

Section 2000

Eligibility and Application Requirements

Table of Contents

2100	Eligibility Requirements.....	2
2110	Contracting Entity Selection Criteria.....	2
2120	Organizational Structure and General Requirements	3
2120.1	Organizational Structure.....	3
2120.2	Tax Exemption.....	3
2120.3	Single Audit Requirements.....	4
2120.4	Debarment Certification.....	4
2120.5	Dun and Bradstreet Data Universal Numbering System (DUNS).....	5
2130	Training Requirements.....	5
2130.1	Contracting Entity Training.....	5
2130.2	Staff Training	5
2200	Application Requirements	6
2210	Application Process	6
2220	Application/Plan of Operation.....	7
2220.1	Nutrition Education.....	8
2220.2	Budget.....	8
2220.3	Management Plan	9
2220.4	Training	9
2220.5	Site Information.....	9
2220.7	Authorized Representatives	10
2230	Review of SFMNP Applications	11
2330.1	Pre-Approval Visit.....	11
2330.2	Approval of Contracting Entities	11
2330.3	Amendments to an Application.....	11

Section 2000

Eligibility and Application Requirements

2100 Eligibility Requirements

Organizations must demonstrate adequate administrative and financial responsibility to manage an efficient and effective voucher distribution and redemption system to be considered a potential SFMNP CE. An organization may be eligible to participate as a SFMNP CE if it:

- Accepts final administrative and financial responsibility for SFMNP operations.
- Is a nonprofit organization or a public agency.
- Attends all required TDA trainings.
- Provides adequate supervisory and operational personnel to effectively manage and monitor SFMNP operations.
- Restricts employees from securing additional employment that interferes with their SFMNP responsibilities and duties (for example, scheduling or conflict-of-interest issues).
- Has a satisfactory performance record if it participates or has participated in other TDA administered nutrition programs.

For complete details, organizations interested in applying should contact the USDA Foods Program Specialist who handles the SFMNP at CommodityOperations@TexasAgriculture.gov or at 1-877-TEX-MEAL (1-877-839-6325).

2110 Contracting Entity Selection Criteria

Selection of CEs is considered annually. SFMNP Agreements are not permanent. The term takes effect upon signature by both TDA and the CE and expires based on a three year cycle for new and returning CEs. The selection criteria are:

1. The organization must have an existing network in place to reach eligible seniors and to distribute vouchers to eligible participants in the geographical contract area.
2. There should be a significant number of seniors eligible for the SFMNP in the contract area. Consideration will also be given to the poverty level of seniors in the selected geographical contract area.
3. The organization should be able to reach the maximum number of eligible seniors in the geographical contract area. Consideration will be given to the organizations best suited to make maximum use of the caseload availability.

4. TDA certified farmers' markets must be in the geographical contract area and accessible to the seniors in the program.
5. TDA may make use of bulk purchases of produce. The organization should have the resources for food storage and distribution to sub-agencies.
6. Administrative funds for the SFMNP are limited and will not cover all expenses. The CE must have the ability to meet SFMNP objectives without total administrative funding from the United States Department of Agriculture (USDA) or TDA.

2120 Organizational Structure and General Requirements

2120.1 Organizational Structure

Organizations are eligible to participate in the SFMNP as a CE only if they are nonprofit organization with tax-exempt status or a public agency.

2120.2 Tax Exemption

Nonprofit organizations must acquire and maintain tax-exempt status from the U.S. Internal Revenue Service (IRS) either individually or as part of a group ruling. If a nonprofit organization acquired tax-exempt status under a group ruling, it must submit proof of affiliation with the parent organization that was given tax-exempt status. Churches are not required to provide proof of tax exemption. However, an organization must ensure that it qualifies as a church in accordance with IRS Publication 557, *Tax Exempt Status for Your Organization* and IRS Publication 1828, *Tax Guide for Churches and Religious Organizations*. Organizations that represent themselves as a church but do not meet the qualifications of a church will be required to submit to TDA proof of tax exempt status.

If the IRS has awarded a nonprofit organization tax-exempt status, the applying organization must submit a

- Formal determination of tax-exempt status from the IRS, **or**
- Proof of participation in another federally funded program that requires an IRS determination of tax-exempt status.

If an organization does not submit this proof of tax-exempt status, the SFMNP application will be denied. If the IRS revokes tax-exempt status, the CE must notify TDA immediately.

The IRS has specific filing requirements for small tax-exempt organizations whose gross receipts are normally \$50,000 or less. The Pension Protection Act of 2006 (PPA) requires these organizations to file Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ*. Failure to comply with the PPA could result in revocation of an organization's tax-exempt status.

Additional information about the filing requirements, as well as how to apply for tax-exempt status, may be found at <http://www.irs.gov/>.

IRS Automatic Revocation of Exemption List

Nonprofit CEs must maintain their tax-exempt status. To ensure that nonprofit SFMNP CEs meet the tax-exempt requirements, TDA reviews annually the IRS Automatic Revocation of Exemption List to determine whether any SFMNP CEs in Texas are listed. The list, which is organized by State, may be found at <https://www.irs.gov/charities-non-profits/exempt-organizations-select-check>. Failure to maintain tax-exempt status may result in termination of the CE from the SFMNP.

2120.3 Single Audit Requirements

Organizations must submit one or more of the following forms to verify their compliance with Single Audit requirements in 2 CFR Part 200:

- A copy of an organization-wide or program-specific audit that has been determined to meet the Single Audit requirements.
- A completed *Annual Audit* form certifying that the CE will obtain, if required, an acceptable audit that meets the Single Audit requirements.

Refer to Item 5200, *Audits*, for specific information related to audit requirements.

2120.4 Debarment Certification

Each CE must not make or permit any award, subaward, subgrant, or contract with an individual or entity that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs.

TDA will deny an SFMNP application or terminate an SFMNP Agreement if a CE fails to obtain debarment certification by one of the three methods for any sub-agency, organization, or entity that meets the above criteria. Any contract containing federal assistance held by a CE that is excluded from entering into such contracts will be considered void, effective upon the date of exclusion.

For a copy of *Certification Regarding Debarment Suspension, Ineligibility and Voluntary Exclusion for Covered Contracts* (Form H2048), 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.

For additional information on Debarment and Suspension Certification, refer to Item 7350.2, *Debarment and Suspension Certification*.

2120.5 Dun and Bradstreet Data Universal Numbering System (DUNS)

Non-federal agencies and organizations that do business with the federal government must use the Dun and Bradstreet Data Universal Numbering System (DUNS) as their identifier. The DUNS number will not replace the Employer Identification Number (EIN), but will become an identifier for a non-federal entity to apply for funding under a federal assistance program.

The DUNS number is a nine-digit number issued by Dun & Bradstreet to each business located in the Dun & Bradstreet database having a unique, separate, and distinct operation. The DUNS number is random, and the digits have no apparent significance. It is a tool of the federal government to track how federal money is distributed.

CEs should already have a DUNS number if they participate in other USDA nutrition programs, such as The Emergency Food Assistance Program (TEFAP) or the Commodity Supplemental Food Program (CSFP), and do not need to apply for another DUNS number.

To obtain a DUNS number, free of charge, call Dun & Bradstreet using the toll-free number, 1-866-705-5711 and indicate that you are a federal grant applicant/prospective applicant. You may also request a DUNS number on-line by accessing the following website at: <http://fedgov.dnb.com/webform>. The waiting period to obtain a DUNS number can be anywhere from 24 hours to several weeks, so organizations should request their number as soon as possible.

2130 Training Requirements

2130.1 Contracting Entity Training

Each year, CEs will receive written notification of specific mandatory training requirements for the Program Year. TDA is required to conduct interactive training for CE's, FMAs and farmers new to the SFMNP. (7 CFR § 249.10(d))

Refer to Item 4410, *Contracting Entity Training*, for specific information.

2130.2 Staff Training

After a SFMNP application has been approved, CEs must conduct training for administrative and site personnel before they assume any SFMNP duties. Refer to Item 4411, *Staff Training*, for

specific information. CEs must train each staff member during each program year thereafter. Training must include the required civil rights curriculum.

As part of the SFMNP application, the CE must provide a list of planned training topics and the proposed training dates.

NOTE: CEs must document efforts to train staff and retain this documentation with its SFMNP records.

2200 Application Requirements

2210 Application Process

Applicants complete and submit all necessary forms and supporting documentation to TDA. In the application, the applicant must provide information about the organization and how it plans to operate the program.

As part of the application process, applicants must do the following:

- Provide proof of tax-exempt status if the organization is a non-profit organization.
- Demonstrate adequate administrative and financial responsibility to manage an effective program.
- Identify and execute agreements with sub-agencies,¹ farmers' market associations and farmers that will be responsible for certifying participants, distributing vouchers, redeeming vouchers, providing produce, and submitting vouchers for reimbursement.
- Describe a plan to integrate nutrition education into the SFMNP operation.
- Visit each site, including sub-agencies and farmers' markets, before operating the SFMNP at the sites (in any capacity).
- Submit a complete management plan that includes staffing needs and an administrative budget.
- Certify that administrative and site personnel will be trained prior to the start of SFMNP operations.

If an applicant submits an incomplete or incorrect application, TDA will request in writing that the organization submit the information needed within 30 days. After review and approval of the CE's initial application, TDA will complete and sign the SFMNP Agreement.² This is a

¹ For additional information on sub-agency, please refer to Item 3120, *Additional SFMNP Agreements*.

² The agreement is effective upon signature by the parties and expires in accordance with its terms at the end of a three year cycle.

legally binding document that specifies the rights and responsibilities of both the CE and TDA. The CE must have an approved or approvable SFMNP *Application for Participation/Plan of Operation* prior to the FMNP Agreement being executed between the CE and TDA. Upon execution of the SFMNP Agreement, CEs will receive copies of the approved SFMNP Agreement and supporting documents needed to operate the program. TDA will not issue reimbursement funds for administrative costs before approving a SFMNP Agreement that is signed by a CE's authorized representative. The USDA Foods Program Specialist who handles the SFMNP may be contacted at 1-877-TEX-MEAL (1-877-839-6325) to answer questions and provide technical assistance.

2220 Application/Plan of Operation

Applicants and returning CEs must complete and submit an application to participate in the SFMNP for review and approval every year. The SFMNP *Application for Participation / Plan of Operation* must be completed in TDA's online system; Texas United Nutrition Programs System (TX-UNPS). The application also includes checklist items which are available on <https://www.squaremeals.org>. The forms must be downloaded, completed and submitted. For a copy of these forms, 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.

The SFMNP *Application for Participation / Plan of Operation* provides TDA with the following information:

- Organization information
- Nonprofit status
- A description of how nutrition education will be integrated into SFMNP operations.
- Budget information including an estimate of all SFMNP costs for which the CE plans to claim reimbursement during the applicable Program Year.
- Complete management plan that list all administrative personnel responsible for managing and monitoring the SFMNP operations
- Training topics and proposed dates for conducting the training
- Site information including a description of the geographic area that will be served
- Outline of fair hearing procedures CE will use to ensure fair hearings for all parties.
- Name and contact information for the SFMNP Authorized Representative

The completed application and supporting documents may be submitted via email to TDA at CommodityOperations@TexasAgriculture.gov. The email subject should include "SFMNP Application for Participation / Plan of Operation" and the name of the CE. For CEs that do not have access to email, please contact TDA at (877) TEX-MEAL.

2220.1 Nutrition Education

Nutrition education must be thoroughly integrated into the SFMNP. It must be easily understood by program participants and bear a practical relationship to their nutritional needs and household situations. Refer to Item 4413, *Nutrition Education*, for specific guidance.

2220.2 Budget

A CE must provide an estimate of all SFMNP costs for which it plans to claim reimbursement during the Program Year. A CE's budget is reviewed by TDA to ensure that individual line items in the budget are:

- Approved uses of funds,
- Reasonable, and
- Necessary.

In general, a cost item will be deemed allowable if it is reasonable and necessary for SFMNP purposes and otherwise satisfies allowability criteria set forth in 2 CFR Part 200, subpart E and USDA implementing regulations in 2 CFR Parts 400 and 415 and 7 CFR Part 249. (7 CFR § 249.12)

Refer to Item 7600, *Administrative Costs* for guidance when completing this portion of the *Application for Participation / Plan of Operation* in TX-UNPS.

If TDA determines that the budget includes excessive or unnecessary costs, the CE will be asked to revise the budget or provide additional information. TDA will not approve an application without an approved annual budget.

An approved budget is the maximum amount of reimbursement for administrative costs that are incurred during operation of the SFMNP. The approved budget does not imply in any way that a CE will be reimbursed for the full amount of each budgeted item; rather, it specifies the areas of administrative costs that are allowable and reasonable. If a CE determines that the approved budget is inadequate, the budget may be amended with approval from TDA.

Any change in an approved budget is an amendment of the *Application for Participation / Plan of Operation*. Refer to Item 2330.3, *Amendments to an Application*, for instructions related to changing the approved budget.

2220.3 Management Plan

A CE must submit a management plan that includes detailed information about administrative staff. This includes all administrative personnel who will be responsible for managing and monitoring the SFMNP operation. It does not include site supervisors. At a minimum, the CE must indicate

- The title for each position,
- The number of individuals in each position, and
- The specific SFMNP duties performed by each position.

During an administrative review, TDA will review the CE's Management Plan to evaluate whether the CE has sufficient staff to efficiently and effectively administer the SFMNP.

2220.4 Training

CEs must train each of its staff members before they assume any SFMNP duties at one or more sites. Further, CEs must train each staff member during each Program Year thereafter. At a minimum, the CEs training must include the required Civil Rights curriculum. CEs must also provide Civil Rights training to the farmers' market associations and farmers in accordance with TDAs guidance. Refer to Item 11300, *TDA Civil Rights Training Materials* for more information.

A CE must submit a list of planned training topics and the proposed dates when the CE will conduct the training as part of its application in TX-UNPS.

NOTE: CEs must document its training and retain the documentation with its SFMNP records.

2220.5 Site Information

CE's must submit site information as part of its *Application for Participation / Plan of Operation* in TX-UNPS. SFMNP CEs must have an identifiable service area that is accessible to local farmers' markets where vouchers are distributed to SFMNP participants (qualified seniors). A description of the geographic area to be served must be described. As part of the SFMNP application, each farmers' market where SFMNP participants can redeem their vouchers must be identified.

Refer to Item 4310, *Site Requirements*, for specific information.

Certification Sites

CEs must complete and sign Form H1420, *Site Information*, which includes information on each site where certification and/or vouchers will be distributed. Prior to operating the SFMNP at

one of the listed sites, the CE must conduct a visit of each site to verify that it will operate in full compliance with the requirements set forth in the Agreement between TDA and the CE. For a copy of Form H1420, 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.

Form H1420 must be emailed as part of the application to TDA at CommodityOperations@TexasAgriculture.gov. The email subject should include “SFMNP Site Information (H1420)” and the name of the CE. For CEs that do not have access to email, please contact TDA at (877) TEX-MEAL.

When selecting sites where the eligibility of applicants will be certified, CEs should evaluate the administrative cost of and ability of the organization, or a sub-agency, to consistently perform this function at the site in full compliance with the SFMNP Agreement.

Refer to Item 4411, *Certification Sites*, for specific instructions.

Farmers’ Market Locations

CEs also must complete and submit to TDA *Farmers’ Market Locations* form and submit it as part of its application via email. The Farmers’ Market name, physical location, and contact information must be provided as well as the days and hours of operation. For a copy of the *Farmers’ Market Locations* 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.

The *Farmers’ Market Location* form must be emailed to TDA at CommodityOperations@TexasAgriculture.gov. The email subject should include “SFMNP Farmers Market Location” and the name of the CE. For CEs that do not have access to email, please contact TDA at (877) TEX-MEAL.

2220.6 Fair Hearing Procedures

CEs must provide an outline of procedures it will take to ensure fair hearings for all parties in the event that a dispute arises between farmers, farmers’ markets, and SFMNP participants.

2220.7 Authorized Representatives

Applicants must complete form FND-101, *Certificate of Authority for External Users*, to name an authorized representative. An authorized representative is any person who is individually authorized on behalf of the CE to

- Make written agreements with TDA,
- Sign documents or reports about the agreement, and
- Present claims for reimbursement, when appropriate.

An authorized representative can be an employee of the organization, a volunteer or a consultant.

2230 Review of SFMNP Applications

TDA will notify an organization of the approval or denial of a complete SFMNP *Application for Participation/Plan of Operation*, within 30 days of receipt in TX-UNPS. If TDA denies the application, TDA will notify the organization in writing of the reasons and explain the right to appeal.

Refer to Section 8000, *Denials, Terminations, and Appeals*, for additional information.

2330.1 Pre-Approval Visit

TDA conducts pre-approval visits of CEs' administrative offices and sites to assess the potential for successful program operations and to verify information provided on *Application for Participation/Plan of Operation*. Before approving the SFMNP Agreement, TDA will visit all

- CEs that did not participate in the SFMNP during the previous Program Year.
- CEs and/or sites that, as a result of operational problems noted during the previous Program Year, have been determined by TDA to need a pre-approval visit before being approved in the current Program Year.

For returning CEs, prior to the start of operation, TDA will visit any new farmers' markets or FMAs added by that CE in order to conduct in-person training. (7 CFR 249.10(d))

2330.2 Approval of Contracting Entities

TDA will only approve the participation of a CE that has submitted an *Application for Participation / Plan of Operation*, with sufficient information to enable a determination of eligibility.

2330.3 Amendments to an Application

The SFMNP Agreement stipulates that a CE will perform according to the application, supporting documents, and approved amendments. Therefore, approved amendments to the application do not require an amendment to the SFMNP Agreement. CEs will request

amendments to applications via TX-UNPS. CEs must include all supporting documentation to complete the amendment request. CEs must request an application amendment whenever they want to

- Add or remove a site, including a certification site,
- Change the address of an approved site,
- Add or remove an authorized representative,
NOTE: CEs must also complete and submit form FND-101, *Certificate of Authority for External Users*, when adding or deleting an authorized representative.
- Alter an item in the approved budget, or
- Make any other change that affects reimbursement or SFMNP operation.

Reimbursement for claims may be delayed or negatively affected if the CE fails to properly request an amendment in advance. TDA must approve **all** amendments to a budget.

Example: If a CE wants to increase expenditures on postage for program outreach by an additional \$100 per year and reduce expenditures on program training by \$100 per year, TDA must approve each proposed change in advance although the total budget would remain unchanged.

TDA will not approve retroactive budget amendments that increase individual budgeted line items or the total budget for any claim month before the month in which the request was received. TDA must have sufficient time to review and approve each request. All budget changes are effective for an entire claim month (that is, these changes will not be prorated for part of a month).

For more information or assistance in requesting an application amendment, CEs should contact the Food and Nutrition Program Specialist who handles the SFMNP at CommodityOperations@TexasAgriculture.gov or at 1-877-TEX-MEAL (1-877-839-6325).