

SD or NOT... You Decide

Taking the *Mystery* out of the Serious Deficiency Process

USDA-FNS-Child Nutrition Programs



Program Monitoring Branch

Barbara J. Smith

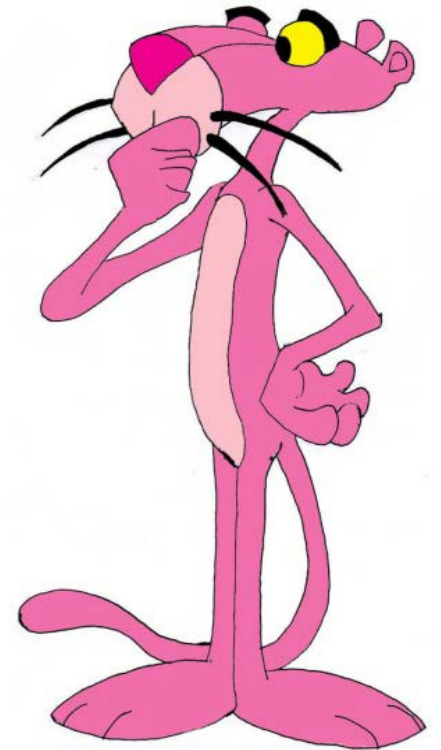
Senior Program Analyst



STATE AGENCY & SPONSORING ORGANIZATION



FALSE CLAIMS



IMMINENT THREAT TO HEALTH AND SAFETY



FAILURE TO MAINTAIN ADEQUATE RECORDS



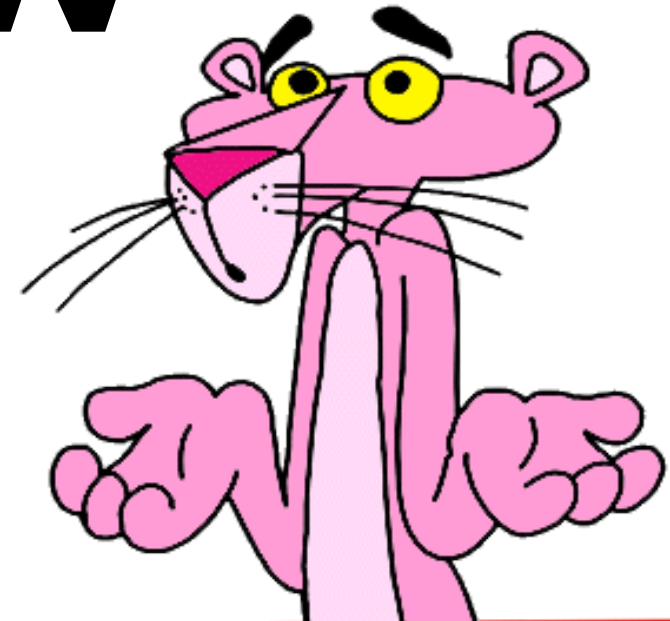
MEALS NOT COMPLIANT



MISSING RECORDS



FALSE INFORMATION ON APPLICATION



FAILURE TO TRAIN/ MONITOR/FACILITIES





CLAIMING CHILDREN NOT IN ATTENDANCE

The Seriously Deficient Process



VIABILITY

CAPABILITY

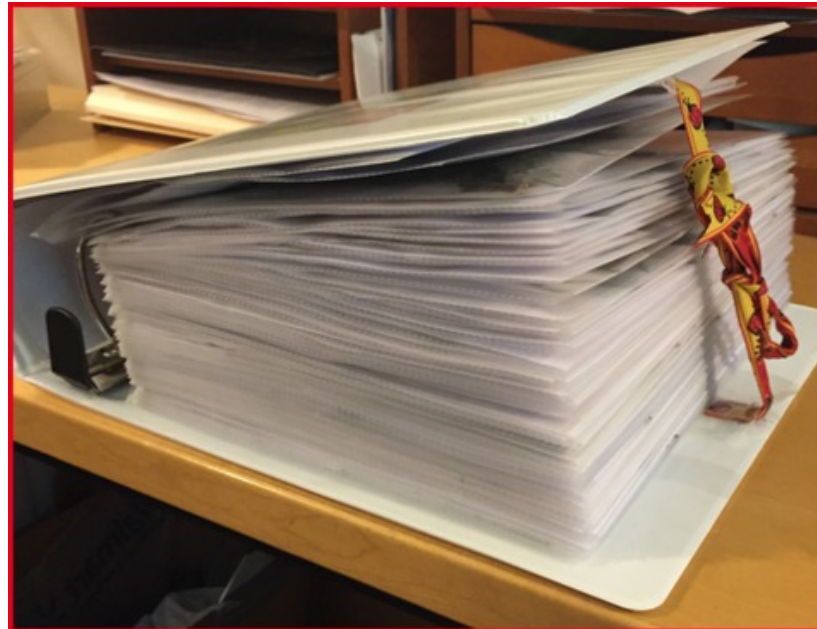
ACCOUNTABILITY

????????????



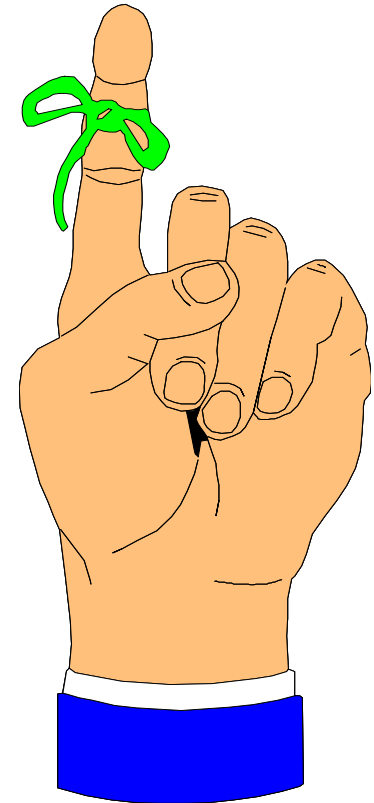
Program Reviews

...Assess compliance by **reviewing** critical areas of Program operations.



Goals of the SD Process

- ✓ Set the framework to correct the problem.
- ✓ Begin groundwork for a possible termination.



Seriously Deficient 7 CFR 226.2 & 225.6

...the status of a sponsor, institution, or a day care home that has been determined to be non-compliant in one or more aspects of its operation of the Programs...



The SD Process

Starts with a SD Determination



Must end with a **Resolution**

The SD Steps



- ✓ **Determine SD**
- ✓ **Send Notice**
- ✓ **Corrective Plan**
- ✓ **Evaluate CAP**
- ✓ **Resolution**

Two circumstances that MUST be SD

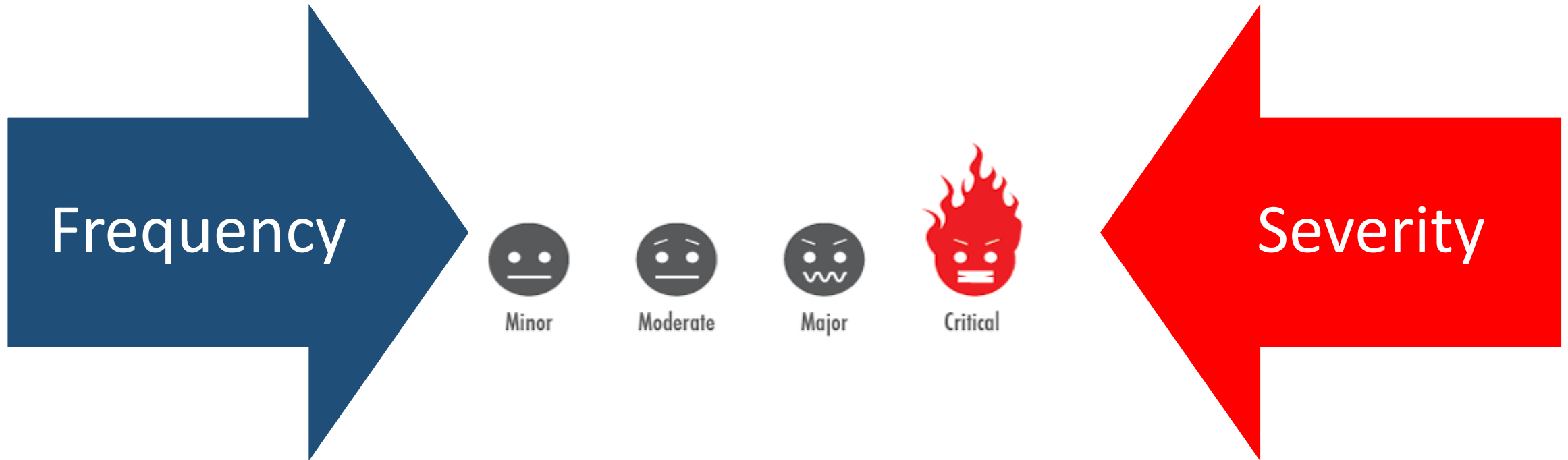


Imminent Threat



**False or Fraudulent
Claim**

Two Major SD Factors



The SD Process: Corrective Actions

Who?

What?

When?

Where?

How?

Role as SA/SO Reviewer

Ensure that CNPs implemented effectively and efficiently

Ensure implementation of the SD Process for compliance

INTEGRITY EQUALS ACCESS

Role of SA/SO



**Compliance
Issues**

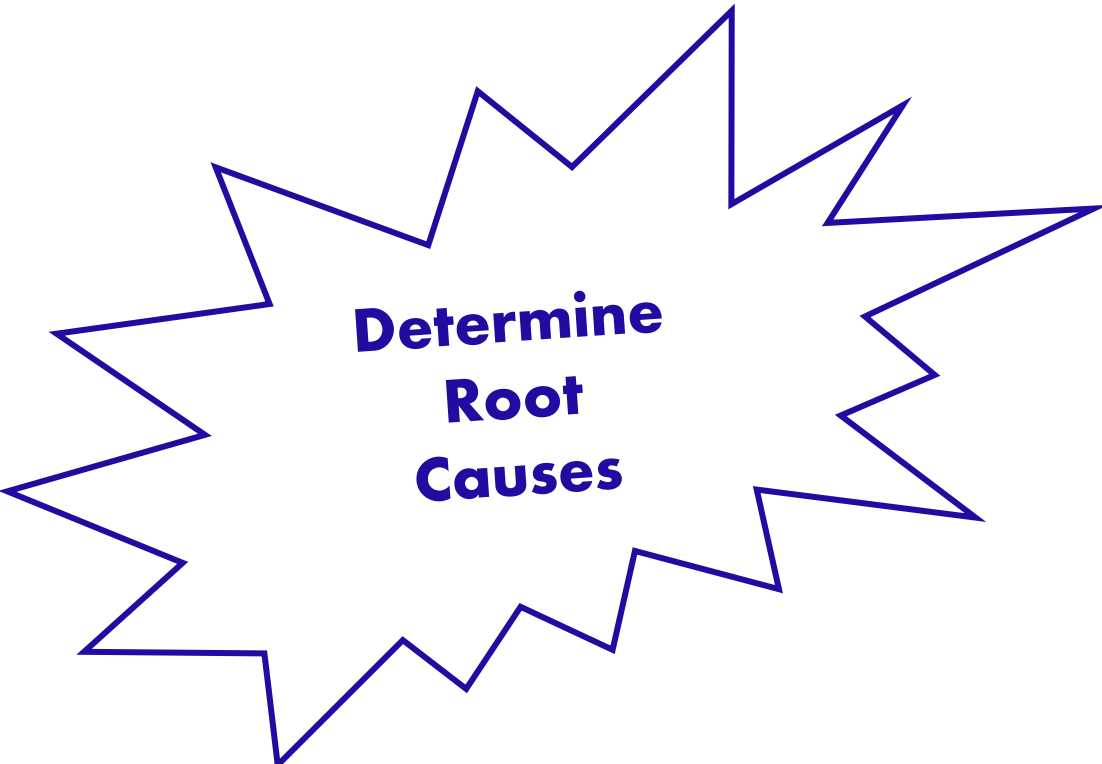


**Evaluate
Compliance**

INTEGRITY EQUALS ACCESS



Role of SA/SO



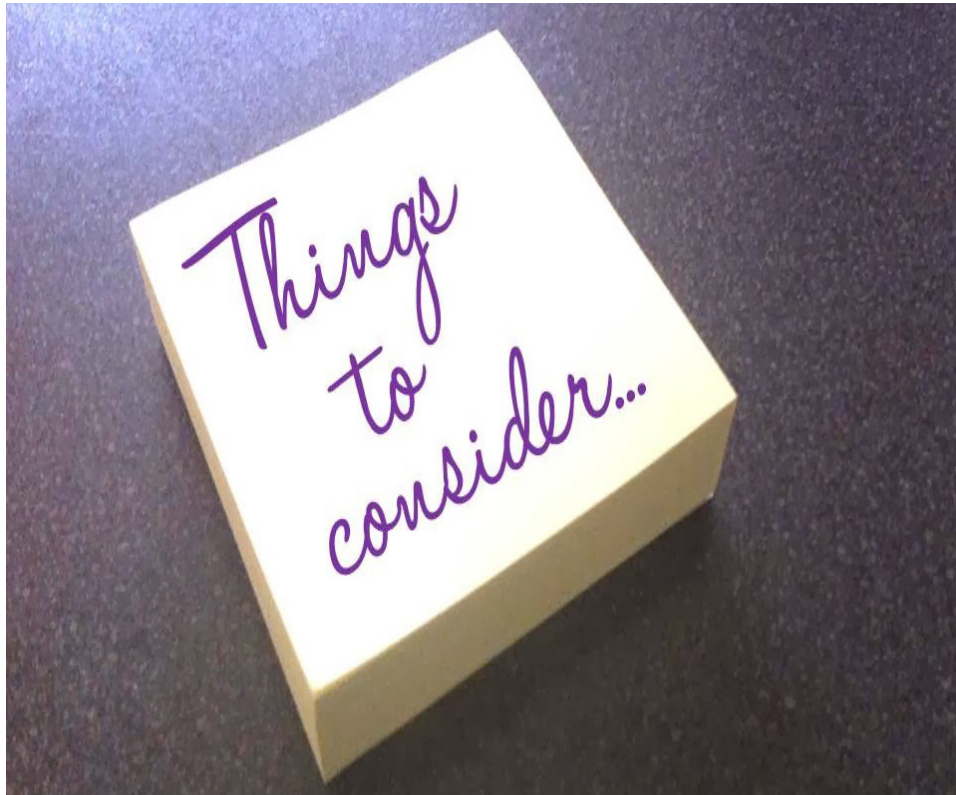
**Determine
Root
Causes**



**Assist in
Development of
Policies/
Procedures**

INTEGRITY EQUALS ACCESS

Are Corrective Actions Permanent? Yes, However...



- Original Problem
- Time Elapsed
- Personnel Changes
- Records

Appeals



Assess the SA and SO actions

**Do policies and procedures
comply with regulatory
requirements?**

Appeals



Were procedural requirements followed?

If the SA or SO did not prevail, was the root cause determined?

National Disqualified List

Entities disqualified from participation in the Program



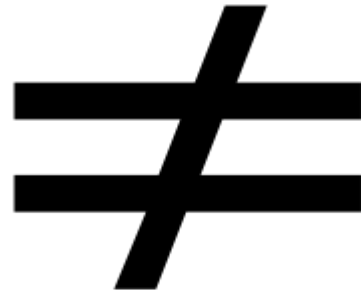
Things to consider for NDL Removal Requests

- **Acceptable CAP**
- **Debt, Plus interest...does not apply to providers**
- **FNS Concurrence**



REMEMBER...

NDL Removal



Reinstatement

Questions and/or Discussion



Thank You!

