

# Section 4000

## Managing the Program

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## **4100 General Administration**

### **4110 Program Year Period**

The Farmers' Market Nutrition Program (FMNP) 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 issuance through October 31 of the program year.

Contracting Entities (CEs) may submit claims for reimbursement to TDA from March through December 15 of each program year. Claims for reimbursement must be submitted within thirty days of the end of the month in which the expense was incurred. Refer to Item 4115, *Voucher Redemption/Submission Deadlines*, for more information.

### **4111 Program Operations**

TDA provides vouchers to CEs. These vouchers are redeemable by Special Supplemental Nutrition Program for Women, Infants and Children (WIC) participants at local farmers' markets. CEs will distribute vouchers to eligible WIC participants. CEs may delegate distribution of the vouchers to the Farmers' Market Association (FMA) or sub-agency if the FMA (or sub-agency) is properly trained to distribute vouchers.

#### **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:

- 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 instructions 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 \$30.00 in increments of \$6.00 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 (FMA) 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 the 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 4212, *Voucher Distribution*, for more information.

At the time of redemption by WIC 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 that the 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 the CE for payment. The FMA sends 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 kept by the CE. Refer to Item 4600, *Program Documentation*, for more information.

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

FMNP participants may redeem vouchers at participating farmers' markets on February 1 through no later than October 31 of each program year. The last day vouchers may be issued to participants during a program year is September 30. Farmers have until November 15th to submit redeemed vouchers to the FMAs. FMAs should submit redeemed vouchers at least monthly to their CE, with all vouchers being submitted 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. CEs must submit vouchers or any other claims for reimbursement to TDA within 30 days of the end of the month in which the expense was incurred. 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 Farmer’s Markets	October 31
Farmers Submit Redeemed Vouchers to Farmers Market Association	November 15
Farmers Market Association Submit Redeemed Vouchers to CE	November 30
Last Day CEs Submit Claim for Reimbursement to TDA	December 15

CEs verify and reconcile the redeemed vouchers after they have been submitted by the FMAs or sub-agency. 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 vouchers are current,
- Participants (or proxy) signed the vouchers, and
- Farmer vendor identification number is valid.

Once the vouchers are verified and reconciled, the CE submits via TX-UNPS<sup>1</sup> a *FMNP 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 FMAs. The FMAs will reimburse the farmers for the amounts submitted for the redeemed vouchers.

The final *FMNP Claim for Reimbursement* must be submitted to TDA no later than December 15 of each year. It is important that FMAs send the redeemed vouchers to their CE no later than November 30 to ensure 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, *Visits, 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 CE's procedures for adequacy to ensure they cover, at a minimum:

- 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 FMNP, if aware of such activity. CEs and other FMNP 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 reports the case to the USDA Office of Inspector General for investigation.

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

FMNP CEs accept final administrative and financial responsibility for all sites which they operate or delegate (to an approved sub-agency) program activities. FMNP 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. Claims for administrative funds must include all actual and allowable costs for operating the program. Reimbursement for administrative costs is based on distribution and/or redemption of vouchers. CE's administrative costs which exceed available administrative funding are counted toward the state matching fund requirement. See Item 2240, *State Matching Funds*, for an explanation of the state matching funds requirement.

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 Eligibility (7 CFR §248.6)**

The Texas Department of State Health Services (DSHS) certifies participants in the WIC. DSHS will provide eligibility information of WIC participants to TDA in the areas of the state where FMNP is available. Vouchers are provided to WIC participants on a first come, first served basis. Eligible WIC participants include:

- Pregnant women,
- Breastfeeding women,
- Postpartum women, and
- Children aged 1 - 4 years.

Participants must currently take part in the WIC program or are on the waiting list to receive benefits from WIC to be eligible for FMNP vouchers. (7 CFR §248.6(a))

### **4211 Dual Participation Not Permitted**

Participants may not receive FMNP vouchers from more than one service area during a program year and are limited to \$30.00 per program year. However, participants may redeem their vouchers at any participating FMA.

### **4212 Voucher Distribution**

Vouchers are provided to the participants by the CEs directly or through the CE's FMA or sub-agency, as applicable. Five vouchers, \$6.00 each, are given to each participant. Vouchers are for a onetime benefit and are numbered sequentially. To promote voucher security, the participant (or proxy) must sign for the vouchers and staff enter the voucher booklet number on the *Participant Voucher Issuance Log* at the time the vouchers are distributed.

When vouchers are distributed to participants, the participants' name and the voucher booklet number must be recorded on the *Participant Voucher Issuance Log*. If a proxy is receiving a voucher booklet on behalf of a participant, the participant's name must still be listed on the form. The participant category, as found on the eligibility documentation (or "shopping list") must be recorded on the *Participant Voucher Issuance Log*. The eligibility category must be recorded for each FMNP participant, with the two letters indicated for each category as follows:

- PR = Pregnant
- BR = Breastfeeding
- PP = Postpartum
- CH = Child

All participants or a proxy must sign for the vouchers on the *Participant Voucher Issuance Log* at the time the vouchers are issued. If a participant has a proxy, the proxy's name must also be printed on the *Participant Voucher Issuance Log*. The staff or volunteer person issuing the voucher to the participant must initial on the line of the *Participant Voucher Issuance Log*, where the participant (or proxy) signs for the vouchers.

NOTE: Participants may use a proxy (or authorized representative) when signing for and using vouchers. CEs must establish procedures regarding the use of a proxy. The procedures should include, at a minimum, any requirements regarding designation or use of a proxy and the number of proxies a participant may have.

CEs must ensure that all vouchers are distributed to eligible participants without regard to race, color, national origin, sex, age, or disability. Refer to Section 6000, *Civil Rights* for additional information.

CEs must have a written procedure documenting its process for distributing vouchers. These procedures must be distributed to the FMA or sub-agency if they are distributing vouchers on behalf of the CE.

#### **4213 Confidentiality**

CEs must protect the confidentiality of any information that has been provided for eligible WIC participants. CEs may only use the information to determine eligibility for FMNP benefits. The CEs must not release any information that contains a participant's name or other individual information except on a need-to-know basis for the operation of the FMNP. CEs may release summary information that does not identify individual participants, such as the number of program participants eligible for benefits. (7 CFR §246.26 and 7 CFR §248.24)

#### **4214 Participant Rights and Responsibilities**

At the time the vouchers are distributed, CEs (or FMAs or sub-agencies that distribute vouchers for CEs) must perform the following notification responsibilities:

- Each participant shall receive an explanation of how to redeem vouchers, including locations of farmers' markets at which FMNP vouchers may be redeemed. (7 CFR §248.10(i)(1))



- Each participant shall receive a description of eligible foods and the prohibition against cash change. (7 CFR §248.10(i)(2))
- Each participant shall be informed during voucher distribution of their right to complain about improper farmer/farmers' market practices regarding FMNP responsibilities, the process for making such a complaint, the right to a fair hearing, and the illegality of participation in the FMNP with more than one CE. CEs must have written procedures documenting the process for making complaints.

**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.

#### **4215 Fair Hearing Request**

TDA will provide fair hearings for participants, farmers, and farmers' markets. See Item 8500, *Appeals 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.

#### **4216 FMNP Benefits Excluded from Consideration as Income**

The value of benefits or assistance, such as vouchers, under the FMNP must not be counted as income or resources of participants or their families for any purpose under any federal, state, or local law. FMNP benefits are excluded from determination of eligibility for other means tested programs, e.g., Supplemental Nutrition Assistance Program (SNAP). (7 CFR §248.24(a))

### **4300 Sites**

#### **4310 Site Requirements**

CEs must accept final administrative and financial responsibility for the sites that operate the FMNP (that is, at all voucher distribution sites). During the application process, CEs are required to visit each site as provided in Item 2220.4, *Voucher Distribution Site Information and FMA Locations*. During the program year (the period in which the FMNP operates), CEs must revisit each site to monitor program operations and verify compliance with program requirements according to the *FMNP Agreement*. Refer to Item 4412, *Monitoring Contracting Entities' Sites*, for specific instructions related to these visits.

#### **4311 Adding and Deleting Sites**

During the program year, a CE may wish to add or delete a site. The addition or deletion of a site is a change (that is, an amendment) to *Plan of Operation* (Form H1406). If a CE wishes to add a new site, it must:

- Visit the site to verify that it will operate in full compliance with the requirements mandated in the *FMNP Agreement*,
- Complete *Site Information* (Form H1420), for each site where vouchers will be distributed, and
- Submit Form H1420 to TDA, as appropriate and include an explanation that clearly details the reason for the change.

If a CE wishes to eliminate a site, the CE must provide timely notification to TDA of the change.

### **4312 Authorizing Farmers' Markets**

Farmers' markets wanting to take part in the FMNP must be certified by TDA.<sup>2</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 FMNP. For the list of eligible foods, see Item 11100, *Allowed/Disallowed Foods in the FMNP*. The majority of the food being sold must be grown by the farmer; wholesalers are not eligible to participate in the FMNP. If farmers' markets already take part in the Senior Farmers' Market Nutrition Program (SFMNP), they are automatically authorized to participate in the FMNP.

Farmers must have a written agreement with the FMA to redeem FMNP vouchers. FMAs must have a written agreement with the TDA CE to participate in the FMNP. Refer to Section 3000, *Program Agreement*, for additional information.

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

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<sup>2</sup> A certified farmers' market must have at least two produce growers who are growing and selling their own produce. For information on becoming a Certified Farmers Market, please go to <http://www.gotexan.org/Portals/1/doc/pdf/Applications/Certified%20Farmers%20Market%20Application%202015%20fillable-seal.pdf>.

## 4400 Training and Monitoring

### 4410 Contracting Entity Training

CEs must attend FMNP 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 CEs, FMAs and farmers if a CE is new to the FMNP. (7 CFR § 248.10(a)(4) 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 and the date the representative will attend or has attended. If a representative does not attend a training session, TDA will terminate the *FMNP Agreement*. However, a CE may submit a new Form H1406, *Plan of Operation*, to participate after a CE representative 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 FMNP duty, and host an annual training thereafter. Training topics must include, but are not limited to, the following topics:

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

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

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

CEs must keep this documentation with FMNP 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 FMNP 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 must monitor their administrative and site personnel 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 action as provided in Item 5120, *Findings*.

Independently or in coordination with TDA, CEs will review the distribution sites to:

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

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

#### **4510 Agreements with FMNP Contracting Entities**

In order to accept FMNP vouchers, FMAs must sign agreements with the CEs. In turn, farmers' markets must also have agreements with the farmers in the association so that the farmers may accept the FMNP vouchers.

## 4511 Becoming an FMNP Market

To become a FMNP market, the FMA must be certified by TDA.<sup>3</sup> If the farmers' market already takes part in the Senior Farmers' Market Nutrition Program, the market is automatically approved for participation in the FMNP.

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

Farmers may only accept valid FMNP vouchers. These vouchers must have a printed unique number and current year printed on them. The vouchers must be signed and dated by the FMNP participant (or proxy) at the time of redemption. TDA provides annual training for the FMAs. At a minimum, the training will include:

- Eligible food choices,
- FMNP voucher redemption procedures,
- Fair and equitable treatment of FMNP 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 FMNP vouchers safely, and
- Guidelines for redeeming FMNP vouchers.

Other topics may include:

- Written agreements,
- Purpose of FMNP, and
- Qualification of FMNP participants.

## 4512 Voucher Accountability

FMNP 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 may not give change. If the participant does not purchase \$6.00 of food, the farmer must provide additional food to meet the value of the voucher.

Farmers turn in the redeemed vouchers to the FMAs. 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,

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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>.

identifying valid vouchers and ensures the farmers have included their vendor identification numbers directly on the vouchers. The FMA will list all FMNP 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 Vendor Identification Number**

After the farmer signs an agreement with the FMA, a vendor identification number will be assigned to the farmer by the FMA. The farmer is required to put this number on the prescribe lines on the front of each voucher redeemed by the participant. A stamp may be used for this purpose. Vouchers without a farmer's vendor identification number will be invalid and will not be reimbursed.

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

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

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

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

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

Compliance, or test buys, may be performed to make sure vendors are observing all regulations regarding sales to FMNP 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* for TDA.

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' markets include, but are not limited to:

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

For additional information, refer to Item 4412, *Monitoring Contracting Entities' Sites* and Item 4515, *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:

- 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 (FMA) Responsibilities**

In addition to the guidance already provided in this section, FMAs participating in the FMNP must:

- Provide only fresh, nutritious, unprepared fruits and vegetables grown by farmers in Texas, New Mexico, Oklahoma, Arkansas, or Louisiana. Fruits and vegetables allowed under the FMNP are identified in the list of eligible fruits and vegetables provided by TDA.
- Provide fruits and vegetables to FMNP participants that are of the same quality and cost charged as that sold 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 FMNP vouchers and that individual farmers display prices for FMNP eligible foods.
- Ensure that when farmers sell both FMNP eligible and ineligible produce, the ineligible produce is displayed separately and marked as not eligible for FMNP purchases.
- Redeem FMNP vouchers for no less than their value and do not provide cash change for purchases.
- Do not bill or attempt to collect from FMNP participants any charges from any FMNP 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 FMNP policies. The FMA has a duty to become familiar with the contents of its Agreement with its CE (FMNP-02), the FMNP policies and guidance, and all subsequent revisions.
- Cooperate with periodic compliance monitoring, as conducted by the CE, TDA, and/or USDA.
- Provide access to FMNP records, including vouchers, upon request by any monitoring agency.
- Agree to administer FMNP as required by FMNP regulations in 7 CFR Part 248.

For a comprehensive list, CEs and FMAs should refer to its signed Agreement (FMNP-02).

#### 4516 Sanctions

The CE may disqualify any farmer or FMA from participation in the FMNP 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 year 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 take part in the FMNP at another authorized FMA.

Farmers and FMAs have the right to appeal sanctions.



Infractions include, but are not limited to:

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, except for 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 Points
3	Charging FMNP customers more than other customers	\$6.00 worth of food for a participant is less than for a non-participant	5 Points
4	Requiring cash to be paid by FMNP participants in addition to voucher		5 Points
5	Asking FMNP 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/farmers' 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 FMNP requirements that require sanctions. CE's must sanction farmers and FMAs for sanctionable violations of FMNP requirements as set forth above.

Refer to Item 4514.1, *Monitoring Procedures*, for more information on the requirement that CE's 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 sales tax collection is prohibited on the purchase of foods bought with FMNP vouchers. Farmers' markets are not required to pay sales tax on food purchased with vouchers and must not charge sales tax to FMNP participants.

## 4600 Program Documentation

TDA can only observe the daily operation of the FMNP when conducting Administrative Reviews. Therefore, TDA must rely on the records that CEs maintain to determine its compliance with FMNP requirements and verify the reimbursement to which CEs are entitled.

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

## 4610 Retention Period

CEs must maintain complete records related to FMNP operations, such as information pertaining to financial operations, voucher issuance and redemption, civil rights procedures, claims and supporting documents that are specific to a particular program year until February 1st, after the third fiscal year of program participation. (7 CFR § 248.23(a)(1))

**Example:** Records for fiscal year 2020 must be kept until February 1, 2024.

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 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 § 248.23(a)(2)) These issues are 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 FMNP records must be maintained separately from records of other programs.

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