2: The Sponsor provided menus for meals that did not meet the USDA meal pattern requirements

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 provided meals that did not match the posted menu during monitoring site visits

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.