

# Section 4000

# Managing the Program

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## Section 4000 Managing the Program

### 4100 General Administration

#### 4110 Program Year Period

The Senior Farmers' Market Nutrition Program (SFMNP) operates from January through November. Vouchers must be distributed to participants by September 30 of the program year. Participants may redeem current vouchers from the date of issuances through October 31.

CEs may submit claims for reimbursement to TDA from March through December 15 of each program year. Refer to Item 4115, *Voucher Redemption/Submission Deadlines*, for more information.

#### 4111 Program Operations

TDA provides vouchers to contracting entities (CEs). These vouchers are redeemable by program participants at local farmers' markets. CEs will distribute vouchers to SFMNP recipients.

##### 4111.1 Voucher Management Procedures

CEs must establish and maintain written procedures for the management, distribution, security, and accountability of vouchers. TDA will review the CEs' process/procedure for adequacy to ensure they cover, at a minimum, the following:

- Receipt, storage, and security of voucher booklets prior to issuance;
- Transportation and security of voucher booklets from the CE to distribution site(s), if applicable;
- Security and issuance instruction for voucher booklets at the site(s);
- Distribution of vouchers to participants; and
- System for detecting and resolving voucher issuance problems at the site(s).

#### 4112 Vouchers

Each participant receives five vouchers valued at \$20.00 in increments of \$4.00 per voucher. Farmers and farmers' markets should only accept vouchers that are valid. In order to be redeemed at the farmers' market, each voucher must include a unique number with the current

year printed on it, and must be signed by the participant or proxy and dated at the time of redemption. Vouchers are printed in a different color each year to help identify valid vouchers.

#### **4113 Voucher Security**

CEs, sub-agencies, farmers' market associations and farmers are all responsible for voucher security. CEs must keep vouchers in a secure area before distribution, during transfer from the CE to market, and after they are returned from FMAs for reimbursement.

CEs must record the series of unique numbers on cover of the voucher booklet received from TDA. If a sub-agency or FMA is used for the distribution of vouchers, they must record the voucher numbers received from the CE. Refer to Item 4215, *Voucher Distribution*.

At the time of redemption by SFMNP participants, farmers and farmers' markets should always make sure the vouchers are valid (see Item 4114, *Voucher Reimbursement* and Item 4115, *Voucher Redemption/Submission Deadlines*). The redeemed vouchers must be kept in a safe place.

#### **4114 Voucher Reimbursement**

Farmers must enter their vendor numbers on the redeemed vouchers to assure proper identification for reimbursement.

Farmers submit the vouchers to the FMA. The FMA must confirm that all redeemed vouchers are dated, signed by participants (or proxy), and farmer's vendor number is entered on the redeemed vouchers before they accept and present redeemed vouchers to the CE. Vouchers that are missing the date, participant (or proxy) signature, or vendor number may be rejected by CE for payment. The FMA is responsible for sending the properly redeemed vouchers to the CE using the *Farmers' Voucher Redemption List* form.

Redeemed vouchers must be verified to be current and valid by CEs, before submitting claims for reimbursement to TDA. Redeemed vouchers must be retained by the CE. Refer to Item 4700, *Program Documentation*, for more information.

#### **4115 Voucher Redemption/Submission Deadlines**

SFMNP participants may redeem vouchers at participating farmers' markets February 1 through October 31 of each program year. The last day vouchers may be issued to participants during a program year is September 30. Vouchers may be redeemed by participants no later than October 31 of the program year. FMAs should submit redeemed vouchers at least monthly to their CE. Farmers have until November 15th to submit redeemed vouchers to the FMAs. FMAs must submit redeemed vouchers to the CE no later than November 30. Failure to submit vouchers by the November 30 deadline will result in non-payment for vouchers.

CEs must verify and reconcile the vouchers and submit claims for reimbursement to TDA monthly. The last date to submit vouchers for the program year is December 15.

<b>Voucher Redemption/Submission Deadlines</b>	
First Day Participants may Redeem Vouchers at Farmers Market	February 1
Last Day Vouchers may be Issued to Participants	September 30
Last Day Participants may Redeem Vouchers at Farmers Markets	October 31
Last Day Farmers Submit Redeemed Vouchers to FMA	November 15
Last Day FMA Submit Redeemed Vouchers to CE	November 30
Last Day CEs Submit Claim for Reimbursement to TDA	December 15

CEs are responsible for verifying and reconciling the redeemed vouchers after they have been submitted by the farmers’ market associations. CEs must reconcile vouchers by identifying the disposition of all vouchers as properly redeemed, lost or stolen, or not matching issuance records. CEs must verify

- Unique numbers on the vouchers are valid,
- Dates on the voucher are current,
- Participants (or proxy) signed the vouchers, and
- Farmer vendor identification number is present and valid.

Once the vouchers are verified and reconciled, the CE submits via TX-UNPS<sup>1</sup> a *SFMNP Claim for Reimbursement* to TDA for payment. TDA will process the claim and issue payment through the Comptroller of Public Accounts to the CEs. The Comptroller will reimburse CEs according to its payment procedures. The CEs will reimburse the farmers’ market associations. The farmers’ market associations will reimburse the farmers for the amounts submitted for the redeemed vouchers.

The final *SFMNP Claim for Reimbursement* must be submitted to TDA no later than December 15 of each program year. It is important that farmers’ market associations send the redeemed vouchers to their CE no later than November 30, to make sure the CE has time to verify and reconcile the vouchers. Also, CEs must submit any requests for claim adjustments to TDA on or before December 15<sup>th</sup> of the program year.

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<sup>1</sup> TX-UNPS is the web-based application and claims processing system for all food and nutrition programs administered by TDA.

TDA will conduct administrative reviews of submitted claims and/or redeemed vouchers to determine compliance. See Section 5000, *Administrative Reviews and Audits*, for additional information.

#### **4115.1 Voucher Reconciliation/Redemption Procedures**

CEs must establish and maintain written procedures for the reconciliation and redemption of vouchers. TDA will review the CEs procedures for adequacy to ensure they cover, at a minimum, the following:

- Process to determine whether each voucher is validly redeemed, lost or stolen, expired, or inconsistent with issuance records;
  - This should include a process to reduce the number of errors in transactions, where possible.
- Process for handling redeemed vouchers that cannot be traced back to a record of issuance;
- Process for disposing of vouchers that were not issued and/or redeemed;
- Process for voucher redemption.

#### **4116 Negligence, Fraud, or Abuse**

CEs assume financial liability for negligent or fraudulent administration of the SFMNP, if aware of such activity. CEs and other SFMNP stakeholders must immediately report suspected fraud or misuse of funds or vouchers, and other major criminal activity to TDA. They can notify TDA at [CommodityOperations@TexasAgriculture.gov](mailto:CommodityOperations@TexasAgriculture.gov) or (877)-TEX-MEAL. CEs should include information related to the amount involved, location of the incident, suspected parties, and other details and facts.

TDA will notify the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Regional Office of suspected illegal activity. The FNS Regional Office is responsible for reporting the case to the USDA Office of Inspector General for investigation.

#### **4117 Administrative Funding and Claim Reimbursement**

SFMNP CEs accept final administrative and financial responsibility for all sites which they operate or delegate (to an approved sub-agency) program activities. SFMNP administrative funds may not cover all of a CE's actual costs.

CEs should submit claims for administrative costs and voucher reimbursement monthly using TX-UNPS<sup>2</sup>. Claims for administrative funds must include all actual and allowable costs for

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<sup>2</sup> TX-UNPS is the web-based application and claims processing system for all food and nutrition programs administered by TDA.

operating the program. Reimbursement for administrative costs is based on distribution and/or redemption of vouchers.

If funding is available, there will be a reallocation at the end of the program year, providing additional administrative funds to CEs. The number of vouchers each CE distributed and/or redeemed will provide the basis for calculating the reallocation of funds.

## **4200 Enrolling Participants and Issuing Vouchers**

### **4210 Participant Application (7 CFR §249.6)**

For each individual who wishes to participate in the SFMNP, *Participant Application* (Form H1430) must be completed each program year. For a copy of Form H1430, access the TDA website at <http://www.squaremeals.org/>, go to “Programs,” click on “Senior Farmers’ Market Nutrition Program,” choose “SFMNP Administration and Forms,” then input the form title or form number in the appropriate search field. This form is also available in Spanish on the TDA website (Form1430S).

Participants must be at least 60 or more years of age, and reside in the CE service area. The participant’s income must be at or below the maximum gross household income of 185% of annual poverty income guidelines.

Participants 60 years of age or older also qualify for the SFMNP if they participate in the Commodity Supplemental Food Program (CSFP), or receive Supplemental Security Income (SSI) or meet a means-test for the 185% poverty income level.

For documentation of income eligibility, TDA will accept the signed statement of the SFMNP applicant.

TDA posts the updated federal income guidelines online each year. You may obtain a copy of the federal income guidelines by accessing the TDA website at <http://www.squaremeals.org/Publications/IncomeEligibilityGuidelines.aspx#SFMNP>.

Participants may be certified only for the current SFMNP program year. Eligibility must be determined at the beginning of each period of operation. Prior year certifications may not be carried over into subsequent years. (7 CFR §249.6(c))

## **4210.1 Applicant Information**

The *Participant Application* (Form H1430) must be filled out completely to certify and document the eligibility of program applicants for SFMNP benefits.

### **Name of Applicant –**

The CE must ensure that the complete name of the applicant is entered on the *Participant Application*. At the time of application, some form of identification for each applicant must be provided. Identification may include, but not limited to, any of the following:

- Birth certificate
- Baptismal certificate
- Health card
- Identification card
- Driver license
- Military ID
- Veteran ID
- Passport
- Refugee visa

### **Site Name –**

The CE must ensure that the site name is entered as established by the CE.

### **Date of Birth –**

Applicants must be at least 60 years of age. This date will be used to determine if the applicant is at least 60 years of age. Proof of date of birth is not required.

### **Street Address (including Apt.#, if applicable, City, State, ZIP Code) –**

Applicant must live in the service area of the CE. The CE may verify the applicant's address; however, the CE may not impose any durational or fixed residency requirements. The following items are considered valid forms of proof of eligible residence (ZIP code):

- current utility bill at stated address with the applicant's name or caretaker's name on it
- mail received by the applicant at the stated address with a post mark during the last 30 days
- lease and current month rent receipts

However, if the applicant does not have these documents available, a verbal confirmation by the applicant of their current residence within the service area is acceptable. For example, an



applicant may have recently moved and does not have these documents available at the time of application or did not remember or know to bring them when applying to participate.

**Telephone –**

Enter the area code and telephone number of the applicant. While a telephone number is helpful, it is not required for participation in the SFMNP.

**Total number of household members –**

Enter the number of persons living in the same household as applicant.

Note: When counting household members, the CE includes all related and non-related individuals, exclusive of boarders, who are not residents of an institution, but who live as one economic unit and for whom food is customarily purchased and prepared in common.

**Total gross income (before deductions) of all household members –**

Enter the amount of income for household. Indicate whether it is weekly, monthly or yearly by checking the appropriate box.

**Do any of your household members currently receive SFMNP benefits...-**

The applicant must indicate whether another household member is receiving SFMNP benefits, and, if so, provide the site name.

**Ethnicity and Race -**

The applicant should check the appropriate box indicating their ethnicity and race.

For more information, refer to Section 6000, *Civil Rights*.

**Nondiscrimination Statement –**

The applicant must read or be read the nondiscrimination statement.

**Certification –**

The CE must ensure that the applicant reads the statement or the CE must read the statement to the applicant. This statement explains that federal assistance will be received based on the information provided by the applicant, that this information may be verified, and that the intentional submission of incorrect information could subject the applicant to civil or criminal prosecution.

The CE must check the appropriate box indicating whether the applicant is eligible to participate in the SFMNP, eligible but placed on the waitlist, or ineligible to participate in the SFMNP including the reason for ineligibility and their right to appeal.

Information on how to request an appeal must be filled out by the CE and provided to the applicant.

### **Signature of Applicant and Date –**

The applicant must sign and date the application.

### **Name of Proxy –**

The applicant may name a proxy who will redeem the vouchers at farmers' markets. The proxy's name must be printed in the box provided on the form.

Section 4 of Form 1430 is to be completed and signed by the CE indicating the determination date, date of applicant's initial visit, and date that the *Applicant Agreement, Rights, Obligations, and Fair Hearing Request* was provided to the applicant.

Note: The *Applicant Agreement, Rights, Obligations, and Fair Hearing Request* is now page three of Form 1430. For additional information, refer to Section 4213.1, Notification to Applicants.

## **4211 Household Income Determination**

### **4211.1 Converting Incomes to an Annual Equivalent for SFMNP Income Eligibility**

SFMNP applicants who are members of households with more than one source of income may receive income on different payment schedules.

**EXAMPLE:** One adult may be paid weekly while another is paid twice a month; other types of income, such as Social Security, may be received once a month.

If a household only has one income source, or if all income sources have the same frequency, do not use any conversion factors. Use the *Income Eligibility Guidelines* (Form H1668) for the appropriate frequency and household size to determine income eligibility.

If a household has income sources of more than one frequency, annualize all income by multiplying

- Weekly income by 52,
- Income received every two weeks by 26,
- Income received twice a month by 24, and
- Income received monthly by 12.

*Do not round totals from each conversion.* Add together all the unrounded, converted values and compare the total to the annual income with the number of household members on Form H1668 to make the income eligibility determination.

**EXAMPLE:** The husband receives a monthly Social Security check of \$500. The wife earns \$250 weekly.

\$500	Monthly Social Security Income
<i>x12</i>	<i>Multiply by monthly conversion factor</i>
= <b>\$6,000</b>	<b>Converted annualized income</b>
\$250	Weekly Income
<i>x52</i>	<i>Multiply by weekly conversion factor</i>
= <b>\$13,000</b>	<b>Converted annualized income</b>
<b>\$19,000</b>	<b>Total converted annualized income</b>

Based on Form H1668, the total household income is under the annual limit for two people and meets the income guidelines for eligibility in SFMNP.

#### **4212.2 Exclusion of Combat Pay from Income Eligibility Determination**

In determining household size for income eligibility, deployed service members should be considered household members and counted as such. Military combat pay of deployed household members must be excluded as countable income.

The combat pay must have been

- received in addition to the service member’s basic pay,
- as a result of the service member’s deployment to or service in an area that has been designated as a combat zone, and
- not received by the service member prior to deployment to or service in the designated combat zone.

A combat zone is any area that the President of the United States designates by Executive Order as an area in which the U.S. Armed Forces are engaging or have engaged in combat.

The two most common types of excluded combat pay are Hostile Fire Pay/Imminent Danger Pay (HFP/IDP) and Hardship Duty Pay (HDP).

Other allowances excluded as income if they meet the criteria listed above are

- Family Separation Pay (FSA) which is only excluded when the service member is on route to a training location prior to deployment or on deployment to a designated combat zone.
- Foreign Language Proficiency Pay (FLPP) for service members certified within the last 12 months and deployed to a designated combat zone.
- Special Duty Assignment Pay (SDAP).
- Hazardous Duty Incentive Pay (HDIP).

Combat-Related Injury and Rehabilitation Pay (CIP) is also excluded and paid after a service member is medivac'ed out of the combat zone and hospitalized or receiving extensive rehabilitation as an outpatient while living in quarters affiliated with the military health care system.

#### **4212 Dual Participation Is Not Permitted**

Participants are not permitted to receive SFMNP vouchers from more than one service area during a program year and are limited to \$20.00 per program year. However, participants may redeem their vouchers at any participating FMA within their service area.

#### **4213 Determination**

After reviewing all data elements on the application, CEs must determine the applicant's eligibility for certification by selecting one of these two options

- Eligible for certification to participate in the program, or
- Ineligible for program benefits.

Only those applicants who meet all eligibility criteria are eligible for SFMNP benefits. Participants may be certified only for the current SFMNP program year. Prior program year certifications do not carry over into subsequent program years. At the time of certification, vouchers are issued and the eligibility specialist shall explain the SFMNP benefits to the participant. The participant is provided written and verbal information about the following:

- The names and locations of authorized farmers' markets in the service area,
- No cash change will be given for the vouchers,
- A list of what foods may be purchased with the vouchers,
- Lost, stolen or expired vouchers will not be replaced,
- Ineligibility of dual participation,
- Instructions to sign the vouchers at the time of redemption, and
- How proxies may substitute for the participant.

When all available SFMNP benefits have been allocated to eligible participants, the CE must maintain a waiting list of eligible individuals. In order for the CE to notify eligible individuals that benefits are available, the waiting list must include the name of the applicant, the date placed on the waiting list, and an address or phone number of the applicant. (7 CFR §249.6(g)(2))

If the CE determines that the applicant is ineligible to participate in the SFMNP, the CE must advise the applicant that they are ineligible. The CE must indicate that the applicant is ineligible on *Participant Applicant* (Form H1430).

#### **4213.1 Notification to Applicants**

Applicants for the SFMNP must be notified of their eligibility or ineligibility for benefits, or of their placement on a waiting list within 15 days from the date of application. This notification may be made by the CE by providing them a copy of the *Participant Application* (Form H1430). This form may be used to notify SFMNP applicants of their approval or disapproval in the SFMNP. This form also provides information on the applicant agreement, rights, obligations, and fair hearing requests.

For a copy of *Participant Application* (Form H1430), access the TDA website at <http://www.squaremeals.org/>, go to "Programs," click on "Senior Farmers' Market Nutrition Program," choose "SFMNP Administration and Forms," then input the form title or form number in the appropriate search field.

#### **4214 Proxies**

At the time of certification, a participant may list a proxy, or authorized representative, on the *Participant Application* (Form H1430). This person may use the vouchers for the participant at the farmers' market. The participant may name a proxy at any time during the program year. This information must be provided in writing. (7 CFR §249.6(f)).

#### **4215 Voucher Distribution**

Five vouchers, \$4.00 each, are given to each participant. To promote voucher security, the participant must sign for the vouchers and the eligibility specialist enter the voucher unique numbers on *Participant Voucher Issuance Log*, at the time the vouchers are distributed.

#### **4216 Participant Rights and Responsibilities**

The following statement shall be read by, or read to, the applicant (or proxy) at the time of certification:

I have been advised of my rights and obligations under the Program, including the right to appeal any decision made by the local agency regarding my denial or termination from the Program. I certify that the information I have provided for my eligibility determination is correct to the best of my knowledge. This certification form is being completed and submitted in connection with the receipt of Federal assistance. Program officials may verify information on this form. I am aware that intentionally making a false or misleading statement or intentionally misrepresenting, concealing, or withholding facts may result in paying the Texas Department of Agriculture in cash, the value of the food benefits improperly issued to me and may subject me to civil or criminal prosecution under applicable State and Federal law. I understand that the local agency will make nutrition education available to me and I am encouraged to participate. Standards for eligibility and participation in the SFMNP are the same for everyone, regardless of race, color, national origin, age, disability, or sex.

This statement is on Form H1430, *Participant Application*.

**NOTE:** When a significant proportion of the population served is composed of non-English or limited English speaking persons who speak the same language, the statement shall be read to such persons in a language they understand.

Additionally, you must perform the following notification responsibilities:

- Each participant shall be informed during voucher distribution of the right to a fair hearing and of the illegality of participation in the SFMNP with more than one CE.
- Each participant shall receive an explanation of how to redeem vouchers, including locations of farmers' markets.
- Each participant shall receive nutrition education at the time the vouchers are issued.

**NOTE:** When a significant proportion of the population served is composed of non-English or limited English speaking persons who speak the same language, interpreters and translations of materials must be provided.

For additional information on Limited English Proficiency, refer to Section 6000, *Civil Rights*.

As noted above in Item 4212.1, *Participant Application* (Form H1430) may be used to notify SFMNP applicants of their approval or disapproval in the SFMNP. This form provides information on the applicant agreement, rights, obligations, and fair hearing requests. It is available on the TDA website in both English and Spanish (Form H1430S).

#### **4217 Fair Hearing Request**

TDA will provide fair hearings for participants, farmers and farmers' markets. See Item 8400, *Appeal Procedures*, for instructions on requesting a hearing; also known as an "appeal." CEs must provide notification to participants of their right to a fair hearing, as applicable.

#### **4218 Confidentiality**

CEs must protect the confidentiality of any information that has been provided on a SFMNP participant. CEs may only use the information to determine eligibility for SFMNP benefits. Do not release any information that contains a participant's name or other individual information. Summary information, such as the number of SFMNP applicants eligible for benefits, or the number of participants, can be released.

#### **4219 SFMNP Benefits Excluded from Consideration as Income**

SFMNP benefits, such as voucher value, may not be counted as income or resources for any purposes under any federal, state or local law. SFMNP benefits are excluded from determination of eligibility for other means tested programs, e.g., Supplemental Nutrition Assistance Program (SNAP).

## 4300 Sites

### 4310 Site Requirements

CEs must accept final administrative and financial responsibility for the sites which operate the SFMNP (that is, at all voucher distribution sites). During the application process, CEs are required to visit each site as provided in Item 2220.5, *Site Information*. During the program year (the period in which the SFMNP operates), CEs must revisit each site to monitor program operations and verify compliance with program requirements according to the *SFMNP Agreement*. Refer to Item 4512, *Monitoring Contracting Entities' Sites*, for specific instructions related to these visits.

### 4411 Certification Sites

When selecting sites where the eligibility of applicants will be certified, CEs should evaluate the administrative costs and ability of the organization, or a sub-agency, to consistently perform this function at the site while complying with the *SFMNP Agreement*. Form H1420, *Site Information*, is used when evaluating a potential certification site and the need for a site coordinator who is separate and apart from the CE's administrative staff.

Refer to the *SFMNP Agreement* for a complete list of program requirements that must be met at each certification site. These requirements include

- Training staff members before they assume any SFMNP duty at one or more certification sites, training each staff member every program year thereafter, including, at a minimum, the required civil rights curriculum; documenting all efforts to train staff and retaining this documentation with SFMNP records.
- Advising applicants of the restriction against participating in the SFMNP with more than one CE.

**NOTE:** Do not select certification sites where supervisors have had a poor performance record during previous program years or where supervisors were unable to implement or complete corrective action. Depending on the nature of the previous performance problems, TDA may not approve such sites.

### 4412 Adding and Deleting Sites

During the program year, CEs may wish to add or delete a site. The addition or deletion of a site is a change (that is, an amendment) to the *Application for Participation/Plan of Operation*. If a CE wishes to add a new site, the CE must

- Visit the site to verify that it will operate in full compliance with the requirements mandated in the *SFMNP Agreement*.



- Complete Form H1420, *Site Information*, for each site where participant certification and vouchers will be distributed. In the email submitting the updated Form H1420, CEs must include an explanation that clearly details the reason for the change.
- Complete and sign the *Agreement Between Contracting Entity and Sub-Distributing Agency*.
- Amend *Application for Participation / Plan of Operation* and submit Form H1420, as appropriate, to TDA for review and approval.

If a CE wishes to delete a site, the CE must amend its *Application/Management Plan Change* in TX-UNPS for TDA's review and approval.

#### **4413 Authorizing Farmers' Markets**

Farmers' markets wanting to participate in the SFMNP must be approved by TDA.<sup>3</sup> Farmers' markets may only provide eligible foods to participants using the vouchers. If participants want to purchase disallowed produce or goods, they must use other means of payment. Eligible foods must be grown in Texas, New Mexico, Oklahoma, Arkansas, or Louisiana. Food from Mexico or other countries is not permitted in the SFMNP. For the list of eligible foods, see Item 11100, *Allowed/Disallowed Foods in the SFMNP*. The majority of the food being sold must be grown by the farmer; wholesalers are not eligible to participate in the SFMNP. If farmers' markets already participate in the Farmers' Market Nutrition Program (FMNP), they are automatically authorized to participate in the SFMNP.

Farmers must have a written agreement with the farmers' market association to redeem SFMNP vouchers. Farmers' market associations must have a written agreement with the TDA CE to participate in the SFMNP. Refer to Section 3000, *Program Agreements*, for additional information.

The CE must ensure there is no conflict of interest between the CE and any participating farmer or farmers' market. For example, employees or volunteers of the CE must not participate in any activity that conflicts with their performance of SFMNP duties. Refer to Section 7000, *Financial Management*, for additional information on financial conflicts of interest.

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<sup>3</sup> For information on becoming a Certified Farmers Market, please go to <http://www.gotexan.org/LocateGOTEXAN/CertifiedFarmersMarkets.aspx>

## 4400 Training, Monitoring and Nutrition Education

### 4410 Contracting Entity Training

CEs must attend SFMNP training sessions required by TDA. CEs will be notified, in writing, of all mandatory training requirements. TDA is required to conduct face-to-face training for CE's, FMAs and farmers if a CE is new to the SFMNP. (7 CFR § 249.10(a)(7) and (d))

If a representative of the CE fails to complete mandatory training, the CE must submit a corrective action plan (CAP) certifying that an authorized representative of the CE listed on Form FND-101, *Certificate of Authority for External Users*, will attend a training session with the date the representative will attend or has attended. If a representative does not attend a training session, TDA will terminate the *SFMNP Agreement*. However, a CE may submit a new *Application for Participation/Plan of Operation*, to participate after the organization successfully completes mandatory training.

### 4411 Staff Training

After a CE's application has been approved, the CE must conduct training for administrative and site personnel, including volunteers and farmers, before they assume any SFMNP duty, and annual training thereafter. Training topics must include, but are not limited to, the following topics:

- Identification of eligible foods
- Proper voucher procedures including deadlines for submission of vouchers
- Equal treatment of participants
- Voucher security, storage, and distribution
- Voucher cancellation procedures
- Civil rights compliance and guidelines
- Recordkeeping and document retention requirements

CEs must maintain a record of trainings and attendees (sign-in sheets) which includes the following:

- Date of training,
- Location of training,
- Training topics,
- Name(s) and signature(s) of attendees, and
- Name of trainer.

CEs must retain this documentation with SFMNP records.

When developing the training curricula, CEs will benefit from reviewing the information provided in Item 4200, *Enrolling Participants and Issuing Vouchers*; Item 4300, *Sites*; and Section 6000, *Civil Rights*.

In addition to providing SFMNP training to its FMAs, sub-agencies, and other organizations, as applicable, CEs must provide technical assistance to these entities upon request.

#### **4412 Monitoring Contracting Entities' Sites**

CEs monitor their administrative and site personnel and sub-distributing agencies to

- Ensure program compliance,
- Investigate reported problems, and
- Determine whether to operate a site during the following program year.

If problems are identified, CEs must take appropriate action, as provided in Item 5120, *Findings*.

Independently or in coordination with TDA, as appropriate, CEs will review sub-distributing agencies and the distribution sites served by those agencies to

- Evaluate their operations and activities, and
- Ensure program compliance according to the terms and conditions of their agreements, including, but not limited to the following:
  - Certifying participants,
  - Distributing vouchers,
  - Adhering to non-discrimination requirements,
  - Recordkeeping requirements, and
  - Voucher security.

#### **4413 Nutrition Education**

Nutrition education must be thoroughly integrated into the SFMNP operation. It must be easily understood by participants and bear a practical relationship to their nutritional needs and household situations. Nutrition education must be available to all participants.

Specifically, nutrition education activities must

- Emphasize the relationship of proper nutrition to the total concept of good health.
- Assist participants in obtaining a positive change in food habits that result in improved nutritional status and in the prevention of nutrition-related problems through maximum use of fruits and vegetables and other nutritious foods.

**NOTE:** Nutrition education should be provided within the context of ethnic, cultural and geographic participants' preferences. Nutrition education should be tailored to meet any limitations experienced by groups of participants, such as lack of running water, lack of electricity and limited cooking or refrigeration facilities.

As part of the *Application for Participation/Plan of Operation*, CEs must describe their plans to integrate nutrition education into their SFMNP operations. When providing nutrition education, the CE must

- Explain the importance for the participant to consume the fruits and vegetables, rather than serving them to other family members.
- Describe the nutritional needs of participants and methods for ensuring an adequate diet.
- Provide information on the use and nutritional value of SFMNP produce.
- Review the importance of health care.

(7 CFR §249.9)

## **4500 Program Administration by Farmers' Market Associations and Farmers**

### **4510 Agreements with SFMNP Contracting Entities**

In order to accept SFMNP vouchers, farmers' market associations must sign agreements with the CEs TDA uses for this program. In turn, farmers' markets must also have agreements with the farmers in the association so that the farmers may accept the SFMNP vouchers.

### **4511 Becoming an SFMNP Market**

To become a SFMNP market, the farmers' market association must be approved by TDA<sup>4</sup>. If the farmers' market already participates in the FMNP, the market is automatically approved for participation in the SFMNP.

The redemption period for vouchers is February through October. During that period, farmers and markets must display posters advertising that they will accept SFMNP vouchers. Voucher distribution and redemption periods may vary according to growing seasons in different areas of the state.

Farmers may only accept valid SFMNP vouchers. These vouchers must have a printed unique

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<sup>4</sup> For information on becoming a Certified Farmers' Market, please go to <http://www.gotexan.org/LocateGOTEXAN/CertifiedFarmersMarkets.aspx>.

number and current year printed on them. The vouchers must be signed and dated by the SFMNP participant (or proxy) at the time of redemption. TDA provides annual training for the farmers' market associations. At a minimum, the training will include the following:

- Eligible food choices,
- SFMNP voucher redemption procedures,
- Equitable treatment of SFMNP participants, including availability of foods that are the same quality and cost as those sold to other customers,
- Civil Rights compliance and guidelines,
- Guidelines for storing SFMNP vouchers safely, and
- Guidelines for redeeming SFMNP vouchers.

Other topics may include

- Written agreements,
- Purpose of SFMNP, and/or
- Qualification of SFMNP participants.

#### **4512 Voucher Accountability**

SFMNP participants redeem their vouchers by surrendering them to the farmer to purchase eligible foods. The participant (or proxy) must sign and date the vouchers used. Farmers are not allowed to give change. If the participant does not purchase \$4.00 of foods, the farmer must provide additional food to meet the value of the voucher.

Farmers turn in the redeemed vouchers to the farmers' market association. FMAs must accept only valid vouchers. A valid voucher will state the "Dates of Use," and must have the signature of the participant or authorized proxy and date of signature. The FMA prepares the vouchers for payment, identifying valid vouchers and ensures the farmers have included their vender ID numbers directly on the vouchers. The FMA will list all SFMNP redeemed vouchers on the *Farmers' Voucher Redemption List* form. The FMA sends the vouchers to the CE by registered mail, UPS, or any other delivery service that uses a tracking system. Voided, expired, lost or stolen vouchers will not be paid.

#### **4513 Vender Identification Number**

After the farmer signs an agreement with the farmers' market association, a vendor identification number will be assigned to the farmer by the FMA. The farmer is required to put this number on all vouchers received for redemption. A stamp may be used for this purpose. Vouchers without a farmer's vendor identification number will be considered invalid and will not be reimbursed.

#### 4514 Monitoring Farmers' Market Associations and Farmers

CEs are required to annually monitor farmers and farmers' market associations. Monitoring also includes reviewing the market and the farmers' functions at the market during operation and the processing of SFMNP vouchers.

CEs may use the *Farmers' Market Review* form when monitoring farmers and farmers' market associations to ensure compliance with SFMNP requirements. For a copy of the *Farmers' Market Review* form, access the TDA website at <http://www.squaremeals.org/>, go to "Programs," click on "Senior Farmers' Market Nutrition Program," choose "SFMNP Administration and Forms," then input the form title in the appropriate search field.

During monitoring, CEs must, at a minimum, review the following topics:

- Produce is locally grown,
- Wholesalers are not selling to SFMNP participants,
- Vouchers are properly managed and redeemed in accordance with the requirements,
- Only eligible foods are being sold to SFMNP participants, and
- Training.

Compliance, or test buys, may be performed to make sure vendors are observing all regulations regarding sales to SFMNP participants. The monitor will check that only eligible fresh fruits, vegetables, and herbs are being sold and that no change is being given. The monitor completes *Vendor Integrity Evaluation Report*, and retains a copy with its SFMNP records.

CEs must conduct on-site reviews of a minimum of 10 percent of farmers and 10 percent of farmers' markets including those farmers and farmers' markets identified as being the highest risk. High-risk indicators for program violations for farmers and farmers' market associations include, but are not limited to:

- A high volume of SFMNP vouchers redeemed by one farmer in a farmers' market association,
- Participant complaints, and/or
- First year participation of farmers and farmers' market associations.

For additional information, refer to Item 4512, *Monitoring Contracting Entities' Sites* and Item 4616, *Sanctions*.

### **4514.1 Monitoring Procedures**

CEs must develop and follow written monitoring procedures that describe how the CE will monitor farmers' markets and farmers and administer sanctions when infractions are found. These procedures, at a minimum, must include the following:

- Monitoring and evaluation including development of a review schedule that uses high-risk factors;
- Compliance buys;
- Sanctioning;
- Written Notice;
- Corrective Action; and
- Appeals

### **4515 Farmers' Market Associations Responsibilities**

In addition to the guidance already provided in this Section, FMAs participating in the SFMNP must

- Provide only fresh, nutritious, unprepared fruits and vegetables grown by the farmer in Texas, New Mexico, Oklahoma, Arkansas, or Louisiana. Fruits and vegetables allowed under the SFMNP are identified in the list of eligible fruits and vegetables provided by TDA. See Section 11000 for a list of allowed foods in the SFMNP.
- Provide fruits and vegetables to SFMNP participants that are of the same quality and price charged to other customers. Charging a higher price for eligible foods than that charged to other customers for the same foods may result in sanctions.
- Ensure that individual farmers prominently display a sign stating that they are authorized to redeem SFMNP vouchers and that individual farmers display prices for SFMNP eligible foods. Ensure that when farmers sell both SFMNP eligible and ineligible produce, the ineligible produce is displayed separately and marked as not eligible for SFMNP purchases.
- Redeem SFMNP vouchers for no less than their value and do not provide cash change for purchases.
- Do not bill or attempt to collect from SFMNP participants any charges from any SFMNP vouchers submitted to TDA for reimbursement but not paid by TDA.
- Notify TDA if any farmer or farmers' market ceases operation prior to the end of the authorization period.
- Notify CE and/or TDA of any market cancellation at least 15 days before market day.
- Abide by SFMNP policies. The FMA has a duty to become familiar with the contents of its Agreement with its CE (SFMNP-03), the SFMNP policies and guidance, and all subsequent revisions.

- Cooperate with periodic compliance monitoring, as conducted by the CE, TDA, and/or USDA. Provide access to SFMNP records, including vouchers, upon request by any monitoring agency.
- Agree to administer SFMNP as required by SFMNP regulations in 7 CFR Part 249.

For a comprehensive list, CEs and FMAs should refer to its signed Agreement (SFMNP-03).

#### 4516 Sanctions

The CE may disqualify any farmer or farmers’ market association from participation in the SFMNP if the sanction score reaches 15 points or more during the year of participation. The maximum number of points may be assessed for a single serious abuse or for cumulative penalties for several less serious abuses, or they may come from several abuses occurring at different times during the program year. The disqualification periods are:

Total Number of Points	Disqualification Period	
15 Points	1 Year	May not accept vouchers for the current program year
20 Points	2 Years	May not accept vouchers for the current program and the next program year
25 Points	3 Years	May not accept vouchers for the current program year and the next two program years

During a disqualification period, a farmer may not participate in the SFMNP at another authorized farmers’ market association.

Farmers and farmers’ market associations have the right to appeal sanctions.



Infractions include, but are not limited to, the following:

Infraction		Explanation/Example	Points
1	Redemption of invalid vouchers: <ul style="list-style-type: none"> <li>• Missing signature</li> <li>• Redeemed after end date</li> </ul>	Must not exceed 5% of redeemed vouchers	1 Point
2	Providing unauthorized food or goods, with the exception of firearms, ammunition, or controlled substances as defined in 21 USC 802 (including alcohol and tobacco) which have a higher points penalty. See #9 below.	Nuts or Clothing	5 Point
3	Charging SFMNP customers more than other customers	\$4.00 worth of food for a participant is less than for a non-participant	5 Points
4	Requiring cash to be paid by SFMNP participant in addition to voucher		5 Points
5	Asking SFMNP participants to pay for vouchers not redeemed by TDA		5 Points
6	Falsifying information on vouchers	Date redeemed	5 Points
7	Charging for food items not received	Rain checks	5 Points
8	Providing false information on farmer/market application		15 Points
9	Exchanging vouchers for money or non-food items	Alcohol, tobacco, firearms, ammunition or other controlled substance	25 Points
10	Refusing to provide access to records, prices or redeemed vouchers to TDA staff or contracting entities		15 Points

CEs must provide written notification of adverse action to participating farmers' and FMAs of any violations of SFMNP requirements that require sanctions. CEs must sanction farmers' and FMAs for sanctionable violations of SFMNP requirements as set forth above.

Refer to Item 4614.1, *Monitoring Procedures*, for more information on the requirement that CEs have a written monitoring procedure covering the monitoring of farmers' markets and farmers and administration of sanctions when infractions are found.

#### **4517 Prohibition on Collecting Sales Tax**

State or local tax collection is prohibited on the purchase of foods bought with SFMNP vouchers. Farmers' markets are not required to pay sales tax on food purchased with vouchers and must not charge sales tax to SFMNP participants.

## 4600 Program Documentation

TDA is only able to observe daily operation of the SFMNP when conducting administrative reviews and audits. Therefore, TDA must rely on the records that CEs maintain to determine compliance with SFMNP requirements and verify the reimbursement to which CEs are entitled.

If a CE's records do not support eligibility for voucher reimbursement, CEs must repay any amount that is received improperly.

### 4610 Retention Period

CEs must maintain full and complete records related to SFMNP operations, such as information pertaining to financial operations, voucher issuance and redemption, civil rights procedures, claims, statistical records, and supporting documents that are specific to a particular program year until February 1st, after the third fiscal year of program participation. (7 CFR § 249.23)

**Example:** Records for fiscal year 2017 must be retained until February 1, 2021.

Retention Periods:

Program Fiscal Year End:	Retain Records Until...
September 30, 2018	February 1, 2022
September 30, 2019	February 1, 2023
September 30, 2020	February 1, 2024

**EXCEPTION:** If any litigation, claim, negotiation, audit or other action involving records has been started before the end of the 3-year period, the records must be kept until all issues are resolved, or until the end of the regular 3-year period, whichever is longer. (7 CFR § 249.23(a)(2)) These issues are considered resolved when a final order is issued in litigation, or when the CE and TDA sign a written agreement.

### 4620 Availability of Records

CEs and sites must allow TDA, USDA, the Government Accountability Office (GAO) and representatives of other appropriate agencies to inspect facilities and records and to audit, examine and copy records during normal working hours.

CEs must maintain separate records for each site, and SFMNP records must be maintained separately from records of other programs.

**NOTE:** If the *SFMNP Agreement* is terminated or not renewed, a CE must retain all records according to the record retention requirements and make them available upon request.