STATE OF ALABAMA

Policy

Steps in the Serious Deficiency Process for Homes

1. First, the sponsor must determine whether a specific problem rises to the level of serious deficiency, based on:

   - The type of problem
   - The severity of the problem
   - The frequency of the problem

   Federal Regulations [7 CFR Part 226.16(1) (2) list the following actions as serious deficiencies: submission of false information on the application; submission of false claims for reimbursement; simultaneous participation under more than one Sponsoring Organization (SO); non-compliance with the Program meal pattern; failure to keep required records; conduct or conditions that threaten the health or safety of a child(ren) in care, or the public health or safety; a determination that the day care home has been convicted of any activity that occurred during the past seven years and that indicated a lack of business integrity; failure to participate in training; or any other circumstance related to non-performance under the SO’s day care home agreement, as specified by the SO or the State Agency (SA).

2. If the sponsor determines that the problem is a “Serious Deficiency”, the second step is to send the provider a written notice (within 7 days of identifying the seriously deficiency) signed by the Director or Program Coordinator of the Sponsoring Organization. **If the serious deficiency constitutes a threat to health or safety, the sponsor must contact the State agency for more information and further instructions.** A copy of this notice must be sent to State Agency. The notice must:

   - Inform the provider that they are seriously deficient;
   - Describe the nature of the serious deficiency, with a specific regulatory citation to §226.16 (1) (2);
   - Describe the corrective action the home must take;
   - Specify the deadline for corrective action, which must not exceed 30 days;
   - State that the serious deficiency is not subject to appeal;
   - State that failure to fully and permanently correct the serious deficiency by the deadline will result in the proposed termination of the home’s agreement and the proposed disqualification of the home and its principles; and
   - State that the home’s voluntary termination of the agreement after having been declared seriously deficient will result in the home’s termination and disqualification.

The provider may continue to participate in the CACFP during the corrective action period and the sponsoring organization will pay any valid claims submitted by the provider during this time period.
3. When the deadline for completion of corrective action arrives, the sponsor must evaluate the home’s efforts to determine whether they will completely and permanently correct the serious deficiency.

- If efforts are successful, the sponsor will formally withdraw the notice of serious deficiency in a letter to the provider, with a copy to the State agency.
- If corrective action has not been taken, the sponsor will proceed to step four.

4. Send the provider a written notice of proposed termination and disqualification, with a copy to the State agency. The notice must:

- Inform the provider that the sponsor is proposing to terminate her agreement to participate in CACFP for cause, and to place her on the National Disqualified List;
- Inform the provider of the procedures and timeframes for seeking an appeal;
- Inform the provider that he/she will continue to receive payment for valid claims submitted until the expiration of the timeframe for filing an appeal, or until the resolution of the appeal.
- State that, if the provider does not appeal the proposed termination, the sponsor will terminate the home’s agreement for cause and send the provider’s name and other information to the State agency, for placement on the National Disqualified List; and
- State that the home’s voluntary termination of the agreement after having received the notice of intent to terminate will result in the home’s termination and disqualification.

5. Fifth, if the provider requests an appeal within the required timeframe, the sponsor must send the administrative review official all materials and documents necessary for the review official to make a determination.

- If the review official rules in favor of the provider, the sponsor must send the provider a notice withdrawing the original finding of serious deficiency and the proposed termination and disqualification, with a copy of the letter to the State agency. See “Serious Deficiency Determination Temporarily Deferred” (Prototype Letter #2 Handout 4B)
- If the review official rules in favor of the sponsor, the sponsor must formally terminate the home’s agreement for cause and send a copy of the termination letter to the State agency, along with the provider’s name and other information needed for placing the provider on the National Disqualified List.
1) Prototype Letter 4A: Notice of Serious Deficiency

2) Prototype Letter 4B: Serious Deficiency Determination temporarily Deferred

3) Prototype Letter 4C: Proposed Termination and Disqualification

4) Prototype Letter 4D: Termination and Disqualification, No Appeal Hearing

5) Prototype Letter 4E: Serious Deficiency Determination Temporarily Deferred by Hearing Officer

6) Prototype Letter 4F: Termination and Disqualification Upheld by Hearing Officer
Note: You must send this letter by certified mail/return receipt, an equivalent private delivery service (such as FedEx), fax, or e-mail as required by §226.2, definition of "notice".

Date

Provider Name
Provider Street Address
Provider City, State 00000

Dear [Provider]:

This letter concerns the [brief description of the basis for the serious deficiency determination – review, audit, etc. and date] of your operation of the Child and Adult Care Food Program (CACFP).

SERIOUS DEFICIENCY DETERMINATION

Based on the [review/audit/etc.], we have determined that you are seriously deficient in your operation of the CACFP. If you do not fully and permanently correct all of the serious deficiencies and submit documentation of the corrective action by the due date, we will:

- Propose to terminate your agreement to participate in the CACFP for cause, and

- Propose to disqualify you from future CACFP participation.

If you voluntarily terminate your agreement after receiving this letter, we will propose to disqualify you from future CACFP participation. If disqualified, you will be placed on the National Disqualified List. While on the list, you will not be able to participate in the CACFP as a day care home provider. In addition, you will not be able to serve as a principal in any CACFP institution or facility.

You will remain on the list until such time as the State agency determines that the serious deficiencies have been corrected, or until seven years after your disqualification. However, if any debt relating to the serious deficiencies has not been repaid, you will remain on the list until the debt has been repaid.
These actions are being taken pursuant to § 226.16(l) of the CACFP regulations (7 CFR 226.16(l)).

SERIOUS DEFICIENCIES AND REQUIRED CORRECTIVE ACTION

The following paragraphs detail each serious deficiency and the corrective action required. [Insert discussion of serious deficiencies and required corrective action. Each serious deficiency discussed must include a cite to the relevant serious deficiency in the regulations at §226.16(l)(2). If the serious deficiency is not specifically listed, cite: § 226.16(l)(2)(vii), any other circumstance related to non-performance under the sponsoring organization-day care home agreement.]

SUMMARY

We have determined that you are seriously deficient in your operation of the CACFP. You must provide us documentation that shows you have taken the required corrective action for each of the serious deficiencies cited in this letter. The documentation must be received (not just postmarked) by [corrective action deadline]. Different deadlines for different serious deficiencies may be established.

If we do not receive the documentation of your corrective action by the due date, or if we determine that the actions taken do not fully and permanently correct all of the serious deficiencies, we will propose to terminate your CACFP agreement for cause and will propose to disqualify you.

You may not appeal the serious deficiency determination. However, if we propose to terminate your agreement for cause or propose to disqualify you, you will be able to appeal those actions and you will be advised of your appeal rights and the appeal procedures at that time.

You may continue to participate in the CACFP during the corrective action period. We will pay any valid claims for reimbursement submitted by you for this period. You must submit the claims by the normal deadline.

*Insert if applicable:* If we receive the documentation of your corrective action by the due date and determine that it fully and permanently corrects all of
the serious deficiencies, then we will conduct an unannounced follow-up review to verify the adequacy of the corrective action.

If we find in [Insert if applicable: the follow-up review or] any subsequent review that any of these serious deficiencies have not been fully and permanently corrected, we will immediately propose to terminate your agreement for cause and propose to disqualify you without any further opportunity for corrective action.

Sincerely,

Sponsor Employee Name and Title

cc: State Agency
Note: You must send this letter by certified mail/return receipt, an equivalent private delivery service (such as FedEx), fax, or e-mail as required by §226.2, definition of "notice".

Date

Provider Name
Provider Street Address
Provider City, State, Zip Code

Dear [Provider]:

This letter concerns the determination in our [date] Serious Deficiency Notice that you are seriously deficient in your operation of the Child and Adult Care Food Program (CACFP).

We received the documentation you sent us detailing the actions you have taken to correct these serious deficiencies on [date], before the corrective action deadline. [Insert if applicable: We conducted a follow-up review on [date] to verify the adequacy of the corrective actions].

SERIOUS DEFICIENCY DETERMINATION TEMPORARILY DEFERRED

[Insert if applicable: Based on our review of the documentation and the [date] follow-up review], we have determined that you have fully and permanently corrected the serious deficiencies that were cited in the Serious Deficiency Notice. As a result, we have temporarily deferred our serious deficiency determination as of the date of this letter. This also means that we will not propose to terminate your agreement for cause based on this serious deficiency finding or propose to disqualify you on that basis.

ADEQUACY OF CORRECTIVE ACTIONS

The following paragraphs describe the results of our review of the corrective action. [Insert discussion of each serious deficiency and why the corrective action is adequate. Each serious deficiency discussed must include a cite to the relevant serious deficiency in the regs at §226.16(1)(2). If the serious deficiency is not specifically listed, cite: §226.16(1)(92)(vii), any other circumstance related to non-performance under the sponsoring organization day care home agreement. [Insert if appropriate: Our report on the [date] follow-up review will be provided to you in a separate letter].

SUMMARY

We have temporarily deferred our serious deficiency determination. However, if we find in any subsequent review that any of these serious deficiencies have not been fully and permanently corrected, we will immediately propose to terminate your agreement for cause and propose to disqualify you without any further opportunity for corrective action.

Sincerely,

Sponsor Employee Name and Title

cc: State Agency

Revised 3/2012
(Note: You must send this letter by certified mail/return receipt, an equivalent private delivery service (such as FedEx), fax, or e-mail as required by §226.2, definition of “notice”.

Date

Provider Name
Provider Street Address
Provider City, State 00000

Dear [Provider]:

This letter concerns the determination in our [date] Serious Deficiency Notice that you are seriously deficient in your operation of the Child and Adult Care Food Program (CACFP).

We received the documentation you sent us detailing the actions you have taken to correct these serious deficiencies on [date], before the corrective action deadline. [insert if applicable: We conducted a follow-up review on [date] to verify the adequacy of the corrective actions.]

Based on our review of the documentation [insert if applicable: and the follow-up review], we have determined that you have not fully and permanently corrected the serious deficiencies that were cited in the Serious Deficiency Notice.

PROPOSED TERMINATION AND PROPOSED DISQUALIFICATION

As a result, we propose to:

- Terminate your agreement to participate in the CACFP for cause effective [date], and

- Disqualify you from future CACFP participation effective [date].

The effective date for the termination/disqualification must be after the deadline for requesting an appeal. In addition, the effective date for the disqualification should generally be the same as the
agreement termination date, and not earlier; otherwise, the provider could be disqualified and ineligible to participate before the agreement is terminated.

If you voluntarily terminate your agreement after receiving this letter, we will propose to disqualify you from future CACFP participation. If disqualified, you will be placed on the National Disqualified List. While on the list, you will not be able to participate in the CACFP as a day care home provider. In addition, you will not be able to serve as a principal in any CACFP institution or facility.

You will remain on the list until such time as the State agency determines that the serious deficiencies have been corrected, or until seven years after your disqualification. However, if any debt relating to the serious deficiencies has not been repaid, you will remain on the list until the debt has been repaid.

These actions are being taken pursuant to § 226.16(l) of the CACFP regulations (7 CFR 226.16(l)).

STATUS OF SERIOUS DEFICIENCIES

The following paragraphs detail each serious deficiency and its status based on our review of the corrective action documentation [insert if applicable: and the [date] follow-up review].

Insert discussion of each serious deficiency and the reasons why corrective action was inadequate (the corrective action may be adequate for some items and not for others; make sure you specify the status of the corrective action for each serious deficiency). Each serious deficiency discussed must include a cite to the relevant serious deficiency in the regulations at §226.16(l)(2). [If the serious deficiency is not specifically listed, cite: § 226.16(l)(2)(vii), any other circumstance related to non-performance under the sponsoring organization-day care home agreement.]

APPEAL OF PROPOSED TERMINATION AND PROPOSED DISQUALIFICATIONS

You may appeal the proposed termination of your agreement for cause and your proposed disqualification. A copy of the appeal procedures is enclosed. If you decide to appeal the proposed actions, make sure you follow the appeal procedures exactly because the failure to do so could result in the denial of your request for an appeal.
SUMMARY

You have not fully and permanently corrected the serious deficiencies identified in the Serious Deficiency Notice. For this reason, we are proposing to terminate your CACFP agreement for cause and proposing to disqualify you.

If you appeal the proposed termination and the proposed disqualification, the proposed actions will not take effect until the hearing official issues a decision on the appeals. If you do not make a timely request for an appeal, your agreement will be terminated for cause on [date]. If you do not appeal your proposed disqualification, you will be disqualified from future CACFP participation effective [date] and placed on the National Disqualified List.

You may continue to participate in the CACFP until [termination/disqualification effective date] or, if you appeal the proposed actions, until the hearing official issues a decision on the appeal. We will pay any valid claims for reimbursement submitted by you for this period. You must submit the claims by the normal deadline.

Sincerely,

Sponsor Employee Name and Title

Enclosure: Appeal Procedures

cc: State Agency
(Note: You must send this letter by certified mail/return receipt, an equivalent private delivery service (such as FedEx), fax, or e-mail as required by §225.2, definition of "notice".

Date

Provider Name
Provider Street Address
Provider City, State 00000

Dear [Provider]:

This letter concerns the determination in our [date] Notice of Proposed Termination and Proposed Disqualification, which proposed to terminate your agreement to participate in the Child and Adult Care Food Program (CACFP) for cause. In that letter, we also proposed to disqualify you from further CACFP participation. These actions were based on the determination in our [date] Serious Deficiency Notice that you are seriously deficient in your operation of the CACFP.

You received the Notice of Proposed Termination and Proposed Disqualification on [date received]. You had until [insert deadline for requesting appeal] to submit any requests for appeals of the proposed actions. No requests for appeals were submitted by that deadline.

TERMINATION AND DISQUALIFICATION

Because the time to request an appeal has now expired, we are:

- Terminating your agreement to participate in the CACFP for cause effective [date], and

- Disqualifying you from future CACFP participation effective [date].

The effective date for the disqualification should generally be the same as the agreement termination date, and not earlier; otherwise, the provider could be disqualified and ineligible to participate before the agreement is terminated.
If you voluntarily terminate your agreement after receiving this letter, we will propose to disqualify you from future CACFP participation. Upon disqualification, you will be placed on the National Disqualified List. While on the list, you will not be able to participate in the CACFP as a day care home provider. In addition, you will not be able to serve as a principal in any CACFP institution or facility.

You will remain on the list until such time as the State agency determines that the serious deficiencies have been corrected, or until seven years after your disqualification. However, if any debt relating to the serious deficiencies has not been repaid, you will remain on the list until the debt has been repaid.

These actions are being taken pursuant to § 226.16(l) of the CACFP regulations (7 CFR 226.16(l)).

SUMMARY

We are terminating your CACFP agreement for cause and disqualifying you. You may not appeal the termination of its agreement for cause or the disqualification. You may continue to participate in the CACFP until [termination/disqualification effective date]. We will pay any valid claims for reimbursement submitted by you for this period. You must submit the claims by the normal deadline.

Sincerely,

Sponsor Employee Name and Title

cc: State Agency
Note: You must send this letter by certified mail/return receipt, an equivalent private delivery service (such as FedEx), fax, or e-mail as required by §226.2, definition of "notice".

Date

Provider Name
Provider Street Address
Provider City, State, Zip Code

Dear [Provider]:

This letter concerns our [date] Notice of Proposed Termination and Proposed Disqualification, which proposed to terminate your agreement to participate in the Child and Adult Care Food Program (CACFP) for cause. In that letter, we also proposed to disqualify you from further CACFP participation. These actions were based on the determination in our [date] Serious Deficiency Notice that you are seriously deficient in your operation of the CACFP.

You filed a timely appeal of the proposed termination and proposed disqualification. On [date of hearing official's decision], the hearing official issued a decision on the appeal. In that decision, the hearing official overturned both of our proposed actions.

SERIOUS DEFICIENCY DETERMINATION TEMPORARILY DEFERRED

As a result, we have temporarily deferred our serious deficiency determination as of [date of hearing official's decision]. We are also temporarily deferring the proposed termination of your agreement for cause and your proposed disqualification as of the same date.

Sincerely,

Sponsor Employee Name and Title

cc: State Agency

Revised 3/2012
Dear [Provider]:

This letter concerns our [date] Notice of Proposed Termination and Proposed Disqualification, which proposed to terminate your agreement to participate in the Child and Adult Care Food Program (CACFP) for cause. In that letter, we also proposed to disqualify you from further CACFP participation. These actions were based on the determination in our [date] Serious Deficiency Notice that you are seriously deficiency in your operation of the CACFP.

You filed a timely appeal of the proposed termination and proposed disqualification. On [date of hearing official's decision], the hearing official issued a decision on the appeal. In that decision, the hearing official upheld both of our proposed actions.

TERMINATION AND DISQUALIFICATION

As a result, we are:

- Terminating your agreement to participate in the CACFP for cause effective [date], and
- Disqualifying you from future CACFP participation effective [date].

The effective date for the disqualifications should generally be the same as the agreement termination date, and not earlier; otherwise, the provider could be disqualified and ineligible to participate before the agreement is terminated.
If you voluntarily terminate your agreement after receiving this letter, we will immediately disqualify you from future CACFP participation. Upon disqualification, you will be placed on the National Disqualified List. While on the list, you will not be able to participate in the CACFP as a day care home provider. In addition, you will not be able to serve as a principal in any CACFP institution or facility.

You will remain on the list until such time as the State agency determines that the serious deficiencies have been corrected, or until seven years after your disqualification. However, if any debt relating to the serious deficiencies has not been repaid, you will remain on the list until the debt has been repaid.

These actions are being taken pursuant to § 226.16(l) of the CACFP regulations (7 CFR 226.16(l)).

SUMMARY

We are terminating your CACFP agreement for cause and disqualifying you. You may not appeal the termination for cause or the disqualification. You may continue to participate in the CACFP until [termination/disqualification effective date]. We will pay any valid claims for reimbursement submitted by you for this period. You must submit the claims by the normal deadline.

Sincerely,

Sponsor Employee Name and Title

cc: State Agency
FINDINGS

RESULTING IN DAY CARE HOME PROVIDERS TO BE SERIOUSLY DEFICIENT

And

SPONSOR ACTION

&

ACCEPTABLE PROVIDER CORRECTIVE ACTION

NOTE: These are the most common findings derived from sponsor monitoring reviews. There can be other findings that are not listed which could result in the provider being declared Seriously Deficient.
1. Submission of False Claims—7 CFR 226.16(1)(2)(ii); Failure to Keep Required Records—7 CFR 226.16(l)(2)(v); Noncompliance with Meal Pattern—7 CFR 226.16(l)(2)(iv); Any Other Circumstance Related to Nonperformance—7 CFR 226.16(l)(2)(viii)

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Foods observed at a visit did not match the foods on the claim.</td>
<td>First Occurrence: Start Corrective Action</td>
<td>First Occurrence: Corrective Action Started.</td>
</tr>
<tr>
<td>• Children observed at visit did not match those on the claim and/or attendance record.</td>
<td>1. Deduct meals.</td>
<td>1. Provide explanation of cause and a plan to prevent the same problem in the future, written if requested, by specified date.</td>
</tr>
<tr>
<td>• Meals claimed for children were not observed during visit.</td>
<td>2. Within one month of finding, conduct an unannounced follow-up visit for explanation and technical assistance.</td>
<td>2. Always record menu and/or attendance at point of service.</td>
</tr>
<tr>
<td>• Dinner not served on visit day, but is served every other day.</td>
<td>3. Conduct parent verifications, if appropriate.</td>
<td>Reoccurrence After Technical Assistance</td>
</tr>
<tr>
<td>• Weekend meal not served on visit day, but it is on all other weekends.</td>
<td>4. Require parent sign-in/out forms, if appropriate.</td>
<td>1. As above with any additional instructions in the serious deficiency notice.</td>
</tr>
<tr>
<td>• The in/out times on the attendance do not match what was observed or usually claimed.</td>
<td>5. Send Sample Letter #1.</td>
<td>2. Sponsors may request providers who serve dinner/evening snacks/weekends sporadically to submit schedules.</td>
</tr>
<tr>
<td>• Some children gone so unable to observe a shift that is always claimed and/or shifting not able to be observed.</td>
<td>Reoccurrence After Technical Assistance</td>
<td>1. Revoke shift, dinner, and/or weekend claiming privilege, if appropriate.</td>
</tr>
<tr>
<td>• Claims school hours on Saturdays or holidays.</td>
<td>2. Begin Serious Deficiency Process by sending Sample Letter #2.</td>
<td>2. Conduct parent verifications.</td>
</tr>
<tr>
<td>• Fewer or no kids present when visit attempted for a meal that is usually claimed.</td>
<td>1. Conduct parent verifications.</td>
<td>2. Require parent sign-in/out if parent verifications are inconclusive.</td>
</tr>
<tr>
<td>• Claim is block-same numbers claimed consistently and not verified by visits.</td>
<td>3. If any discrepancies are discovered, begin Serious Deficiency Process by sending Sample Letter #2 and recovering meal money.</td>
<td>3. If any discrepancies are discovered, begin Serious Deficiency Process by sending Sample Letter #2 and recovering meal money.</td>
</tr>
</tbody>
</table>
### 2. Failure to Maintain Required Records—7 CFR 226.18(e) and 226.16(l)(2)(v)

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Paperwork behind one to two days.</td>
<td>Deduct meals and provide technical assistance.</td>
<td></td>
</tr>
</tbody>
</table>
| • Attendance recorded in advance.  
• Meal count recorded in advance.  
• Paperwork behind three or more days. | **First Occurrence: Start Corrective Action**  
1. Deduct meals and provide technical assistance.  
2. Immediate unannounced follow-up visit.  
3. Two additional unannounced visits with no repeat of problems.  
4. Send Sample Letter #1. | 1. Always keep all paperwork current through previous day.  
2. Never record attendance or meal counts in advance.  
3. Any additional instructions in the serious deficiency notice. |

**Reoccurrence After Technical Assistance**  
Begin Serious Deficiency Process by sending Sample Letter #2.

### 3. Claiming Meals not Served to Participants—7 CFR 226.16(1)(2)(ii) and 226.18(e) and 226.18(b)(4); Submission of False Claims—7 CFR 226.16(l)(2)(ii); Failure to Keep Records—7 CFR 226.16(l)(2)(v); Any Other Circumstance Related to Nonperformance—7 CFR 226.16(l)(2)(viii)

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
</table>
| • Children claimed when no longer in care.  
• Nonexistent children claimed. | **First Occurrence: Start Corrective Action (do all five)**  
1. Deduct meals.  
2. Immediate unannounced follow-up visit.  
3. Two additional unannounced visits (spaced at random) with no repeat of problems.  
4. Conduct parent verifications if attendance issues are significant.  
5. Require parent sign in/out if parent verifications are inconclusive. | **First Occurrence: Corrective Action Started**  
1. Provide written explanation.  
2. Tell about all children to be claimed, including children who are napping, already ate and left, or will be arriving late. |
| | | **If Discrepancy Confirmed**  
Begin Serious Deficiency Process by sending Sample Letter #2. | **If Discrepancy Confirmed**  
As above with any additional instructions in the serious deficiency notice. |
### Serious Deficiency for Homes

<table>
<thead>
<tr>
<th>Meals claimed for children for times/days parents say they were not in care.</th>
<th>Same as above (3) with a second parent verification conducted after 4-6 months.</th>
<th>Record accurate in/out times Never claim child who is gone, even temporarily</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4. Claiming Meals Served Over Capacity/Failure to Comply with Licensing Standards—CFR 226.18(a); Failure to Keep Records—7 CFR 226.16(l)(2)(v); Any Other Circumstance Related to Nonperformance—7 CFR 226.16(l)(2)(viii)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance in/out times show number of children present is over capacity. Number of children observed at visit was over capacity. Assistant not present when number of children present is over capacity. Too many children under two years old. Shifts of children not done correctly — overlap causes overcapacity at times.</td>
<td><strong>Every Occurrence</strong>&lt;br&gt;1. Deduct meals and provide technical assistance.&lt;br&gt;2. Report over capacity by letter to child care licensor or licensing supervisor.</td>
<td>1. Be aware of license capacity. Take whatever measures necessary to stay within capacity or get a license exception from licensor.&lt;br&gt;2. No overlap is allowed without a waiver.&lt;br&gt;3. Always have assistant present when capacity requires it.&lt;br&gt;4. Record all children in care, including your own children, on attendance form, whether claimed or not. This includes infants, drop-ins, children not present at meal time, etc.</td>
</tr>
<tr>
<td>Not all children in care are recorded on the attendance roster.</td>
<td><strong>First Occurrence: Start Corrective Action</strong>&lt;br&gt;Provide technical assistance. <strong>Second Occurrence</strong>&lt;br&gt;1. Immediate unannounced follow-up visit.&lt;br&gt;2. Two additional unannounced visits (spaced at random) with no repeat of problems.&lt;br&gt;3. Verify capacity and conduct parent verifications.&lt;br&gt;4. Send Sample Letter #1. <strong>Reoccurrence After Technical Assistance</strong>&lt;br&gt;Begin Serious Deficiency Process by sending Sample Letter #2.</td>
<td>Record all children in care, including your own children, on attendance form, whether claimed or not. This includes infants, drop-ins, children not present at meal time, etc.</td>
</tr>
</tbody>
</table>
5. **Any Other Circumstance Related to Nonperformance—CFR 226.16(l)(2)(viii)**

<table>
<thead>
<tr>
<th>Deficiency</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
</table>
| Did not notify sponsor of changes in license (revocations, suspension, reduction, moved). | 1. Deduct meals retroactive to discrepancy and provide technical assistance.  
2. Begin Serious Deficiency Process by sending Sample Letter #2. If finding is for health and safety, SUSPEND IMMEDIATELY and confer with licensing agency. Report to Child Protective Services (CPS); | 1. Submit valid license immediately.  
2. Notify sponsor of changes in license capacity, address, name, etc.  
3. If suspended, may appeal. |

<table>
<thead>
<tr>
<th>Deficiency</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children’s health or safety is at risk.</td>
<td>SUSPEND IMMEDIATELY and confer with licensing agency. Report to Child Protective Services</td>
<td>If suspended, may appeal.</td>
</tr>
</tbody>
</table>

6. **Claiming Meals Served to Provider’s Children Who Are Not Eligible—7 CFR 226.18(e); Failure to Keep Records—7 CFR 226.16(l)(2)(v); Any Other Circumstance Related to Nonperformance—7 CFR 226.16(l)(2)(viii)**

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
</table>
| Provider’s own children claimed—not income eligible.  
Provider’s own child 12 years old and still claimed. | First Occurrence: Start Corrective Action  
Deduct meals and provide technical assistance. | 1. Record own children on attendance only.  
2. Do not record any meals or fill in their numbers on Minute Menu forms.  
3. Take children off forms on twelfth birthday. |

7. **Serving Meals That Do Not Meet the Meal Pattern—7 CFR 226.20 and 226.16(l)(2)(iv)**

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
</table>
| Incomplete meal observed at a visit.  
Portions served are obviously not sufficient.  
Family style service foods or full portions not accepted are not offered a second time. | First Occurrence: Start Corrective Action  
1. Deduct meals and provide technical assistance.  
2. Unannounced follow-up visit as needed.  
3. Send Sample Letter #1. | 1. Follow meal pattern requirements exactly. Request assistance when needed.  
2. Measure portions until familiar with appropriate amounts.  
3. Read manual and/or Creditable Foods Guide. |

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reoccurrence With Similar Food After Technical Assistance</td>
<td></td>
<td>4. Offer food to children at least twice if not accepted or if portion taken the first time is</td>
</tr>
</tbody>
</table>
### 8. Failure to Comply with Monitoring Requirements—7 CFR 226.18(b)(8); Failure to Keep Records—7 CFR 226.16(l)(2)(v); Submission of False Claims for Reimbursement—7 CFR 226.16(l)(2)(ii); Any Other Circumstance Related to Nonperformance—7 CFR 226.16(l)(2)(viii)

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Not home for attempted visit, but children claimed.  &lt;br&gt; • Meal observation missed by monitor because it was served earlier or later than on agreement.</td>
<td>First Occurrence: Start Corrective Action &lt;br&gt; Request explanation and provide technical assistance. &lt;br&gt; Second Occurrence &lt;br&gt; 1. Deduct meals if applicable.  &lt;br&gt; 2. Immediate unannounced follow-up visit.  &lt;br&gt; 3. Additional unannounced visits with no repeat of problems (spaced at random).  &lt;br&gt; 4. Conduct parent verifications if attendance issues are significant.  &lt;br&gt; 5. Lose shift/dinner/weekend privilege.  &lt;br&gt; 6. Send Sample Letter #1.</td>
<td>First/Second Occurrence: Corrective Action Started &lt;br&gt; 1. Provide explanation, written if requested, by specified date.  &lt;br&gt; 2. Notify sponsor whenever meals will be served away from child care home.  &lt;br&gt; 3. Notify sponsor immediately if meal times change.  &lt;br&gt; <strong>Reoccurrence After Technical Assistance</strong> &lt;br&gt; Begin Serious Deficiency Process by sending Sample Letter #2.</td>
</tr>
<tr>
<td>• Assistant in charge did not have access to paperwork.  &lt;br&gt; • Did not allow monitor in to do visit.</td>
<td>First Occurrence: Start Corrective Action &lt;br&gt; 1. Deduct meals.  &lt;br&gt; 2. Immediate unannounced follow-up visit.  &lt;br&gt; 3. Send Sample Letter #1.</td>
<td>1. Always notify sponsor if you must cancel an appointment as soon as possible.  &lt;br&gt; 2. Allow monitor to complete visit even if no children are present unless there are special circumstances. A written explanation must be submitted immediately.  &lt;br&gt; 3. Assistants must have access to all records.</td>
</tr>
</tbody>
</table>
### Serious Deficiency for Homes

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Refuse care for specific child due to age, special needs, etc.</td>
<td>Provide resources, technical assistance.</td>
<td>Cannot discriminate.</td>
</tr>
</tbody>
</table>

### 10. Failure to Attend Annual CACFP Training—7 CFR 226.18(b)(2); Any Other Circumstance Related to Nonperformance—7 CFR 226.16(l)(2)(viii)

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Did not complete training.</td>
<td>1. Provide in-home training opportunity. 2. If training is refused, begin Serious Deficiency Process by sending Sample Letter #2.</td>
<td>Complete in-home or group training.</td>
</tr>
</tbody>
</table>

### 11. Any Other Circumstance Related to Nonperformance—7 CFR 226.16(l)(2)(viii)

<table>
<thead>
<tr>
<th>Finding</th>
<th>Sponsor Action</th>
<th>Provider Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tiering - did not notify us of changes that affect tier level (income, family size, etc.)</td>
<td>Do all four: 1. Reclassify and/or deduct meals and provide technical assistance. 2. Reevaluate provider and tier. 3. File revised claims. 4. Begin Serious Deficiency Process by sending Sample Letter #2.</td>
<td>1. Always report to sponsor immediately any changes in family size or income (more than $50 per month or $600 per year). 2. Provider submits written plan to prevent future invalid tiering. 3. Repay all excess money received based on incorrect tiering.</td>
</tr>
<tr>
<td>• Parent signatures on enrollments, parent verifications, etc. are not valid.</td>
<td>1. Deduct all meals for children involved. 2. Conduct parent verifications for all children. 3. Begin Serious Deficiency Process by sending Sample Letter #2.</td>
<td>1. Submit written explanation. 2. Repay all money for meals claimed for children not enrolled and/or for unverifiable meals. Reenroll all children with enrollments direct to sponsor from parents.</td>
</tr>
</tbody>
</table>