

## **Serious Deficiency for Daycare Homes**

*"Serious Deficiency" is defined as the status of an institution or daycare home that has been determined to be non-compliant in one or more aspects of its operation of the Food Program.*

A day care home may be declared seriously deficient if program violations or issues of non-compliance are found at any time during participation. Serious deficiencies that are not permanently corrected will result in the proposed termination and disqualification of the day care home.

**The following are noncompliance issues that will rise to the level of serious deficiency of a day care home:**

- 1. Submission of false information on the food program application.**
- 2. Submission of false claims for reimbursement.**
- 3. Non-compliance with the program meal patterns.**
- 4. Failure to keep required records.**
- 5. Failure to provide monthly records in time for claim submission.**
- 6. Conduct or conditions that threaten the health or safety of children in care.**
- 7. A determination that the provider has been convicted of an illegal activity that occurred during the past seven years and that indicated a lack of business integrity.**
- 8. Failure to participate in training; and**
- 9. Any other circumstance related to non-performance as specified by the sponsoring organization.**

### **Serious Deficiency Process and Timeline**

The serious deficiency process has approximately six steps that start when the sponsoring organization identifies a deficiency and ends when that deficiency has been resolved. The six steps are:

- 1. A serious deficiency is identified by the sponsoring organization, either during a monitoring visit or while reviewing monthly claims.**
- 2. Within 10 days, a notice is issued to the day care home provider identifying the issue and requesting a corrective action plan within a reasonable timeframe, not to exceed 30 days.**
- 3. The corrective action plan from the provider is received and assessed.**
- 4. If the corrective action plan is adequate, a temporary deferral of the serious deficiency will be issued, within 15 days. This means the provider will be back in good standing and no further action required. However, if the corrective action is not adequate and a permanent fix to the deficiency, the daycare provider will then be issued a notice of proposed termination and disqualification, within 15 days of receipt of corrective action plan. The proposed termination and disqualification will include appeal procedures.**
- 5. If an appeal is requested, it will be held within the timeframe given on the appeal procedures, not to exceed 60 days.**
- 6. If the daycare provider wins the appeal, the termination will be overturned and a notice of temporary deferral will be issued, which will bring the provider back in good standing. However, if the sponsoring organization wins the appeal, a notice of final termination and disqualification will be issued to the daycare provider and their name put on the National Disqualified List.**