



Washington  
State Department of  
Agriculture

## FOOD ASSISTANCE

COMMODITY SUPPLEMENTAL FOOD PROGRAM (CSFP)  
PROCEDURES MANUAL

## SEPTEMBER 2019

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*WSDA Food Assistance*

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# SECTION 1: FOOD ASSISTANCE INFORMATION

## Section 1: Food Assistance Information

# CSFP PROCEDURES MANUAL SECTION 1: FOOD ASSISTANCE INFORMATION

# INTRODUCTION

## Introduction

Welcome to the updated procedures manual for the Commodity Supplemental Food Program (CSFP). This manual is written to assist contracting agencies and their respective subcontractors in successfully administering CSFP. It is written in accordance with the most recent revision of the Code of Federal Regulations (7 CFR) - Agriculture - Parts 247 and 250, applicable federal policies, and instructions from USDA. The program is authorized under Section 4(a) of the Agriculture and Consumer Protection Act of 1973. The effective date of this manual is Oct. 1, 2019.

The Revised Code of Washington (RCW) Title 43.23.290 designates the Washington State Department of Agriculture (WSDA) to be the state agency responsible for the distribution of federal commodities and administrative funds for The Emergency Food Assistance Program (TEFAP), the Trade Mitigation Program (TMP), the Commodity Supplemental Food Program (CSFP), the state-funded Emergency Food Assistance Program (EFAP), the state-funded EFAP-Tribal, and the state-funded Farm to Food Pantry Initiative. If any procedure or guideline is found to be in conflict with the RCW, the RCW will prevail.

These policies and procedures are specific to CSFP and shall be followed by the contractors and subcontractors implementing the program at the local level. Compliance with subsequent modification to this manual is also mandatory for all contractors and subcontractors.

Please take the time to thoroughly review the manual with your staff working with WSDA Food Assistance programs. If changes are made, contractors shall receive notice of changes through program update emails and/or amendments, as necessary.

If you have questions, suggestions, changes or corrections regarding this manual, please contact your WSDA Regional Representative.

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This manual is available on our webpage at: [agr.wa.gov/services/food-access](http://agr.wa.gov/services/food-access). This manual is a work in progress and we encourage your involvement to make this manual a tool that is valuable to you as a WSDA contractor.

With Appreciation,

*The Food Assistance Team*

# VISION AND MISSION STATEMENT

## Vision and Mission

### **VISION STATEMENT:**

We are trusted partners who anticipate and respond to the evolving needs of the food system by focusing on the intersection, viability, and success of hunger relief agencies and agricultural producers. Together, we ensure access to healthy food and sustain vibrant communities for all Washingtonians.

### **MISSION STATEMENT:**

Food Assistance serves communities and lower-income families by improving access to safe and nutritious foods. We honor our connections with agriculture and strengthen the emergency food system by providing food, funding, logistical support, and outreach to hunger relief agencies and tribes.

# OVERVIEW OF WSDA FOOD ASSISTANCE

## Overview of WSDA Food Assistance

Through service, regulation, and advocacy, the Washington State Department of Agriculture (WSDA) supports the viability and vitality of agriculture while protecting consumers, public health, and the environment. Food Assistance is part of the Food Safety & Consumer Services Division which plays an active role in defending the availability, safety, and integrity of our food system.

WSDA's Food Assistance programs serve food insecure families by providing food, funding, logistics services and outreach to hunger relief providers and tribes. We work with over 50 contractors statewide that are made up of a mix of food banks, community action agencies, tribes and tribal organizations, who typically operate more than one of our six Food Assistance programs. We work with a wide variety of partners, stakeholders, and state agencies to support our mutual goals. Our goals are to develop key partnerships and data-driven strategies to alleviate hunger and increase access to healthier food options available in the emergency food system while supporting the agricultural community.

WSDA's Food Assistance programs have traditionally provided about \$23 million worth of state and federal food and funding to our local contractors who provide direct support to 500 food banks, food pantries, meal programs, tribes, and tribal organizations. We anticipate that these resources will grow to over \$40 million due to increased federal funding and food through the temporary Trade Mitigation Program.

One in six Washingtonians (1.15 million people) receive food from emergency food providers that are supported with resources from our programs.

### **CORE FUNCTIONS INCLUDE:**

- Distributing U.S. Department of Agriculture (USDA) federal commodities.
- Providing state and federal funds to support food banks, food pantries, community action agencies, meal programs, tribes and tribal organizations.
- Helping partners leverage existing resources to create a collaborative statewide food assistance network.
- Providing technical assistance and information to community programs that deliver emergency food and services to hungry people.
- Providing the necessary framework to keep food assistance distributions flexible and responsive to client needs and meet regulatory requirements to maintain the integrity of the programs.

### **PROGRAMS INCLUDE:**

#### **Commodity Supplemental Food Program (CSFP)**

A federally funded (USDA) program that provides nutritious food "packages" designated specifically for the needs of lower-income elderly people at least 60 years of age (limited availability). CSFP provides food and limited operational funding for distribution to nonprofit organizations, such as community action councils, food banks, and food pantries.

# OVERVIEW OF WSDA FOOD ASSISTANCE

## Emergency Food Assistance Program (EFAP)

A state funded program that supports local emergency food providers with funding to help alleviate hunger for lower-income Washingtonians, including the homeless, receiving services from a food pantry. The funding is flexible and may be used for the purchase of food, operational costs, nutrition training and equipment or repairs.

## Emergency Food Assistance Program (EFAP) Tribal

A state funded program that supports tribal organizations with funding to help alleviate hunger for lower-income Washingtonians, including the homeless, receiving services from a food pantry or receiving a tribal food voucher. The funding is flexible and may be used for the purchase of food or food vouchers, operational costs, nutrition training and equipment or repairs.

## The Emergency Food Assistance Program (TEFAP)

A federally funded (USDA) program that helps supplement the diets of lower-income Washingtonians, including the homeless. TEFAP provides food and limited operational funding for distribution to nonprofit organizations, such as community action councils, food banks, food pantries, mobile food pantries, back pack programs for kids, shelters, and meal programs.

## Trade Mitigation Program (TMP)

In August of 2018, the USDA announced the launch of a trade mitigation package of programs which were established to help off-set the impact of the trade tariffs to farmers. Through the TMP, producers of certain commodities were able to sign up for the Market Facilitation Program so that USDA could purchase and distribute these foods through domestic channels, including TEFAP and Child Nutrition Programs. Hunger relief providers across Washington will receive two to three times more commodity foods than ever before due to TMP, including new products not usually available through federal commodity programs, like fresh milk, fresh produce, and pork products.

## Farm to Food Pantry (F2FP) Initiative

The initiative, established in 2014, is a partnership with Rotary First Harvest. It helps bridge gaps between agriculture and hunger relief agencies, connects farmers to their communities and increases access to healthier food options for lower-income families (limited availability).

## **FOOD ASSISTANCE ADVISORY COMMITTEE:**

The WSDA Food Assistance (FA) Advisory Committee, which is part of the Washington Food Coalition (WFC), plays an important role in shaping how WSDA Food Assistance programs can provide the most value to the food assistance provider network and to those whom they serve.

The FA Advisory Committee is comprised of a chair, vice chair, provider members, the WFC executive director, WSDA staff and other interested parties. The Advisory Committee works on making

# OVERVIEW OF WSDA FOOD ASSISTANCE

recommendations for program policy and emergency food system improvements, and streamlining program processes.

The WFC has set up a page on their website where notes and information from committee meetings are posted for anyone interested in staying informed. Please visit [www.wafoodcoalition.org/food-assistance-advisory-committee](http://www.wafoodcoalition.org/food-assistance-advisory-committee) for more details.

# CONTACT INFORMATION

## Contact Information

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Food Assistance

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**Program Webpage:** [agr.wa.gov/services/food-access](http://agr.wa.gov/services/food-access)

# SECTION 2: CSFP ADMINISTRATION

## Section 2: CSFP Administration

# CSFP PROCEDURES MANUAL SECTION 2: CSFP ADMINISTRATION

# DEFINITIONS

## Definitions

**Administrative Expenses** – Management and general expenses.

**Applicant** – Any person who applies to receive CSFP benefits. Applicants include program participants applying for CSFP recertification.

**Bill Of Lading (BOL)** – A document provided by shipping/trucking agent or warehouse as a written record of program food shipped or received to the contractor or subcontractor. The BOL details the types and amounts of food received or shipped.

**Bonus Food** – Food purchased under the direction of Congress, based on agricultural surpluses and price support activities, to help American agriculture producers. These bonus foods are then offered to CSFP at no cost to entitlement dollars.

**Capital Expenditures** – Expenditures to acquire capital assets or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

**Caseload** – The number of persons authorized by WSDA for the contractor to serve on a monthly basis. State caseload is determined by FNS. Caseload cycle means the period from January 1 through the following December 31. Caseload may be adjusted based on the Federal Fiscal Year or during the course of the Federal Fiscal Year.

**Certification** – The use of criteria and procedures to assess, determine and document each applicant's eligibility for CSFP.

**CFR** – The Code of Federal Regulations; 7 CFR 247 and 7 CFR 250 have CSFP specific information.

**Commodities** – The nutritious foods purchased by USDA to supplement the diets of CSFP participants. Also referred to as program foods.

**Compliance Review** – Any planned, ongoing, or periodic activity that measures and ensures contractor and subcontractor compliance with program requirements.

**Contract** – The agreement between the contractor and WSDA. A legally binding agreement between the state and another entity, public or private, for the provision of goods and services. CSFP contracts are to be considered permanent with amendments to be made as necessary.

**Contractor** – The association, organization, or individual that entered into a contract with WSDA to provide CSFP services within a county, multi-county region or service area.

**Contractor Operated Sites** – Any temporary or permanent sites that are temporarily run by the contractor or one of their volunteers at a non-contractor owned location. This includes apartment buildings, parking lot of a community center, temporarily staffing a distribution at a senior center, or food pantry.

**Contractor Owned Sites** – Any contractor owned food pantries or CSFP distribution sites, located on the contractor's main property. These are typically permanent sites. Any contractor owned satellites that are

# DEFINITIONS

not located on the contractor's property. These are typically permanent sites. Any contractor owned mobile food pantries that provide CSFP delivery.

**Contractor Sponsored Sites** – An organization or tribe that may not meet all eligibility criteria or have the ability to perform all aspects of the subcontract, serves as a CSFP distribution site, is a separate entity from the contractor, and is being sponsored by the contractor. The site is not run by the contractor's staff or owned by the contractor. It is run by the site, typically volunteers, but the contractor is taking the responsibility.

**Coordinated Services** – Making contact with and sharing information about other programs and establishing procedures for referring clients between food pantries and other services.

**CSFP** – The Commodity Supplemental Food Program authorized by 7 USC 612c and subject to 7 CFR 247 and 250.

**CSFP Client** – An elderly person, 60 years of age or older, authorized by a local agency to receive a CSFP package in a given month. May also be called a participant.

**Current Fair Market Value** – The value of equipment and supplies determined by selling them in a competitive market or by researching advertised prices for similar items on the used market. The current fair market value should be determined at the time the equipment and supplies are no longer needed by the contractor or subcontractor for FA program operations regardless of when actual disposition takes place. Contractor or subcontractor must research the current fair market value and provide a recommendation to WSDA. WSDA must approve the recommended value.

**Debarment** - The act of being suspended or being declared ineligible by any state or federal agency from participating in any transactions with them.

**Direct Client Services** – Conducting programming that has direct contact with clients such as food distribution and/or certifying clients for a program or services.

**Disqualification** – The act of ending CSFP participation of a participant as a punitive sanction.

**Dual Participation** – Simultaneous participation by an individual in CSFP at more than one CSFP distribution site.

**Elderly** – Persons at least 60 years of age.

**Emergency Food** - Food that is given to clients who do not have the means to acquire that food themselves, so that they will not go hungry.

**Emergency Food Provider** –An eligible entity that provides low-income clients with any kind of emergency food including prepared meals. Also referred to as a hunger relief organization.

**Equipment** – Any tangible nonexpendable personal property with a useful life of more than one year.

**Federal Award Uniform Guidance** – Means 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, available at [www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

# DEFINITIONS

**First In, First Out (FIFO)** – Is an inventory control system to ensure that the USDA donated foods received in “first” are also the “first” to be issued out. Typically, foods are to be stored so that the stock rotation of USDA donated food with the nearest expiration/BIUB dates are in front and used first, followed by USDA foods with the oldest pack dates.

**Food Assistance (FA)** – Washington State Department of Agriculture's (WSDA) Food Assistance (FA) programs assisting local organizations and tribes in providing emergency food to low-income families struggling to put food on the table. Also referred to as WSDA FA.

**Food Assistance Advisory Committee** – Is part of the Washington Food Coalition and makes recommendations to Food Assistance for program and policy improvements.

**Food Bank** - An institution that collects, warehouses, and distributes food, edible commodities or other product to food pantries, meal programs and other hunger relief organizations on a regional, county, or statewide basis.

**Food and Nutrition Services (FNS)** – The section of the United States Department of Agriculture (USDA) that manages the majority of the federal food assistance programs.

**Food Pantry** – An emergency food assistance program that distributes unprepared food without charge to its clients.

**In-Kind** – The value of volunteer services or donated goods including staff time, rent, food, supplies and transportation.

**Inventory Report for Contractors** – A form used by CSFP contractors to track the receipt, issuance, and inventory of CSFP food on a monthly basis; includes participant data.

**Inventory Report for Subcontractors** – A form used by distribution sites to track the receipt, issuance, and inventory of CSFP boxes on a monthly basis.

**Low-Income Eligibility** – The applicant, by self-declaration, who falls within the Federal Poverty Income Guidelines set forth by the government. For CSFP this is 130% of the Federal Poverty Income Guidelines.

**Mobile Food Pantry** – A mobile food pantry such as a “food truck” that travels within a designated service area and distributes food directly to clients. Food is distributed to clients in pre-packed boxes or through a client choice method where clients choose to take what they need.

**Nonprofit** – A private agency or organization with tax-exempt status under the Internal Revenue Code, or that has applied for tax-exempt status with the Internal Revenue Service.

**On-Site Compliance Review** – The physical act of going to a contractor’s location to conduct a program review for compliance.

**Operational Expenses** – Those costs that are clearly identifiable with providing direct services to eligible clients, or food bank distribution services to food pantries.

**Participant** – The elderly person, 60 years or older, accepted into CSFP and receiving supplemental food under this program.

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**Participating Food Pantry** – A local public or nonprofit food pantry that provides CSFP foods to clients and receives state or federal emergency food assistance funding or food through the contractor. Also referred to as a subcontractor.

**Proxy** – Any person designated by a CSFP participant, or by the participant’s caretaker, to obtain CSFP foods on behalf of the participant.

**RCW** – Revised Code of Washington.

**Risk Assessment** – The process of evaluating exposure to harm or loss that could arise from an activity associated with the contract. It consists of identifying and classifying risks based on certain characteristics, and measuring and evaluating the consequences of those risks.

**Single Audit** – An organization-wide audit of an entity that expends \$750,000 or more of federal assistance from any source (grants, funds, awards, and value of USDA foods received through TEFAP and CSFP) as required by federal Chapter 2 Part 200, Uniform Administrative Requirement.

**Split Shipment** – A USDA truckload that has been split up and shipped to multiple destinations.

**State** – The State of Washington.

**State Agency Plan of Program Operation (State Plan)** – This document describes the manner in which the state agency intends to implement and operate all aspects of program administration within its jurisdiction.

**Subcontractor** – Any association, tribe or organization that, by subcontract with the contractor, is performing all or part of the services under the contract. The term does not include the contractor’s employees. The term includes any subcontractor in any tier. This includes contractor sponsored sites, sites owned and operated by an independent eligible organization, and organizations that perform contractor level duties.

**Subcontractor Operated Sites** – Any sites, temporary or permanent, that are run temporarily by the subcontractor or one of their volunteers at a non-subcontractor owned location. This includes apartment buildings, parking lot of a community center, temporarily staffing a distribution at a senior center, or food pantry.

**Subcontractor Owned Sites** – Any subcontractor owned food pantries or CSFP distribution sites that are not located on the subcontractor’s property. These are typically called satellite sites and are permanent sites. Any subcontractor owned mobile food pantries that provide CSFP delivery.

**Subcontractor Sponsored Sites** – Any food pantries or CSFP distribution sites that may not be eligible on their own, such as organizations that do not have a 501(c)3 or organizational structure, and are being sponsored by the subcontractor. The agreement should clearly outline the respective roles and responsibilities of the subcontractor and the sponsored site. The site is not run by the subcontractor’s staff or owned by the subcontractor. It is run by the site, typically volunteers, but the subcontractor is taking the responsibility. The contractor will hold the subcontractor solely responsible for the sponsored site.

**USDA** – United States Department of Agriculture.

# DEFINITIONS

**WAC** – Washington Administrative Code.

**Washington Food Coalition (WFC)** - A nonprofit organization that advocates for the emergency food system and provides education and training to a statewide membership of food banks, food pantries, meal programs, state agencies and other partners. WFC also houses the FA Advisory Committee which acts as an advisory body to FA.

**WSDA** – The Washington State Department of Agriculture.

# CSFP DESCRIPTION AND HISTORY

## CSFP Description and History

### CSFP DESCRIPTION:

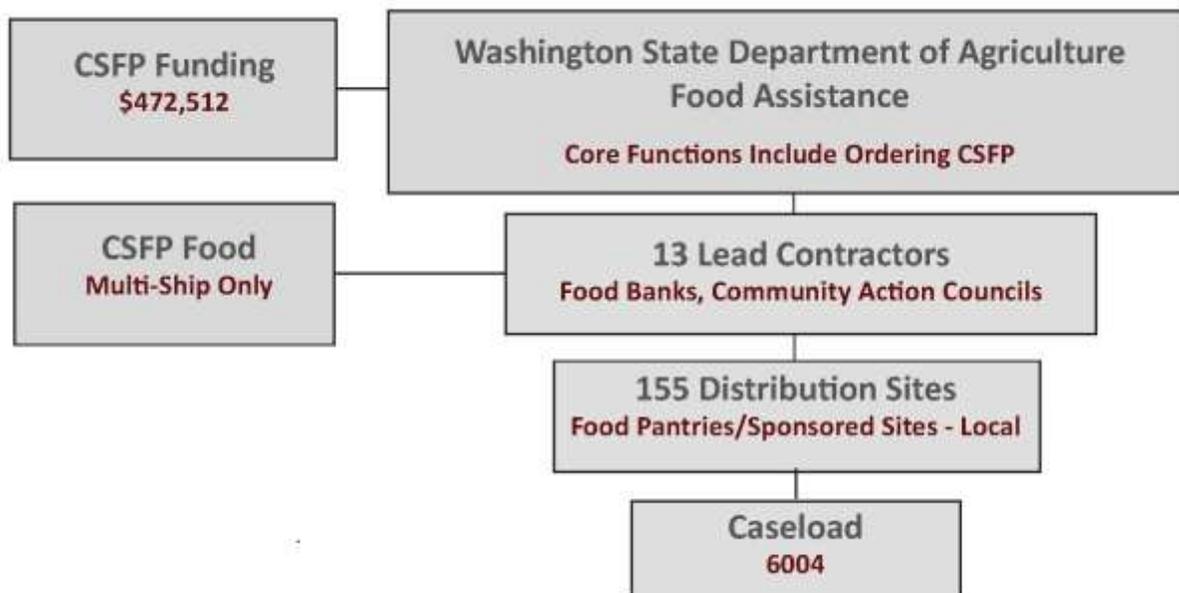
CSFP is administered at the federal level by the Food and Nutrition Service (FNS), an agency of the U.S. Department of Agriculture. Through CSFP, USDA distributes both food and administrative funds to participating states and Indian Tribal Organizations (ITOs). CSFP is not available in all states. The program is authorized under Section 4(a) of the Agriculture and Consumer Protection Act of 1973. Federal regulations covering CSFP can be found in 7 CFR 247 and 250.

State agencies that administer CSFP are typically departments of health, social services, education, or agriculture. State agencies store CSFP food and distribute it to public and nonprofit private local agencies. Local agencies determine the eligibility of applicants, distribute the foods, and provide nutrition education. Local agencies also provide referrals to other welfare, nutrition, and healthcare programs.

The population served by CSFP is low-income elderly people at least 60 years of age. CSFP participants must reside in one of the states or on one of the Indian reservations that participate in CSFP. States establish income limits for the elderly that are at or below 130 percent of the Federal Poverty Income Guidelines. States may establish local residency requirements based on designated service areas (but may not require a minimum period of residency).

CSFP food packages do not provide a complete diet, but rather are good sources of the nutrients typically lacking in the diets of the beneficiary population. CSFP food packages include a variety of foods, such as nonfat dry and ultra-high-temperature fluid milk, juice, farina, oats, ready-to-eat cereal, rice, pasta, peanut butter, dry beans, canned meat, poultry, or fish, and canned fruits and vegetables.

### CSFP FLOWCHART:



# CSFP DESCRIPTION AND HISTORY

## **A BRIEF HISTORY OF CSFP:**

CSFP began in 1969, and originally aimed at providing foods to pregnant or postpartum women, infants, and children up to age six. And as every Farm Bill passed, the program evolved. In 1973, the program was officially authorized and funded with the Agriculture and Consumer Protection Act, and with the 1977 Farm Bill, its current name was set.

Eight years later, with the Food Security Act of 1985, the program expanded to include elderly participation, albeit at a lower priority than the original ones. However, in the Food, Conservation, and Energy Act of 2008, the priority status given women, infants, and children before the elderly in program participation is removed and food packages are distributed equally.

With the Agricultural Act of 2014, the Commodity Supplemental Food Program stopped serving women and receiving new eligible children, focusing only on serving to the seniors. And as of February 2016, the remaining women and children have been completely phased out of the program.

CSFP began in the state of Washington in 2001 and has continued to grow since that time. In the state of Washington CSFP is not available in all counties. Currently, CSFP provides approximately 27 pounds of nutritious foods each month to 6,004 seniors in 27 of our 39 counties. We work with 13 contractors throughout the state to operate the program at the local level through food pantries and other outlets. This program has been extremely effective for helping to meet the needs of our lower-income seniors in rural areas.

# CSFP ALLOCATION PROCESS

## CSFP Allocation Process

### **CONTRACT AMOUNTS BASED ON THE AVAILABILITY OF FUNDS AND ALLOCATION FORMULA:**

Contract awards are based on the amount of CSFP funds available and the allocation formula.

- **Initial Allocation** – Prior to the start of a biennium, a base dollar amount is determined for each county based on discussion and recommendation of the FA Advisory Committee. The current base is \$4,000 per county. The balance is calculated on each county's current caseload. The remaining pass-through funding is then calculated based on each contractor's assigned caseload.
- **Year End Reallocation** – If there are remaining funds at the end of the federal fiscal year, the following will occur:
  - Remaining funds will be issued to contractors submitting documented claims in excess of their original allocation.

**Reimbursement Method** - The contractor submits expenditure reports on a monthly basis. The expenditure report is supported by either an expanded general ledger with account detail or complete back-up invoices. If the contractor submits only the expanded general ledger, then a financial review is conducted by WSDA staff during the regular program compliance review.

- If there is a reduction or increase in the amount of program funds available, WSDA may reduce or increase the amount of a contractor's original award. However, there may be other causes prompting a change in funding.
- With any increase or reduction in funding, WSDA sends the contractor a contract amendment specifying the amount of the reduction or increase.
- The contractor must also send an amendment to all affected subcontractors indicating their budget changes, where applicable.

### **FOOD ALLOCATION PROCESS:**

Commodities are allocated to contractors based on their caseload amounts in accordance with the approved food package guide rate. Commodities are ordered only in amounts that can be expeditiously distributed without waste, with a maximum of a three-month inventory. WSDA works with each contractor to determine their monthly order. WSDA is responsible for placing their order.

### **REASSIGNMENT OF CSFP CASELOAD DUE TO UNDER SERVING:**

WSDA will monitor the ability of each contractor to meet its assigned caseload level. In addition, WSDA will monitor and make adjustments to contractors' caseload levels to ensure that the state is eligible to request caseload expansion for the following year. In order to request expansion, the statewide combined caseload level must be at 95 percent or more. WSDA may periodically adjust a contractors' caseload, during the current year, if the contractor is serving more or less than its assigned caseload. If adjustments are made to caseload during the year, be advised that WSDA may make coinciding adjustments to the contractors funding levels depending on the circumstances.

# CSFP ALLOCATION PROCESS

Each federal fiscal year, WSDA will adjust each contractor's caseload levels based on past performance and projected caseload needs. The contractor's annual projected budget will be adjusted accordingly.

In the case of a contractor under or over serving caseload for a sustained period, the following steps may take place to ensure that maximum statewide caseload is achieved:

- WSDA will counsel the contractor on steps to achieve maximum caseload.
- WSDA will identify contractors with waiting lists and temporarily transfer the unused caseload from other contractors.
- At the end of the year, WSDA will evaluate and make final caseload assignments which may include making permanent any temporary caseload adjustments.

## **ALLOCATION ADJUSTMENTS DUE TO DISASTERS AND SITUATIONS OF DISTRESS:**

In a presidentially declared disaster or a situation of distress determined by the state, all contractors may be required to transfer USDA commodities to the area of crisis.

- There will be no cost to the contractor for the transfer.
- In certain circumstances, USDA will be able to replace the value of the commodities provided for the crisis.

# NUTRITION EDUCATION

## Nutrition Education

### **NUTRITION EDUCATION PURPOSE:**

The goal of the nutrition education program is to enable food program participants to obtain better nutritional status through increased understanding of basic nutrition principles and through effective use of food products. The following are essential to achieving that goal:

- Reinforcement of basic nutrition instruction;
- Instruction on the use of commodity supplemental foods, including food preparation techniques, recipes, meal frequency, and food cost savings;
- Recognition of the special health and nutritional problems of lower-income individuals, such as high blood pressure, sodium/potassium ratios, anemia, and obesity;
- Dissemination of information on preventative health care and on community programs such as food conferences, food cooperatives, and local presentations;
- Consumer resource information and assistance; and
- Motivational messages on topics such as health care, good grooming, mental health, homemaking, education, employment, and cultural activities.

### **NUTRITION EDUCATION PLAN:**

WSDA will provide technical assistance, basic nutrition support, general public assistance information, recipes, and other resources, as available, to support nutrition education at local agencies. FA will maintain these and other nutrition resources on its webpage. To ensure that the nutrition education provided is effective, the state will integrate materials developed through its partnership with SNAP-Ed into other programs administered by FA, including CSFP. A significant amount of nutrition resources have been translated into multiple languages. Local agencies and clients will be able to access nutrition education materials online at [agr.wa.gov/services/food-access/hunger-relief-resources/recipes-and-nutrition/nutrition-resources](http://agr.wa.gov/services/food-access/hunger-relief-resources/recipes-and-nutrition/nutrition-resources) as well as basic nutrition information included in their distribution package.

Local agencies are required to provide clients with nutrition information materials at least once per quarter. Local agencies have the flexibility to utilize the WSDA-provided resources or WSDA-approved resources from an alternate source or by the local agency. A review of local agency nutrition education materials is also conducted as part of the compliance review process.

FA will provide CSFP lead agencies a brief survey for all participants to complete on an annual basis, timing will coincide with the collection of the annual Racial/Ethnic Group Participation form FNS -191. The [Participant Survey](#) includes an option for local agencies to add a question regarding the specific effectiveness of local agencies unique nutrition education efforts. The state will collect the data and work with the Department of Social and Health Services SNAP-Ed unit or similar organization to analyze the data, including working with a nutritionist or entity that provides qualified nutrition expertise to evaluate the effectiveness of the nutrition education plan and recommendations for improvement at both the state and local level. The state will provide the results of the evaluation to local agencies, and include any relevant regional data. The local agency will utilize the evaluation results to adjust their nutrition education efforts to ensure effectiveness.

# NUTRITION EDUCATION

## **PARTICIPANT INPUT:**

Local agencies are required to gather input from clients on the types of nutrition education that they would find beneficial; this ensures nutrition education is up-to-date with the needs of individual communities. Local agencies are responsible for issuing the annual [Participant Survey](#) provided by FA and compiling the client input which is then sent to FA for analysis. Local agencies are encouraged to incorporate the recommendations from the survey, when appropriate, into the nutrition education provided during CSFP distribution to clients in their community. Local agencies may funnel any additional client input received outside of the survey period to FA to help make program improvements in a timely manner.

## **NUTRITION EDUCATION MATERIALS AVAILABLE:**

We want to ensure our lead agencies have the tools they need to, not only feed the food insecure residents of Washington State, but provide them with information that supports nutrition and overall health improvements. Each applicant receives the [Senior Resources Handout](#) during the initial certification. Food pantries, meal programs, and their clients have access to a variety of nutrition education materials on our webpage.

Our [WSDA Nutrition Resources](#) page, showcases a variety of tools developed for food pantry staff and volunteers to encourage the consumption of healthier food options in their pantries. These tools are currently available in English, Spanish, Russian, and Ukrainian with plans to expand to additional languages in the future. The resources include:

- **The MyPantry Series:** The series carries forward USDA's MyPlate messaging, using items commonly found in food pantries. The series is comprised of posters and recipe cards targeted toward clients who have low literacy skills, are non-English speaking, speak English as a second language, or are over 60 years old.
- **Product ID Posters and Brochures:** This series features produce specifically grown in Washington with nutrition facts, storage information, and cooking tips.

Our [Nutrition Resources](#) page has links to various USDA nutrition resources such as Dietary Guidelines for 2015-2020, USDA MyPlate, local resources, recipes, cultural resources, and USDA Commodity Factsheets. Highlighted on the page is a section targeted toward nutritional resources for seniors. In addition, we will be adding a quarterly (Fall, Winter, Spring, Summer) Senior Nutrition Newsletter for distribution to participants.

# ELIGIBILITY CRITERIA FOR CONTRACTORS

## Eligibility Criteria for Contractors

### **CONTRACTORS MUST MEET THE FOLLOWING CRITERIA:**

- Is public, or
- Is private, possessing tax-exempt status under the Internal Revenue Code (IRC), or has applied for tax-exempt status with the IRC, and be moving toward such status. Nonprofit agencies organized or operated exclusively for religious purposes are automatically tax-exempt under the IRC.; and
- Is not a penal institution; and
- Meets all requirements of the contract and applicable regulations in 7 CFR 247 and 250 with the designated State agency pursuant to 7 CFR 247.4 (2) prior to the receipt of commodities or administrative funds; and
- Meets additional criteria as required by WSDA which may include being an existing contractor or subcontractor for other FA programs.

### **CONTRACTORS SHALL HAVE CONTRACTING CAPABILITIES:**

Contractors shall:

- Be registered as a nonprofit agency with the Secretary of State Office in Washington.
- Have management capabilities to administer the contract with WSDA.
- Have sufficient dry, cold, and frozen storage and transportation capacity for CSFP foods.
- Have internal control and fund accounting procedures to assure the proper disbursement of, and accounting for, all funds.
- Secure adequate insurance; additional information can be found in [FD-139](#) Clarification on Inventory Protection Requirements.

### **ALL CONTRACTORS SHALL PRACTICE NONDISCRIMINATION IN SERVICES AND EMPLOYMENT:**

- Contractors must practice nondiscrimination in the employment of individuals and the delivery of services in all programs of the organization. In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.
- The Civil Rights Act of 1964 prohibits employment discrimination based on religion, but exempts religious entities from this prohibition. 7 CFR § 16.3(c) expressly provides that religious organizations participating in USDA assistance programs do not waive this exemption. Consistent with this legal authority, religious employers may preferentially hire persons whose beliefs and conduct are consistent with the employers' religious precepts and not be at risk of losing USDA federal assistance funding.
- The full [USDA Nondiscrimination Statement](#) can be found on the [Food Assistance](#) webpage. Other languages are available from USDA at: [www.fns.usda.gov/cr/fns-nondiscrimination-statement](http://www.fns.usda.gov/cr/fns-nondiscrimination-statement).

# ELIGIBILITY CRITERIA FOR CONTRACTORS

## **CONTRACTORS SHALL NOT HAVE BEEN DEBARRED:**

- The contractor certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded in any federal or state department or agency from participating in transactions.

# ELIGIBILITY CRITERIA FOR SUBCONTRACTORS

## Eligibility Criteria for Subcontractors

### **SUBCONTRACTORS MUST MEET CRITERIA BEFORE RECEIVING CSFP FOOD OR FUNDING:**

The contractor shall determine the eligibility of any new subcontractors prior to subcontracts being issued. A subcontract is required per the [Contracting Structure](#) section of this manual.

- Subcontractors must meet the criteria as an eligible recipient agency which:
  - Is public, or
  - Is private, possessing tax-exempt status; and
  - Is not a penal institution; and
- Meets the criteria to enter into an agreement with the designated contractor for the receipt of commodities or administrative funds.
- Meets additional criteria as required by WSDA or the contractor which may include:
  - Being an existing contractor or subcontractor for other FA programs.
  - Submittal of the [Alternate 501 \(c\) \(3\) Church Verification Form](#) (AGR-2241) verifying that the organization is recognized in the community as a church if it does not have a 501 (c) (3).
  - Falls into one of the following categories:
    - Emergency feeding organizations (including community action agencies, food banks, food pantries and meal programs);
    - Charitable institutions (including hospitals and retirement homes);
    - Summer camps for children, or child nutrition programs providing food service;
    - Nutrition projects operating under the Older Americans Act of 1965 (Nutrition Program for the Elderly), including projects that operate congregate nutrition sites and projects that provide home-delivered meals; and
    - Disaster relief programs.

### **Subcontractors must:**

- Be currently registered as a nonprofit agency with the Secretary of State Office in Washington.
- Have sufficient dry, cold, and frozen storage capacity for CSFP foods.
- Have sufficient insurance or means to provide for coverage of the loss of any program foods.

### **SUBCONTRACTORS RECEIVING CASH:**

#### **Subcontractors receiving cash must:**

- Have established internal controls and fund accounting procedures to assure the proper disbursement of, and accounting for, all funds provided.

# ELIGIBILITY CRITERIA FOR SUBCONTRACTORS

## **ALL SUBCONTRACTORS SHALL PRACTICE NONDISCRIMINATION IN SERVICES AND EMPLOYMENT:**

- Subcontractors must practice nondiscrimination in the employment of individuals and the delivery of services in all programs of the organization. In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.
- The Civil Rights Act of 1964 prohibits employment discrimination based on religion, but exempts religious entities from this prohibition. 7 CFR § 16.3(c) expressly provides that religious organizations participating in USDA assistance programs do not waive this exemption. Consistent with this legal authority, religious employers may preferentially hire persons whose beliefs and conduct are consistent with the employers' religious precepts and not be at risk of losing USDA federal assistance funding.
- The full [USDA Nondiscrimination Statement](#) can be found on the [Food Assistance](#) webpage. Other languages are available from USDA at: [www.fns.usda.gov/cr/fns-nondiscrimination-statement](http://www.fns.usda.gov/cr/fns-nondiscrimination-statement)

## **SUBCONTRACTORS SHALL NOT HAVE BEEN DEBARRED:**

- The subcontractor certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded in any federal or state department or agency from participating in transactions.

# SELECTION PROCESS

## Selection Process

### **SELECTING A NEW CONTRACTOR:**

WSDA is responsible for the selection of contractors. Existing CSFP contractors are currently considered ongoing (permanent) unless there are performance issues that require suspension or termination of the contractor. If WSDA terminates a contractor or a contractor notifies WSDA that they no longer wish to be the contractor then a new contractor must be selected. Selection criteria and considerations include but are not limited to the following:

- Preference may be given to existing WSDA Food Assistance contractors in closest proximity to the impacted county that have the capacity to expand their service area.
- WSDA reserves the right to also select contractors based on their performance as an existing WSDA Food Assistance contractor or subcontractor and/or their ability to improve the effectiveness and efficiency of CSFP services.
- If an existing contractor is determined by WSDA to not be the most effective option, then WSDA will make every effort to work with the impacted subcontractors to seek input on determining the most effective alternatives for a new contractor. However, WSDA reserves the right to select a new contractor immediately in order to prevent any gap in service.
- Service areas that are currently not being served by an existing CSFP contractor.
- Priority targets for rural areas as defined by WSDA.
- Availability of caseload as determined by USDA and WSDA.
- Impact on other contractors implementing other WSDA FA programs.
- Mutual agreement among contractors and prospective contractors wishing to contract for a specific service or county area.

### **Prospective and Existing contractors may send a Letter of Interest to WSDA:**

Prospective and existing contractors may send a Letter of Interest to WSDA indicating their interest in being considered for any future contractor vacancies or service area expansion. The letter should include:

- Contact information;
- Eligibility; assurance that your agency meets the eligibility criteria;
- County or counties; indicate which counties your organization is interested in providing service to;
- Brief description of how your agency would deliver CSFP services:
  - A description of how you would plan to operate the program in accordance with state and federal regulations; including meeting nutrition education requirements.
  - The need for CSFP in the projected service area.
  - An estimated amount of resources that would be needed (caseload and funds) for initiating the program in the service area.
  - Identify any challenges or benefits this might have on the county's current emergency food system.

# SELECTION PROCESS

WSDA will respond to the request within 60 days of receiving the Letter of Interest. The response will be to inform the requesting agency of their eligibility status only and not a guarantee of participation in the program as a contractor.

WSDA will maintain a list of eligible prospective and existing contractors, who submit a Letter of Interest, for future consideration. This in no way limits WSDA's right to select contractors who do not submit a Letter of Interest.

## **SELECTING A NEW SUBCONTRACTOR:**

Contractors are responsible for the selection of their subcontractors. Subcontractors must meet the eligibility criteria. The selection criteria may include but is not limited to the following:

- Contractors may place limits on accepting any new subcontractors if service areas are already being served by other subcontractors.
- Contractors may choose to have multiple subcontractors provide service to the same area; serving the needs of specific populations within the service area (seniors, low-income housing, cultural, nutritional, etc.).

## Contracting Structure

### **CONTRACT**

WSDA contracts directly with a contractor for program(s) implementation at the local level within a set “region.” The agreement is between the state and the contractor. The contractor **is not** required to have a subcontract with its own **contractor owned sites** or **contractor operated sites** but must ensure that all requirements of the [CSFP Subcontract](#) (AGR-2320) are met. These types of sites must be listed on Attachment D of the contract with WSDA that is effective Oct. 1, 2019. WSDA will do spot check reviews of these types of sites during the contractor’s compliance review.

#### **Contractor Owned Sites:**

- Contractor owned food pantries or CSFP distribution sites, located on the contractor’s main property. These are typically permanent sites.
- Contractor owned satellites that are not located on the contractor’s property. These are typically permanent sites.
- Contractor owned mobile food pantries that provide CSFP delivery.

#### **Contractor Operated Sites:**

- Temporary or permanent sites that are temporarily run by the contractor or one of their volunteers at a non-contractor owned location. This includes apartment buildings, parking lot of a community center, temporarily staffing a distribution at a senior center or food pantry.
- This does not include distributions out of mobile food pantries.

The contractor **is** required to have a subcontract in place for contractor sponsored sites, sites owned and operated by other entities, and any organization that fulfills any contractor-level delegated responsibilities in the overall administration of the program(s). All CSFP Subcontract Face Sheets and Subcontractor Site Listings must be sent to WSDA within 30 days of the execution of the subcontract.

#### **Contractor Sponsored Sites:**

- An organization or tribe that may not meet all eligibility criteria or have the ability to perform all aspects of the subcontract, serves as a CSFP distribution site, is a separate entity from the contractor, and is sponsored by the contractor. The contractor accepts sole responsibility for the sponsored site and for ensuring program compliance. The subcontract should clearly outline the respective roles and responsibilities of the contractor and sponsored site. The site is **not** run by the contractor’s staff or owned by the contractor. It is run by the site, typically volunteers, but the contractor is taking the responsibility. WSDA will hold the contractor solely responsible for the sponsored site. [CSFP Subcontract](#) (AGR-2320) is required unless an alternate subcontract has been approved by WSDA.

#### **Sites Owned and Operated by an Independent Eligible Organization:**

- An eligible organization that operates the program(s) and is separate from the contractor. This model is typically the most common or standard model used in the state. [CSFP Subcontract](#) (AGR-2320) is required unless an alternate subcontract has been approved by WSDA.

# CONTRACTING STRUCTURE

## **An Organization that performs Contractor level duties:**

- In rare circumstances, the contractor may wish to delegate certain contractor-level duties to another entity to perform those function on behalf of the contractor. This may include a contractor subcontracting for storage or transportation of food including inventory functions.

## **SUBCONTRACT**

For purposes of FA programs, only subcontractors who are defined as “Sites Owned and Operated by an Independent Eligible Organization” (see above) may further operate subcontractor owned sites and subcontractor operated sites **without** entering into an agreement. Contractor prior approval is required and approval is solely at the discretion of the contractor. These sites must be listed on the subcontract with the contractor. WSDA and the contractor will do spot check reviews of these types of sites during the subcontractor’s compliance review.

### **Subcontractor Owned Sites:**

- Subcontractor owned food pantries or CSFP distribution sites that are not located on the subcontractor’s property. These are typically called satellite sites and are permanent sites.
- Subcontractor owned mobile food pantries that provide CSFP delivery.

### **Subcontractor Operated Sites:**

- Temporary or permanent sites that are temporarily run by the subcontractor or one of their volunteers at a non-subcontractor owned location. This includes apartment buildings, parking lot of a community center, temporarily staffing a distribution at a senior center or food pantry.

In addition, this type of subcontractor may sponsor a site if there is an **agreement in place** and the contractor has given their prior approval. Again, approval is solely at the discretion of the contractor. The sponsored site must be listed on the subcontract with the contractor. WSDA and the contractor will do spot check reviews of these types of sites during the subcontractor’s compliance review.

### **Subcontractor Sponsored Sites:**

- An organization or tribe that may not meet all eligibility criteria or have the ability to perform all aspects of the subcontract, serves as a CSFP distribution site, is a separate entity from the subcontractor, and is sponsored by the subcontractor. The subcontractor accepts sole responsibility for the sponsored site and for ensuring program compliance. The agreement should clearly outline the respective roles and responsibilities of the subcontractor and sponsored site. The site is **not** run by the subcontractor’s staff or owned by the subcontractor. It is run by the site, typically volunteers, but the subcontractor is taking the responsibility. The contractor will hold the subcontractor solely responsible for the sponsored site.

# CONTRACTOR RESPONSIBILITIES

## Contractor Responsibilities

### **ADHERE TO CSFP REQUIREMENTS AND RESPONSIBILITIES:**

Contractor shall comply fully with, and ensure any subcontractor complies fully with, the following CSFP requirements and responsibilities:

- All provisions of the WSDA contract and future amendments
- 7 CFR 247
- 7 CFR 250, unless they are inconsistent with the provisions of 7 CFR 247
- All applicable federal and state laws, regulations and policies
- USDA and WSDA Instruction
- CSFP Procedures Manual and WSDA CSFP State Plan
- WSDA's agreement with FNS
- Requirements relating to food safety and food recalls
- Review [FNS Policies](#) quarterly

***Not all contractor responsibilities are noted in this section; additional responsibilities are highlighted throughout this manual.***

### **AUDITS:**

Contractor shall submit all audits, regardless of type, to WSDA or if the contractor obtains audits for its own purposes. If a contractor receives federal funding, from any source (including the value of federal food), then the contractor must complete the [FA Single Audit Exemption Form](#) (AGR-2207). The form is to be sent to WSDA annually, within 30 days after the end of the contractor's fiscal year. The Code of Federal Domestic Assistance (CFDA) number for CSFP administrative funding and food is 10.565.

### **Types of Audits:**

#### ***Option 1: Federal Funding of \$750,000 or more:***

If the contractor expends \$750,000 or more from all federal sources during contractor's fiscal year, as determined under Part 200.501 of the Federal Award Uniform Guidance, contractor shall obtain an annual Single Audit conducted in compliance with Federal Award Uniform Guidance and the requirements of the contract. The \$750,000 or more includes the value of food received from federal food programs. CSFP funding may be used to pay for the audit, proportionate to CSFP's fair share.

#### ***Option 2: Federal Funding of \$749,999 or less and State Funding of \$100,000 or more:***

If the contractor is not required to complete a Single Audit, as noted above in Option 1, and expends \$100,000 or more in total state funds (from any source) in a fiscal year, contractor must have a financial audit at least every two years that covers the previous two years as defined by Government Auditing

# CONTRACTOR RESPONSIBILITIES

Standards (The Revised Yellow Book) and according to Generally Accepted Auditing Standards (GAAS). The \$749,999 or less includes the value of food received from federal food programs. CSFP funds may not be used to pay for this type of audit. If the contractor also receives EFAP state funding then they may use EFAP funds to pay for the audit, proportionate to EFAP's fair share.

### ***Option 3: Federal Funding of \$749,999 or less and State Funding between \$20,000 and \$99,999:***

If the contractor is not required to complete a Single Audit, as noted above in Option 1, or a financial audit under Option 2, or obtains an audit for its own purpose then the contractor shall submit an [Accounting System Verification Form for Contractors](#) (AGR-2206) signed by an independent certified public accountant or appropriate financial officer who provides services for the contractor, annually. The \$749,999 or less includes the value of food received from federal food programs.

### **WSDA Requirements:**

- Contractors must submit a copy of its most recent audit or financial statements, regardless of type, to WSDA. Include any management letters with documentation showing how any problems (questioned costs, management findings, or inadequate internal controls) were resolved.
- Contractors must ensure that all their subcontractors are compliant with all audit requirements listed in the subcontract and in the [Subcontractor Responsibilities](#) section of this manual.

### **Additional Resources:**

- For additional guidance on [OMB Uniform Guidance Audit Requirements – Subpart F](#) and [USDA Policy FD-037](#).
- For additional guidance in determining the value of USDA Donated Foods for Audits refer to [USDA Policy FD-104](#).

### **CONTRACTING:**

Prior to receiving CSFP commodities or administrative funds the contractor and its subcontractors must:

- Meet the [Eligibility Criteria for Contractors](#) or subcontractor, as applicable.
- Meets all requirements of the contract and applicable regulations in 7 CFR 247 and 250 with the designated state agency pursuant to 7 CFR 247.4 (2) prior to the receipt of commodities or administrative funds.
- Has entered into an agreement with the designated state agency for the receipt of commodities or administrative funds.

### **Contractors Must Enter Into Subcontracts:**

- Contractors must enter into subcontracts, as outlined in the [Contracting Structure](#) section of this procedures manual prior to providing the recipient agency with food or funding and submit these subcontracts to WSDA within 30 days of the executed subcontract.

# CONTRACTOR RESPONSIBILITIES

- Subcontracts must be consistent with subcontract template as provided by WSDA. Prior approval of any proposed changes is required. Maintain on file all required documentation.
- If subcontractors perform additional duties or activities (such as client eligibility determinations, transportation or storage for other subcontractors) on behalf of the contractor, this must be reflected in the subcontract or by amendment to the subcontract.
- On an annual basis, WSDA will provide the most recent local agency listing to the contractor so that they may make any corrections, additions or deletions. Contractors are required to submit their updated local agency listing to WSDA.

## **CONTRACTORS SHALL NOT HAVE BEEN DEBARRED:**

- Contractor shall notify WSDA within 30 days of any exclusion from participating in any federal or state transactions.
- The contractor agrees to include the above requirements in all subcontracts.
- Contractors shall ensure their subcontractors are not debarred.

## **CONTRACTORS MUST PROVIDE SUBCONTRACTORS WITH PROGRAM INFORMATION:**

- Pass through program information that affects the management of CSFP to its subcontractors. This includes information on new, modified, and ongoing policies and procedures.
- Provide subcontractors with a copy of the [CSFP Procedures Manual](#).
- Offer technical assistance to help subcontractors carry out their CSFP obligations.
- Ensure that subcontractors implement any policy changes.

## **WSDA MAY REQUIRE CONTRACTOR TO ATTEND MEETINGS OR TRAININGS:**

Notification of required or recommended attendance at meetings will be sent by WSDA. These may include meetings for:

- Updating contractor on policies or procedures.
- Providing information on changes in legislation affecting CSFP.
- Providing training that would result in better service to clients.
- Regional training meetings.

## **CONTRACTORS WILL ASSURE THAT ALL SUBCONTRACTORS HAVE THE FOLLOWING REQUIRED DOCUMENTS POSTED IN A CONSPICUOUS LOCATION:**

- USDA "And Justice for All" poster (original, no copies) and the [USDA Nondiscrimination Statement](#) (AGR PUB 609-488)
- Current [Income Guidelines](#) (AGR PUB-444).
- Hours / Days of operation.
- Other, as required.

# CONTRACTOR RESPONSIBILITIES

## **CONTRACTORS SHALL CONDUCT COMPLIANCE REVIEWS OF SUBCONTRACTORS' PERFORMANCE:**

Contractors are responsible for ensuring that their subcontractors are in compliance. Contractors are required to conduct compliance reviews every two years. Contractor must use the [Subcontractor Review \(AGR-2227\)](#) form or seek prior approval for use on an alternate form. Each year, upon request by WSDA, the contractors will provide a list of the sites they plan to review. Contractors shall review subcontractors' activities to assure they are following WSDA policies. This includes:

- Verifying that subcontractor meets all criteria for CSFP subcontractors;
- Verifying all CSFP expenditures are appropriate and reported timely, and that other applicable policies are followed;
- Review eligibility determinations;
- Review client intake forms, including electronic systems;
- Review the monthly distribution rate;
- Review storage, warehousing practices, and inventory control system;
- Verify annual civil rights training was conducted for all volunteers and staff;
- Verify compliance with [USDA FD-138 Written Notice and Referral Requirements](#) for all faith-based and religious subcontractors. Specific guidance is available in the [Client Management](#) section of this manual.

## **CONTRACTORS MUST TAKE ACTION TO CORRECT SUBCONTRACTORS' PERFORMANCE:**

Contractor shall take action to correct any subcontractor noncompliance:

- Contractors may give a subcontractor a specific period of time to comply and shall follow the process for suspending or terminating a subcontractor as outlined in the subcontract.
- If corrective action deficiencies are found during the review, contractor must send a copy of the written report or form to WSDA. Corrective actions are typically used when a deficiency is significant in nature, denial by subcontractor to correct the deficiency, or historical noncompliance by the subcontractor in addressing lower level deficiencies.
- Contractors shall ensure that any required follow-up or corrective action has been completed and noted in the subcontractor's file or review form.

## **ADHERE TO OTHER CSFP REQUIREMENTS AND POLICIES:**

- Contractor will track inventory records monthly for each subcontractor. See [Commodity Management](#) section of this manual.
- Contractor will maintain current records with all subcontractors, monitoring changes in subcontractors contact person's name, telephone number, mailing and/or physical address.
  - Contractor is required to notify WSDA within 10 days of receiving these changes.
- Contractors that provide direct services must register with 211 statewide health and human services information and referral system within 30 days of the start date of the contract.

# CONTRACTOR RESPONSIBILITIES

- Contractor shall be registered in the [System for Award Management](#) (SAM) and continue to maintain an active SAM registration with current information at all times during which it receives federal funding.
- In order to receive payment from WSDA the contractor must first register with the [Statewide Payee Desk](#). When you register you may choose to have your payments directly deposited to your bank or mailed to you as a check.

## **CONTRACTOR NUTRITION EDUCATION RESPONSIBILITIES:**

7 CFR 247.18. The contractor and subcontractors shall make nutrition education available to all participants. Program funds should be directed for nutrition education to the benefit of participants and staff members involved in nutrition education.

The contractor shall conduct or arrange for nutrition education in a manner consistent with the [Nutrition Education](#) section of this manual. The following subject matter shall be included in the instruction given to participants:

- An explanation of the importance of the consumption of the supplemental foods by the participant for whom they are distributed rather than by other family members.
- Reference to any special nutritional needs of participants and ways to provide adequate diets.
- An explanation of the program as a supplemental rather than a total food program.
- Information on the use of the supplemental foods and on the nutritional value of these foods.
- An explanation of the importance of health care.

## **FOOD DEMONSTRATIONS:**

7 CFR 247.18(d). Any food demonstrations using supplemental foods shall be conducted by the state or contractor solely in conjunction with nutrition education and primarily for participants under the program. Supplemental foods may not be used for outreach, refreshments for participants, or any other such purpose. They also may not be provided to any other community agency or facility for any purpose whatsoever, unless such agency has entered into a signed written agreement with the state or contractor to provide nutrition education services under the program.

If supplemental foods are used for demonstration purposes, the number of cans or packages used must be indicated on the monthly Contractor Inventory Report, under the column for "Amount Used for Nutrition Education."

# SUBCONTRACTOR RESPONSIBILITIES

## Subcontractor Responsibilities

### **ADHERE TO CSFP REQUIREMENTS AND RESPONSIBILITIES:**

Subcontractor shall comply fully with the following CSFP requirements and responsibilities, including those referenced in the [Contractor Responsibilities](#) section (as applicable):

- All provisions of the subcontract and future amendments
- 7 CFR 247
- 7 CFR 250, unless they are inconsistent with the provisions of 7 CFR 247
- All applicable federal and state laws, regulations and policies, including contractor policies
- USDA, WSDA, and Contractor Instructions
- CSFP Procedures Manual and WSDA CSFP State Plan
- Requirements relating to food safety and food recalls

### **AUDITS:**

Subcontractor shall submit all audits, regardless of type, to the contractor, or if the subcontractor obtains audits for its own purposes. If a subcontractor receives federal funding, from any source (including the value of federal food), then the subcontractor must complete the [Audit Requirement Form for Subcontractors](#) (AGR-2217). The form is to be sent to the contractor annually, within 30 days after the end of the subcontractor's fiscal year.

### **Types of Audits:**

#### ***Option 1: Federal Funding of \$750,000 or more:***

If the subcontractor expends \$750,000 or more from all federal sources during subcontractor's fiscal year, as determined under Part 200.501 of the Federal Award Uniform Guidance, subcontractor shall obtain an annual Single Audit conducted in compliance with Federal Award Uniform Guidance and the requirements of the subcontract. The \$750,000 or more includes the value of food received from federal food programs. CSFP funding may be used to pay for the audit, proportionate to CSFP's fair share.

#### ***Option 2: Federal Funding of \$749,999 or less and State Funding of \$100,000 or more:***

If the subcontractor is not required to complete a Single Audit, as noted above in Option 1, and expends \$100,000 or more in total state funds (from any source) in a fiscal year, subcontractor must have a financial audit at least every two years that covers the previous two years as defined by Government Auditing Standards (The Revised Yellow Book) and according to Generally Accepted Auditing Standards (GAAS). The \$749,999 or less includes the value of food received from federal food programs. CSFP funds may not be used to pay for this type of audit. If the subcontractor also receives EFAP state funding then they may use EFAP funds to pay for the audit, proportionate to EFAP's fair share.

# SUBCONTRACTOR RESPONSIBILITIES

## ***Option 3: Federal Funding of \$749,999 or less and State Funding between \$20,000 and \$99,999:***

If the subcontractor is not required to complete a Single Audit, as noted above in Option 1, or a financial audit under Option 2, or obtains an audit for its own purpose then the subcontractor should submit an [Accounting System Verification Form for Subcontractors](#) (AGR-2206) signed by an independent certified public accountant or an appropriate financial officer who provides services to the subcontractor. This form is due every two years to their contractor, 45 days after the execution of the subcontract. The \$749,999 or less includes the value of food received from federal food programs.

### **WSDA Requirements:**

- Subcontractors must submit a copy of its most recent audit or financial statements, regardless of type, to their contractor. Including any management letters with documentation showing how any problems (questioned costs, management findings, or inadequate internal controls) were resolved.

### **Additional Resources:**

- For additional guidance on [OMB Uniform Guidance Audit Requirements – Subpart F](#) and [USDA Policy FD-037](#).
- For additional guidance in determining the value of USDA Donated Foods for Audits refer to [USDA Policy FD-104](#).

### **CONTRACTING:**

Prior to receiving CSFP commodities or administrative funds the subcontractor must:

- Meet the [Eligibility Criteria for Subcontractors](#);
- Have entered into a signed agreement with the contractor for the receipt of commodities or administrative funds prior to releasing any commodities or administrative funds under the agreement (subcontract).

### **SUBCONTRACTORS SHALL HAVE THE FOLLOWING REQUIRED DOCUMENTS POSTED IN A CONSPICUOUS LOCATION:**

- USDA “And Justice for All” poster (original, no copies) and the [USDA Nondiscrimination Statement](#) (AGR PUB 609-488)
- Current [Income Guidelines](#) (AGR PUB-444)
- Hours / Days of operation
- Other, as required

### **SUBCONTRACTORS SHALL NOT HAVE BEEN DEBARRED:**

- Subcontractor shall notify the contractor within 30 days of any exclusion from participating in any federal or state transactions.

# SUBCONTRACTOR RESPONSIBILITIES

## **SUBCONTRACTORS MUST COORDINATE SERVICES AND ADHERE TO OTHER CSFP POLICIES:**

Subcontractors must:

- Coordinate emergency food services with similar programs administered by the federal government, Washington State, and other community organizations.
- Have information available for clients about other health and nutrition resources. Including public assistance programs such as job training, mental health and substance abuse counseling, emergency housing, rental assistance, cash assistance, child care and energy assistance.
- The contractor may require subcontractors to also carry fidelity insurance.
- Make reasonable effort to secure the services of volunteers and work training participants to supplement paid labor.
- Register with 211 Statewide Telephone Information and Referral System within 30 days of the start date of the Subcontract.
- Submit all reports on time.
- Maintain accurate and complete records for a period of six years from the end date of the subcontract or longer if the records are related to unresolved claim actions, audits, or investigations.
- Attend meetings as required by the contractor and/or WSDA.
- Complete all required civil rights training on an annual basis.

## SECTION 3: CLIENT MANAGEMENT

### Section 3: Client Management

# CSFP PROCEDURES MANUAL SECTION 3: CLIENT MANAGEMENT

# WRITTEN CLIENT PRIVACY STANDARDS

## Written Client Privacy Standards Requirements

### **CONTRACTORS AND SUBCONTRACTORS MUST HAVE WRITTEN CLIENT PRIVACY STANDARDS:**

All providers must respect the privacy of clients and make reasonable attempts to safeguard their information. Personally identifiable information (PII) collected, used or acquired in connection with providing emergency food services must be used only for the purpose of those programs.

- **Personal information (PII)** includes any information that identifies an individual's health, education, business, use or receipt of governmental services, names, addresses, age, telephone numbers, social security numbers, driver's license numbers and finances including financial profiles, credit card numbers or other identifying numbers.
  - **No personal identifiers associated with this program's data may be shared with individuals or agencies outside of your organization, this program, etc., without written consent.**
    - One cannot release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons the personal information without express written consent of the client or as provided by law.
    - The [CSFP Eligibility Application](#) (AGR 2244) includes the applicants' decision on authorizing their PII in a yes or no format.
- Contractors and subcontractors with direct client contact must have written client privacy policies on file.
  - Subcontractors must have on file with the contractor copies of their client privacy policies.
- Providers who make referrals for clients must have a copy of the client release form on file with the contractor.
- Providers agree to implement physical, electronic and managerial safeguards to prevent unauthorized access to personal information.

### **MONITORING BY WSDA OF PERSONAL INFORMATION COLLECTED:**

WSDA reserves the right to monitor, audit or investigate the use of personal information collected, used or acquired by the contractor. Not properly maintaining clients' private information could result in termination of contract or subcontract.

- Contractor shall agree to indemnify and hold harmless WSDA for any damages related to the contractor's unauthorized use of personal information.
- Contractor shall monitor the use of personal information collected by subcontractors.
- Subcontractors shall agree to indemnify and hold harmless the contractor for any damages related to the subcontractor's unauthorized use of personal information.

# USDA NONDISCRIMINATION STATEMENT

## United States Department of Agriculture (USDA) Nondiscrimination Statement

**All CSFP organizations that receive federal food or funding from WSDA must share this nondiscrimination statement with all clients.**

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the agency (state or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [ascr.usda.gov/complaint\\_filing\\_cust.html](https://ascr.usda.gov/complaint_filing_cust.html), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

**Mail:** U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;

**Fax:** (202) 690-7442; or

**Email:** [program.intake@usda.gov](mailto:program.intake@usda.gov)

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# FD-138 WRITTEN NOTICE AND REFERRAL

## FD-138 Written Notice and Referral Requirements for Beneficiaries Receiving CSFP and TEFAP Benefits from Religious Organizations.

**All faith-based or religious organizations that receive federal food or funding from WSDA must share this referral requirement with all clients**

Per 7 CFR Part 16.4(f) Faith-based or religious organizations that receive USDA food or administrative funds for TEFAP or CSFP must give written notice in the manner prescribed by [FNS Policy Memorandum FD-138](#) to all beneficiaries and prospective beneficiaries of the right to be referred to an alternate provider, when available. It is the responsibility of the contractor to ensure all faith-based or religious CSFP subcontractors follow this policy.

### **TEFAP AND CSFP BENEFICIARY/CLIENT REFFERAL REQUEST HANDOUT:**

All faith-based or religious organizations operating CSFP must give individual written notice of beneficiary protections to each participant as required in 7 CFR Part 16.4, including the right to be referred to another organization using the [CSFP Written Notice of Beneficiary/Client Rights](#) (AGR-632).

### **TEFAP AND CSFP BENEFICIARY/CLIENT REFFERAL REQUEST FORM:**

Per 7 CFR Part 16.4(g) If a beneficiary or prospective beneficiary of CSFP or TEFAP objects to the religious character of an organization that provides services under the program, that organization must promptly undertake reasonable efforts to identify and refer the beneficiary to an alternate provider, if available, to which the prospective beneficiary has no objection. The referral must be to an alternate provider, if available, that is in reasonable geographic proximity, offers services that are similar in substance and quality, and has the capacity to accept additional clients. Organizations are required to use the [TEFAP and CSFP Beneficiary/Client Referral Request Form](#) (AGR-2231). All TEFAP and CSFP Beneficiary/Client Referral Request Forms must be maintained on file for a period of at least six years from the close of the contract or subcontract to which they pertain.

- If the organization determines that it is unable to identify an alternate provider, the organization must promptly notify the state agency or contractor with which it has agreement.

### **EXPLICITLY RELIGIOUS ACTIVITIES ARE NOT ALLOWED:**

7 CFR Part 16.4 Organizations that receive USDA direct assistance under any USDA program may not engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, as part of the programs or services supported with USDA direct assistance. See [USDA Policy FD-141](#) Questions and Answers for further clarification on explicitly religious activities.

# FD-138 WRITTEN NOTICE AND REFERRAL

- Organizations must not require program participants or prospective participants to participate in explicitly religious activities in order to receive CSFP or TEFAP.
- If there is an explicitly religious activity that takes place at the distributions site, it must be separate in time or location.
- Organizations must make it clear that explicitly religious activities are not endorsed by the USDA.
- Organizations cannot use CSFP or TEFAP funds to support any explicitly religious activities, speech or materials

## Civil Rights Policy

**The civil rights policy applies to all organizations that receive federal food or funding from WSDA.**

The policy of WSDA Food Assistance is to not discriminate against any class of persons in all services to clients. WSDA expects local programs to provide food to every person who seeks it, regardless of their status as a member of any class of person.

See the full [USDA Nondiscrimination Statement](#) as well as state and local laws for protected class information. Regardless of what classes are protected under law, food banks, food pantries and meal programs are more likely to avoid a discrimination claim by following WSDA's policy to not discriminate against any class of people. The purpose of the program is not to judge a person's status, but to feed hungry people.

As well as not discriminating against any class of people, providers must also adhere to the following:

- Employees and volunteers meeting the same eligibility requirements for services shall be given the same opportunity to receive services and shall be treated the same as other clients.
- They must treat all clients with dignity.
- They shall not require, request or accept payment or donations from clients for food received.
- They shall not practice evangelism or proselytize, request or require clients to participate in any kind of religious service as condition for receiving emergency food.
- They may not put religious literature in food bags, pray in the presence of clients or ask clients if they would like to pray before, during or after receiving food. Food distribution activities must be separate from any religious activities.
- They may have religious literature on a table or counter that clients may voluntarily take separate from any food being distributed.

Contractors will ensure that they and their subcontractors have in place a notification system that includes informing applicants and participants, at the service delivery point, of their right to file or make a verbal complaint including an anonymous complaint. At a minimum, this can be accomplished by posting the USDA Title VI "And Justice for All" nondiscrimination poster displayed in a conspicuous location at all food pantries and meal programs (distribution sites). They must also put the nondiscrimination language on all printed brochures.

All agencies that receive federal financial assistance, including food, must provide civil rights training to volunteers and staff involved in all levels of the administration of these programs on an annual basis. Contractors are responsible for providing their staff and volunteers that interact with clients and/or who handle personal information of clients with training on civil rights annually. Contractors will ensure their subcontractors provide training for their staff and volunteers on an annual basis.

WSDA provides [civil rights training tools](#) on the Food Assistance webpage.

# CIVIL RIGHTS TRAINING

## Civil Rights Training

**The civil rights training requirement applies to all organizations that receive federal food or funding from WSDA.**

**CONTRACTORS WILL ASSURE THAT THEY AND THEIR SUBCONTRACTORS HAVE ANNUAL CIVIL RIGHTS TRAINING:**

Pursuant to [FNS Policy Memo FD-113](#), contractors are responsible for providing their staff and volunteers that interact with clients and/or who handle personal information of clients with training on civil rights annually.

Contractors will set up policies to ensure their subcontractor's staff and volunteers that interact with clients, and/or who handle personal information of clients receive the same training. The contractor is required to keep documentation of civil rights training, for all staff and volunteers on file and available for review. Contractor shall also ensure that subcontractor keeps required documentation of civil rights training, for all staff and volunteers on file and available for review.

Food Assistance has provided two training checklists on its webpage for contractors and subcontractors to use as a minimum standard for civil rights training.

- [Civil Rights Training for Frontline Staff, Volunteers, and Management](#)
- [Civil Rights Training for Non-Frontline Staff and Volunteers](#)

These [Civil Rights Training Instructions](#) and Checklists can be found on the Food Assistance webpage at: [agr.wa.gov/services/food-access/hunger-relief-agency-hub/contracts-and-attachments/civil-rights-compliance](http://agr.wa.gov/services/food-access/hunger-relief-agency-hub/contracts-and-attachments/civil-rights-compliance)

# CIVIL RIGHTS COMPLAINT PROCESS

## Civil Rights Complaint Process

**Contractors will assure that they and their subcontractors follow the civil rights complaint process:**

### **FEDERAL CIVIL RIGHTS LANGUAGE:**

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Any person or representative alleging discrimination based on a prohibited basis has the right to file a complaint within 180 days of the alleged discriminatory action. Complaints may be accepted written or verbal. If the allegation is received verbally, the person to whom they are made is responsible for writing up the elements of the complaint for the complainant.

**Filing a Federal Civil Rights Complaint** – Advise people who allege discrimination based on one or more of the federally protected classes listed above on how to file a complaint by using the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at [www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer](http://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer) and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

**Mail:** U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
Independence Avenue SW  
Washington, DC 20250-9410

**Fax:** (202) 690-7442; or

**Email:** [program.intake@usda.gov](mailto:program.intake@usda.gov).

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### **FEDERAL CIVIL RIGHTS COMPLAINTS:**

A participant may address complaints directly to the organization in which they receive assistance. Federal civil rights complaints may be submitted directly to United States Department of Agriculture (USDA) using the [USDA Program Discrimination Complaint Form](#) (AD-3027). Contractors and their subcontractors must accept and process all federal civil rights complaints received by a participant regardless of whether the complaints are written, verbal, or anonymous.

**Verbal Complaints** - In the event that a complainant makes the allegations verbally or in person and refuses or is not inclined to place such allegations in writing, the person to whom the allegations are made must write up the elements of the complaint for the complainant. Every effort should be made to have the complainant provide the following information:

# CIVIL RIGHTS COMPLAINT PROCESS

- Name, address, telephone number, or other means of contacting the complainant.
- Specific location and name of the state agency, local agency, or other sub-recipient delivering the service or benefit.
- Nature of the incident or action that led the complainant to feel discrimination was a factor, and an example of the method of administration that is having a disparate effect on the public, potential eligible persons, applicants, or participants.
- Basis on which the complainant believes discrimination exists. The bases for nondiscrimination are race, color, national origin, age, disability, or sex.
- Names, telephone numbers, titles, and business or personal addresses of persons who may have knowledge of the alleged discriminatory action.
- The date(s) during which the alleged discriminatory actions occurred, or if continuing, the duration of such actions.

Civil rights complaints may be submitted on behalf of a participant or the participant may address complaints directly to the United States Department of Agriculture (USDA) using the [USDA Program Discrimination Complaint Form](#) (AD-3027).

If a contractor or their subcontractor submits a civil rights complaint on behalf of a participant, then WSDA Food Assistance must be notified within five calendar days of receiving a complaint. If available, attach the completed [USDA Program Discrimination Complaint Form](#) (AD-3027).

Make sure that all civil rights complaints are properly documented and reported. All civil rights complaints will be investigated by the Food Assistance program manager (or delegate) and notification will be given to USDA FNS Western Region upon receipt. WSDA Food Assistance will maintain a record of and track all federal civil rights complaints including complaint status (pending, follow-up, completed, or referred to FNS).

## **STATE CIVIL RIGHTS COMPLAINTS:**

In accordance with state law, everyone has the right to be free from discrimination at work, in housing, in a public accommodation, or when seeking credit and insurance. A discrimination charge in employment, public accommodation, credit and insurance must be filed with the Washington State Human Rights Commission (WSHRC) within six months from the date of the alleged violation in order to protect your rights. A discrimination charge in housing must be filed with the WSHRC within one year from the date of the alleged violation. Washington State protected classes are race/color, national origin, creed, sex/pregnancy, sexual orientation/gender identity, veteran/military status, the presence of any sensory, mental, or physical actual disability or perceived disability, use of a service animal, HIV or Hepatitis C, marital status (except in public accommodation), breastfeeding (in public accommodation), age (40+, employment only), families with children (housing only), state employee whistleblower.

**Filing a State Discrimination Complaint** – Advise people who allege discrimination based on one or more of the state-protected classes of people listed above that they may file a discrimination complaint with the Washington State Human Rights Commission (WSHRC). A description of the processes and a link to the forms are online and can be found at: [www.hum.wa.gov/discrimination-complaint](http://www.hum.wa.gov/discrimination-complaint).

# CLIENT ELIGIBILITY AND DATA COLLECTION

## Client Eligibility and Data Collection

### **INTRODUCTION:**

To be certified as eligible for CSFP participation in the state of Washington, the applicant must meet the following eligibility criteria:

### **WHO IS ELIGIBLE?**

7 CFR 247.9 (a) Eligible individuals must be at least 60 years of age and meet the income eligibility requirements outlined below. They must also reside in a county served by CSFP in Washington. There are no longer any participants in the WIC category.

### **ELDERLY:**

- Be 60 years of age

Verification of age will be accomplished through birth certificates or other types of documents deemed to provide positive identification.

### **RESIDENCE:**

7 CFR 247.9 (f) 2. The applicant must meet a residency requirement if the state agency establishes one. The state agency may determine a service area for any contractor, and may require that an applicant be residing within the service area at the time of application to be eligible for the program. However, the state Agency may not impose any durational or fixed residency requirements. For example, migrant and seasonal farm workers entering a CSFP service area shall be considered as meeting the residency requirement.

In Washington State, the applicant must be a resident of the state and county or area in which CSFP is offered.

### **INCOME:**

7 CFR 247.9 (c) To be certified as eligible to receive supplemental foods under the program, each applicant shall meet the following requirement:

For elderly persons, household income must be at or below 130% of the Federal Poverty Income Guidelines.

Federal Poverty Income Guidelines will be provided to each contractor as they are updated each year.

### **DETERMINING INCOME:**

Income eligibility for CSFP is based on the gross income of the household. Based on the Code of Federal Regulations; 7 CFR 247.9 (d); the state agency must implement the annually adjusted income guidelines for

# CLIENT ELIGIBILITY AND DATA COLLECTION

elderly applicants immediately. The income guidelines on the certification form/application/poster or in an alternate format are the "criteria" for eligibility, and that by signing the form, the applicant is stating that his or her income falls below or at the maximum amount. As stated in the Federal Register, Volume 65, Number 65, dated April 4, 2000, the definition of income is "income as the term is used in this notice, means income before any deductions, such as income taxes, Social Security taxes, insurance premiums, charitable contributions and bonds."

Local agencies may exclude from consideration the following sources of income listed under the WIC regulations and the FD-116 Claims Resolution Act of 2010:

- Any basic allowance for housing received by military services personnel residing off military installations
- The value of in-kind housing and other in-kind benefits
- Income sources listed in 7 CFR 249.9(e)(1)-(3)
- Any payments received via the Cobell Settlement; FD-116

## **FREQUENTLY ASKED QUESTIONS:**

What if there is more than one eligible participant in a household? CSFP is client based, not household based. If two individual members of a family are eligible for the program, they would both receive their own food packages.

Who makes up a family? When determining the income of a family, a family is considered any group of people that shares expenses together as a household.

What if there is a roommate in the household? If there is someone in the house that lives as a roommate (sharing rent/utilities, but doesn't prepare meals with others in the house), then their income would not be included in the applicant's income.

Do we include savings accounts? Savings accounts are not included when determining income, but the interest earned from savings accounts is included as income.

What if the applicant receives Social Security? If an applicant is receiving Social Security, the amount used to determine income is the gross amount listed before insurance is taken out.

## **INCOME VERIFICATION:**

Income no longer needs to be verified by certifying official and/or program staff. The applicant will self-certify that they fall within the [Income Guidelines](#) (AGR PUB-444).

# CERTIFICATION – INITIAL AND RECERTIFICATION

## Certification of Participants

### **CERTIFICATION PERIODS:**

Elderly persons are certified for a 12-month period, with the ability to extend the certification for two additional 12-month periods. As long as the following conditions are met:

- The person's address and continued interest in receiving program benefits are verified;
- The local agency has sufficient reason to believe that the person still meets the income eligibility standards (e.g., the elderly person has a fixed income); and
- The participant has had a formal certification in the last 36 months.

### **CERTIFICATION PROCESS:**

All applicants must complete an Eligibility Application and Participant Agreement, receive the [CSFP Written Notice of Beneficiary/Client Rights](#) (AGR-632), receive the [Senior Resources](#) handout (AGR PUB 609-739) or approved alternative, and become certified before they can participate in the program.

### **ELIGIBILITY APPLICATION:**

There is a standardized [Eligibility Application](#) (AGR-2244) available on the Food Assistance webpage. However, with WSDA prior approval a contractor may be allowed to use a different format, as long as all the required components are included.

### **PARTICIPANT AGREEMENT:**

There is a standardized [Participant Agreement](#) (AGR -2247) available on the Food Assistance webpage. However, with WSDA prior approval a contractor may be allowed to use a different format, as long as all the required components are included.

### **INITIAL CERTIFICATION:**

At the time of an applicant's first in-person (formal) request for CSFP services they must complete the Eligibility Application, the Participant Agreement, and provide the following:

- Proof that they reside in the state of Washington and within the service area of the contractor they are applying for CSFP; and
- Proof they are at least 60 years of age;
- Self-declare household size;
- Self-declare income using the current [Income Guidelines](#) (AGR PUB-444) provided by WSDA.

The applicant must be notified in writing of their ineligibility or placement on a waiting list within 10 calendar days from the date of request for CSFP services. If eligibility determination cannot be made at the time of service, then it may be sent to a certifying official for final approval or review. Regardless of the

# CERTIFICATION – INITIAL AND RECERTIFICATION

method, the applicant must receive a copy of the signed participant agreement. If the applicant is found to be ineligible, they will receive a written [Notification of Eligibility Determination](#) (AGR -2246).

## **NOTIFICATION OF ELIGIBILITY DETERMINATION:**

The applicant must be notified of their eligibility determination within 10 days of the applicant applying for CSFP. The [Notification of Eligibility Determination](#) (AGR -2246) includes the following determinations:

- If found eligible the contractor may notify the applicant verbally or in writing.
- Written notification of placement on a waiting list.
- If found ineligible the contractor must notify the applicant in writing.

## **PARTICIPANT PROXY PROCESS:**

If a participant is unable to pick up a CSFP package at their designated location and time due to disability, health concern, transportation issues, or conflicting work hours, complete the [CSFP Receipt of USDA Commodities – Proxy Form](#) (AGR-2324). It is important to remember:

- The form must be signed by both the participant and the proxy, as well as site personnel.
- The proxy must provide identification when picking up CSFP foods on behalf of the participant.
- The proxy is valid up to a maximum of 36 months.

## **RECERTIFICATION OF PARTICIPANTS:**

WSDA authorizes local agencies to extend the elderly certification period without an in-person (formal) review of eligibility for up to two additional 12-month periods, as long as the following conditions are met:

- The person's address and continued interest in receiving program benefits are verified;
- The local agency has sufficient reason to believe that the person still meets the income eligibility standards (e.g. the elderly person has a fixed income); and
- The participant has had a formal certification in the last 36 months.

Informal certifications may be conducted by phone, mail, email, fax, etc., with participants prior to recertification in order to confirm each participant's address, income, and continued interest in program participation. Formal certifications must be conducted in person and will require that the participant receive a [Notification of Eligibility Status Change](#) (AGR-2245) at least 15 days prior to the end of their certification period.

# WAITING LIST MANAGEMENT

## Waiting List Management

### **INTRODUCTION:**

Once the contractor has filled their elderly slots and they are contacted by someone who would like to participate in the program, the person must be told that they will be placed on the waiting list and will be notified when a space becomes available.

### **ESTABLISHING THE WAITING LIST:**

7 CFR 247.11. When there are no funds available to provide program benefits, the contractor shall maintain waiting lists of individuals who visit the contractor to apply for the program. To enable the contractor to contact the individuals when caseload space becomes available, these waiting lists shall include:

- Name of applicant
- Date of application
- Date applicant notified of placement on waiting list
- Address or phone number of the applicant
- Applicant's status (transfer, or elderly)

### ***Other optional information that you may want to collect includes:***

- Estimated or actual date of delivery
- Date applicant contacted for certification appointment or removal from waiting list
- Reason applicant removed from waiting list
- You may also certify the seniors on the waiting list. This will allow your agency to quickly serve unfilled slots at the end of each month to reduce the effect of no shows on your caseload.

Individuals shall be notified of their placement on a waiting list within 10 days after they visit the contractor during office hours to request program benefits. This information is included on the [Notification of Eligibility Determination](#) (AGR-2246).

### **WAITING LIST PRIORITY:**

The one exception to this list is for a person who is certified as eligible for CSFP in one county or area, and they move and wish to transfer their certification into another county or area where CSFP is in operation. If there is a waiting list for this person's category in the new county or area, this person must be placed at the top of the waiting list, ahead of all prioritized categories.

# TRANSFER OF CERTIFICATION

## Transfer of Certification

### **INTRODUCTION:**

The contractor shall ensure issuance of a verification of certification form to every participant who intends to relocate during the certification period. The state agency shall require the contractors under its jurisdiction to accept verification of certification forms from participants who have been participating in CSFP in another county within or outside of the jurisdiction its service area.

### **LENGTH OF VALIDITY OF VERIFICATION OF CERTIFICATION:**

The verification of certification is valid until the certification period expires, and shall be accepted as proof of eligibility for program benefits. However, if the receiving contractor has waiting lists for participation, the transferring participant shall be placed on the list ahead of all waiting applicants.

### **PROCEDURE:**

When a participant notifies their contractor that they will be moving, the contractor will need to prepare a verification of certification form to give to the participant. The contractor should also provide the participant with the name and address of their new contractor as well as a contact name and telephone number.

The identification number should be something that would enable the original certifying contractor to track the form if any questions should arise. A copy of the form should be attached to the participant's certification application.

*Creation of a verification of certification form will be left to the contractor.*

# DETECTING DUAL PARTICIPATION

## Plan to Detect Dual Participation

### **INTRODUCTION:**

7 CFR 247.19 (a) and (b) Local agencies must check the identification of all applicants when they are certified or recertified. The local agency must also ensure that the applicant, or the adult parent or caretaker of the applicant, signs an application that includes a statement advising the applicant that he or she may not receive both CSFP and WIC benefits simultaneously (no longer applicable), or CSFP benefits at more than one CSFP site. Applicants shall also be informed that the consequences of dual participation may lead to a claim against the individual to recover the value of the benefits, and may lead to disqualification.

### **TERMINATION:**

Participants found committing dual participation shall be terminated from one of the programs immediately and shall be notified of termination from the other program as specified in 7 CFR 247.17 and this manual. If the dual participation resulted from the participant making false or misleading statements, or intentionally withholding information, the local agency must disqualify the participant from CSFP for a period of up to one year, unless it is determined that it would result in a serious health risk. In addition, the local agency may be required to institute a claim against the participant to recover the value of the benefits. Please see the [Pursuit of Participant Claims](#) section in this manual for additional information.

### **FAIR HEARINGS:**

A right to an appeal and a fair hearing is provided to those applicants who contest a denial of certification or who have areas of concern regarding the food program. Please see the [Fair Hearings](#) section of this manual.

# TERMINATING PARTICIPANTS FOR CAUSE

## Terminating Participants for Cause

### **INTRODUCTION:**

7 CFR 247.20 Program violations. When employing these actions the contractor must use the [Notification of Eligibility Status Change](#) (AGR-2245) and provide the participant with notification 15 days prior to the action and/or the termination date.

### **What are program violations in CSFP?**

Program violations are actions taken by CSFP applicants or participants, or caretakers of applicants or participants, to obtain or use CSFP benefits improperly. Program violations include the following actions:

- Intentionally making false or misleading statements, orally or in writing;
- Intentionally withholding information pertaining to eligibility in CSFP;
- Selling commodities obtained in the program, or exchanging them for non-food items;
- Physical abuse, or threat of physical abuse, of program staff; or
- Committing dual participation.

### **What are the penalties for committing program violations?**

If applicants or participants, or caretakers of applicants or participants, commit program violations, the state agency may require local agencies to disqualify the applicants or participants for a period of up to one year. However, if the local agency determines that disqualification would result in a serious health risk, the disqualification may be waived. For program violations that involve fraud, the state agency must require local agencies to disqualify the participant from CSFP for a period of up to one year, unless the local agency determines that disqualification would result in a serious health risk. The state agency must require local agencies to permanently disqualify a participant who commits three program violations that involve fraud. For purposes of this program, fraud includes:

- Intentionally making false or misleading statements to obtain CSFP commodities;
- Intentionally withholding information to obtain CSFP commodities; or
- Selling CSFP commodities, or exchanging them for non-food items.

### **What must the local agency do to notify the individual of disqualification from CSFP?**

The local agency must provide the individual with written notification of disqualification from CSFP at least 15 days before the effective date of disqualification. The notification must include the effective date and period of disqualification, the reason for the disqualification, and a statement that the individual may appeal the disqualification through the fair hearing process, in accordance with 7 CFR 247.33(a).

### **REQUIREMENTS FOR TERMINATION:**

- The [Notification of Eligibility Status Change](#) form must be mailed at least 15 days prior to the participant being terminated from the program.

# TERMINATING PARTICIPANTS FOR CAUSE

- List the reason the participant is being removed from the program.
- The effective date and period of discontinuance or disqualification.
- Inform the participant of their right to appeal through a fair hearing process, regardless of the reason for termination.
- A full nondiscrimination statement that informs the applicant that program standards are applied without discrimination by race, color, national origin, age, sex, or disability.
- Notification that the participant has up to 60 calendar days to request a fair hearing.

# PURSUIT OF PARTICIPANT CLAIMS

## Pursuit of Participant Claims

The pursuit of a claim against a participant to recover the value of CSFP commodities improperly received or used is cost effective when the value exceeds \$120 or five months of benefits. The estimated value of the monthly CSFP benefit is \$24. In accordance with 7 CFR 247.30 (c) and (d), WSDA has established the following claim procedures regarding foods received or used by a participant through fraud, which may include:

- The local agency will issue a letter to the participant indicating that they are ineligible for participation in CSFP for a period of up to one year, in accordance with the requirements of 7 CFR 247.20 (b).
- A letter demanding repayment for the value of the commodities improperly received or used will be issued in instances when the dollar value is determined to be over \$120. Payment is to be received within 30 days of the date the letter was sent. If an appeal is sought, then the timeframe may be extended as deemed necessary.
- Additional measures will be taken as necessary if payment is not received within 30 days.
- The local agency will permanently disqualify a participant who commits three program violations that involve fraud, in accordance with the requirements of 7 CFR 247.20 (b).

Please contact your WSDA FA regional representative for further instructions prior to issuing the letter.

## Fair Hearings

### **INTRODUCTION:**

7 CFR 247.33(a). WSDA has established a fair hearing procedure through which an individual may appeal any adverse action, including the denial or termination of benefits to the individual or a claim to repay the value of commodities (over \$120) received as a result of fraud. All contractors must follow this fair hearing procedure.

### **FAIR HEARINGS:**

It is the responsibility of the contractor to alert CSFP applicants and participants in writing that they are no longer eligible for CSFP. The written [Notification of Eligibility Status Change](#) (AGR-2245) must be provided at least 15 days before the effective date.

If an applicant or participant does not agree with the decision of ineligibility or discontinuance, they may appeal the decision through the fair hearing process as indicated in the [Participant Agreement](#) (AGR-2247).

An appeal may be made to the state or contractor verbally or in writing, and a request for a fair hearing may be arranged at the contractor's office. The contractor must ensure that the applicant(s) and/or participant(s) understand their right to appeal any decision through the fair hearing process.

Written notification of an appeal for fair hearing request, must be given to WSDA Food Assistance by the contractor within five days of receiving the appeal.

### **FAIR HEARING - POLICY AND PROCEDURES:**

A fair hearing must include, at a minimum, the following provisions:

- Allow at least 60 days from the date the contractor mails or gives the individual the Notification of Eligibility Status Change to request a fair hearing.
- Permit applicants or participants to request a fair hearing either verbally or in writing.
- Allow participants who appeal the discontinuance within the 15-day advance notification to continue to receive benefits until one of the following occurs:
  - A decision is made on the appeal by the hearing official; or
  - The participant's certification period ends, whichever occurs first.
- Provide an individual with at least 10-days' advance written notice, of the time and place of the hearing, and include the rules of procedure for the hearing.
- Allow the applicant or participant the opportunity to:
  - Examine documents that support the contractor's decision before and during the hearing, as well as submit evidence to help establish facts and circumstances;
  - Be assisted or represented by an attorney or other persons;
  - Bring witnesses and present arguments; and
  - Question or refute testimony and evidence at the hearing.

# FAIR HEARINGS

The contractor may deny a request for a fair hearing in the following scenarios:

- The hearing request is not received by the contractor within 60 days from the date the contractor mails or gives the applicant or participant the notification of adverse action.
- The request is withdrawn in writing by the individual requesting the hearing or by an authorized representative.
- The individual fails to appear, without good cause, for the scheduled hearing.

## **FAIR HEARING – PROCESS:**

The hearing must be conducted by an impartial official, provided by the contractor, who does not have any stake or personal involvement in the decision, and who was not directly involved in the initial adverse action that resulted in the hearing.

### **The hearing official is responsible for:**

- Administering oaths or affirmations;
- Ensuring that all relevant issues are considered;
- Ensuring that all necessary evidence for a decision to be made is presented at the hearing and included in the record of the hearing;
- Conducting the hearing in an orderly fashion and in accordance with due process; and
- Making a hearing decision.

### **The hearing official must:**

- Make a decision that complies with federal laws and regulations, and is based on facts in the hearing record.
- Write a decision that summarizes the facts of the case, specifies the reasons for the decision, and identifies the supporting evidence and the laws or regulations upholding the decision.

The decision made by the hearing official is binding on the contractor.

## **FAIR HEARING – DECISION:**

A decision must be made and given to the applicant or participant, in writing, within 45 days of the request for the hearing, the notification must include the reasons for the decision. The contractor must also provide the WSDA FA with a written copy of the hearing official's decision within 30 days of the fair hearing.

If a decision is made in favor of an applicant who was denied benefits, the receipt of benefits must begin within 45 days from the date the hearing was requested (if the applicant or participant is still eligible for the program). If a decision is made against a participant, the contractor must discontinue benefits as soon as possible, or at a date determined by the hearing official.

# FAIR HEARINGS

## **FAIR HEARING – RECORDS:**

In addition to the hearing decision, a transcript or recording of the testimony or an official report of all that transpired at the hearing, along with all exhibits, papers, and requests made, must be maintained by the contractor. These documents must be available for public inspection and copying, in accordance with 7 CFR 247.29(a) and 247.36(b).

## **FAIR HEARING - NEXT STEPS/APPEALS:**

If a hearing decision upholds the contractor's action, and a state-level review or rehearing process is available, the contractor will work with WSDA FA to describe to the individual any state-level review or rehearing process. The contractor must also inform the individual of the right to pursue judicial review of the decision.

# FNS 191 RACIAL ETHNIC REPORT

## FNS-191 Report

Each April, sites are required to collect the racial ethnic data for all participants who received a food package during that month. They will then compile that information and send it to the state office for submission to USDA by July.

The FNS-191 requires you to ask each of the CSFP participants, in the month of April, two questions.

**1. What is your ethnic category? (Select only one)**

- Hispanic or Latino; or
- Not Hispanic or Latino

**2. What is your race? (Select one or more)**

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

You are then required to fill out a simple report totaling the results.

You may also add this to the certification form, this will allow you to just take the information from the certification forms in April and fill out the report.

The report forms will be provided to you each March before the report is to be done by the state agency.

# SECTION 4: FISCAL MANAGEMENT

## Section 4: Fiscal Management

# CSFP PROCEDURES MANUAL SECTION 4: FISCAL MANAGEMENT

# ALLOWABLE ACTIVITIES AND EXPENSES

## Allowable Activities and Expenses

### **BILL ONLY ALLOWABLE ACTIVITIES AND EXPENSES:**

- Contractors and subcontractors are allowed to use federal funds for administrative and operational expenses, including direct service expenses, agency indirect expenses, and equipment purchases.
- Maintenance and repair costs up to \$500.
- Capital expenditures for improvements with prior WSDA approval up to \$500.
- Pass-through funding issued to subcontractors related to food assistance activities.

### **SHALL NOT BE REIMBURSED FOR UNALLOWABLE EXPENSES:**

Funds awarded under the contract shall not be used for:

- Activities not related specifically to CSFP.
- SNAP recruitment or promotion activities; [USDA Policy FD-143](#).
- Capital expenditures for improvements or repairs over \$500.

Under no circumstances may you use CSFP funding for the purchase of food.

### **TYPES OF EXPENSE CATEGORIES:**

All expenses will be categorized on the CSFP Invoice Voucher as Indirect, Administration, Contractor Operations, Pass Through or Equipment Purchases (as applicable). See [Required Expenditure Reports](#) section of this manual

### **CSFP IS A REIMBURSABLE PROGRAM:**

- Expenses will not be paid for in advance to the contractor.
- Contractors must not pay subcontractors or their expenses in advance.

### **FUNDS MUST NOT BE CARRIED OVER:**

- Funds must not be carried over from one federal fiscal year to the next.
  - All funds must be expended for the applicable federal fiscal year.
  - Any unspent allocations (not obligated) at the end of the federal fiscal year will be reduced from the contractors budget by an amendment.

# ALLOWABLE ADMINISTRATIVE EXPENSES

## Allowable Administrative Activities and Expenses

### **BILL ONLY ALLOWABLE ADMINISTRATIVE ACTIVITIES AND EXPENSES:**

It is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect cost in order to avoid possible double-charging of awards.

- CSFP funds may be used for administrative activities. Administrative activities are of a general nature not clearly identifiable with a particular program.
- Administrative activities may include:
  - Planning
  - Budgeting
  - Accounting
  - Human resources
  - The establishment and implementation of the contractor's goals, policies, and objectives.
- CSFP funds may be used for administrative expenses, including agency indirect expenses not attributable to any one specific program.
- Allowable administrative expenses may include:
  - Salaries, wages and fringe benefits for administrative staff
  - Office supplies and lease, rental and repairs of equipment
  - Travel expenses for administrative staff
  - Rental or lease of space
  - Telephone, postage, mailing, printing, and copying
  - Insurance and audit costs
  - Minor building repairs or capital expenditures up to \$500 per cost (**Note:** Major capital expenditures and repairs are not allowed)

### **AN AGENCY MAY CHARGE ITS INDIRECT COSTS IN THE APPROPRIATE PROPORTION TO CSFP OPERATIONAL EXPENSES:**

- The indirect charges may not exceed the de minimis rate of 10 percent unless the agency has a federally approved indirect cost rate.

# ALLOWABLE OPERATIONAL EXPENSES

## Allowable Operational Activities and Expenses

### **BILL ONLY ALLOWABLE OPERATIONAL ACTIVITIES AND EXPENSES:**

Direct costs are those costs that can be identified specifically with CSFP and its purpose, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as direct costs.

- Unless otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under CSFP awards. Allowable costs must:
  - Be necessary and reasonable for the performance of the federal award and be applicable to this program or its purpose.
  - Conform to any limitations or exclusions associated with this program or any applicable state and federal regulations, policies, and laws.
  - Be consistent with policies and procedures and other activities of the state pass-through agency.
  - A cost must be consistently applied and may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose has been allocated to the federal award as an indirect cost.
  - Be determined in accordance with generally accepted accounting principles (GAAP).
  - Be adequately documented per program and policy requirements.
  - Be reasonable and allocable to this program or its purpose.
  - Have prior written approval if applicable, for example, equipment purchase of \$5,000 or more per unit, capital expenditures, etc.
  - For additional guidance you may find the [2 CFR Part 200](#) Code of Federal Regulations helpful

### **OPERATIONAL ACTIVITIES AND EXPENSES:**

Operational activities and expenses are those activities clearly identifiable with providing direct services to clients.

- Operational costs may include:
  - Personnel costs – salaries, wages and fringe benefits for personnel who are actually performing duties related to warehousing, distribution, client services, including networking and outreach activities.
  - Travel/Transportation – mileage expense related to direct provision of services.
  - Transportation – costs to pick up and deliver food.
  - Space Costs – rent or lease payments for facilities and costs of power, heat and water for space occupied by program staff and for storage and warehouse areas.
  - Communication cost (telephone, mailing and printing) for direct program services.
  - Other operational costs, such as supplies, lease and repair of equipment directly related to providing services.
  - Computer purchases costing under \$5,000. CSFP is following the Uniform Guidance that defines computer purchases costing under \$5,000 as supplies.
- There is no limit on the percentage contractors and subcontractors may spend on operational costs.

# ALLOWABLE EQUIPMENT EXPENSES

## Allowable Equipment Expenses

### **ALLOWABLE EQUIPMENT PURCHASES:**

Equipment is defined as any tangible nonexpendable personal property with a useful life of more than one year. The purchase of equipment to be used in CSFP is an allowable expenditure.

- Equipment costing \$5,000 or more per unit must be approved prior to purchasing using the [Food Assistance Equipment Purchase Request / Approval Form](#) (AGR-2204). Equipment Procurement Requirements and Guidelines (Publication No 609-454) can be found on the WSDA, Food Assistance webpage at: [agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs](http://agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs).
- Contractors must have written procurement and inventory policies for equipment and procedures for disposing of equipment that at a minimum meet WSDA FA standards.
- See the [Property Management](#) section for additional guidance.

# REQUIRED EXPENDITURE REPORTS

## Required Expenditure Reports

### **EXPENDITURE REPORTS ARE DUE TO WSDA MONTHLY:**

WSDA FA provides an updated CSFP Invoice Voucher (AGR-2234) to contractors annually; this form can be found on the Food Assistance webpage at: [agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs](http://agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs).

These reports must include compiled costs by budget category, for both themselves and their subcontractors. The contractor shall include with each monthly expenditure report the CSFP detailed Expanded General Ledger indicating the CSFP costs charged each month by budget category in which they are charging costs.

- For costs incurred by the contractor, the ledger must show each bill or cost incurred within the report month.
- Reimbursement to subcontractors, if any, will be determined by the contractor.
  - For subcontractors' expenses, the contractor shall include in the general ledger at least the aggregate amounts spent by all subcontractors in the Pass Through budget category.
- WSDA staff may, at its discretion, ask for backup documentation for charged expenditures.

The CSFP Invoice Voucher, along with the detailed Expanded General Ledger, should be signed and scanned to your regional representative by the 20<sup>th</sup> of each month following the month the costs were incurred or claimed.

### **FAILURE TO SUBMIT EXPENDITURE REPORTS:**

WSDA may recapture unclaimed funds if the contractor does not submit expenditure reports in a timely manner.

- If the contractor fails to file an expenditure and data report within any two consecutive month period, WSDA may elect to suspend or terminate the contract.
- Contractor may recapture unclaimed funds or terminate the subcontract with subcontractor based on the same criteria.

### **CSFP EXPENDITURE REPORT AND REQUEST FOR REIMBURSEMENT FORM INFORMATION:**

#### ***Entering Information:***

The excel workbook tabs are linked and protected. You may only enter information into yellow highlighted cells. Once you enter your contractor information on the **October** tab of the form, it will auto populate the rest of the month tabs with this information:

- Contractor Name and Address
- Total Yearly Budget – current fiscal year

# REQUIRED EXPENDITURE REPORTS

- Contract Number (K####)
- Vendor Number (SWV)

## ***Expenditure Detail Section:***

**“Total Yearly Budget”** – this column represents your allocated budget for the current fiscal year. Note that you may only enter the budget amount from the **October** tab of the workbook, once entered it will auto populate the other tabs.

**“Expended this Period”** – this column represents your applicable expenses from the month that you are reporting on.

**“Billing Adjustment”** – this column is used when you make a fiscal error, need to make an adjustment to the fiscal portion of a previously submitted report, or are submitting claims from a previous month.

**“Net Amount Requested”** – this column represents the total “Expended this Period” column combined with the “Billing Adjustment” column. This is your total amount requested for the month.

**“Requested to be Paid”** – this column represents the amount that you expect to be reimbursed in a particular month. This amount cannot exceed the “Net Amount Requested” for that month; however, it can be less.

***NOTE: If the “Request to be Paid” amount is less than the “Net Amount Requested” the result will be an “Excess Claim.” If additional program funds are made available at the end of the year, a portion of your “Excess Claims” may be paid at that time. Excess claims show in the Expenditure Summary Section of the invoice.***

**“Year to Date Balance”** – this column represents the “Total Yearly Budget” column minus the “Requested to be Paid” column. This reflects the amount of money left in your allocation after your request for payment is processed.

## ***CSFP Expenditure Summary Section:***

This section shows a monthly breakdown of your expenditures by category as reported each month with an “Expended to Date” total in the last column.

**“Claimed”** – equals your “Net Amount Requested” amount

**“Paid”** – equals your “Requested to be Paid” amount

**“Excess”** – equals your “Net Amount Requested” minus your “Requested to be Paid” amount.

## **EXCESS CLAIMS:**

At the end of the federal fiscal year, after all contractor invoices are accounted for, WSDA will finalize the actual amount of funding to be reallocated to contractors with excess claims. Not all excess claims will

# REQUIRED EXPENDITURE REPORTS

necessarily be paid due to the limited availability of funding. See the [CSFP Allocation Process](#) section for additional information on reallocating funds.

Contractors may never request to be paid more than their allocated budget, shown on the face sheet of the contract. Although there is no guarantee of additional funding, contractors may submit excess claims on behalf of themselves and their subcontractors, on their expenditure reports in the following ways:

- Contractors may claim excess funds each month on their expenditure report, as costs are incurred.
  - When your “Expended this Period” column is more than your “Requested to be Paid” column, in any given month, the result is an excess claim.
- Contractors may claim “bulk” excess funds, in the month of September, for costs incurred throughout the fiscal year.
  - This is done by entering current expenses for September in your “Expended this Period” column and expenses claimed for any previous period should be entered in the “Billing Adjustment” column. If your “Net Amount Requested” column is more than your “Requested to be Paid” column, the result is an excess claim.

## **ADDITIONAL REQUIREMENTS FOR EXCESS FUNDING REQUESTS MAY BE IMPOSED:**

There may be additional supporting document requirements for contractors that have excess claims for charges that were incurred between October 1 and June 30 of the current reporting year. We are in discussions with OFM and WSDA Fiscal office to clarify the excess claim process and supporting document requirements. Currently, the proposed language includes:

- Upon receiving an amendment from WSDA that includes the final excess claim allocation, then;
- The contractor must determine which of their excess claims they will apply that funding to.
- The contractor must submit this breakdown to WSDA with their signed amendment.

No additional documentation will be required if the contractor only applies the actual excess funds received (by amendment) in the months of July, August, and September of the current reporting year.

# SECTION 5: COMMODITY MANAGEMENT

## Section 5: Commodity Management

# CSFP PROCEDURES MANUAL SECTION 5: COMMODITY MANAGEMENT

# CASELOAD MANAGEMENT

## Caseload Management and Requests Procedure

### **INTRODUCTION:**

FNS shall assign caseload to state agencies on December 1 to December 31 of each year or within 30 days after enactment of appropriations legislation covering the full fiscal year, whichever comes later. In the event appropriations legislation for the year is not enacted by December 1 to December 31, caseload assignments for the previous caseload cycle shall remain in effect, subject to the availability of sufficient funding, until assignments are made for the current caseload cycle. Any caseload assigned for a period beyond the end of the current fiscal year shall be available only to the extent that program funds are appropriated for the next fiscal year

### **CASELOAD REQUESTS:**

USDA determines base caseload by the highest average monthly participation in one of three periods:

- the current federal fiscal year
- the last quarter of the current federal fiscal year
- the month of September of the current federal fiscal year may be used under certain circumstances in accordance with 7 CFR 247.21 (a)(1)(ii)(C)

WSDA determines the need for new caseload based on a number of factors, which includes:

- Current waiting list at each contractor
- Current usage of CSFP caseload at each contractor
- Contractor requests for additional caseload to meet unmet need in their area
- Contractor requests for additional caseload to meet unmet need in a new county
- Requests from potential contractors who want to meet unmet need in their area

These factors will be taken into account at the end of October each year when September's final CSFP caseload numbers have been reported. The caseload expansion request will be completed by WSDA and submitted to USDA WRO by November 5<sup>th</sup> to be considered for an increase to the state's caseload.

Caseload may also be reassigned from contractors not filling caseload to meet caseload requests of others.

### **ACHIEVING MAXIMUM CASELOAD:**

The contractor should utilize whatever outreach measures are necessary to achieve maximum caseload. These can include but are not limited to:

- Maintain or increase certification and distribution at sites already serving CSFP
- Each contractor will provide certification and delivery options to meet the needs of homebound elderly, to the extent possible and/or as funding allows

# CASELOAD MANAGEMENT

- Increase public notification through community action agencies, senior centers, minority newspapers and radio stations
- Conduct outreach and distributions at senior housing and senior centers.
- Certify the seniors on the waiting list. This will allow your agency to quickly server unfilled slots at the end of each month to reduce the effect of no shows on your caseload.

When a contractor exceeds the allocated caseload and there are no available caseload slots to be transferred from another contractor, the agency will be instructed to establish a waiting list of eligible participants in priority order, and to restrict new certifications as necessary. Please follow the procedures listed in the [Waiting List Management](#) section.

# FOOD ACQUISITION PROCESS

## Food Acquisition Process

### **INTRODUCTION:**

CSFP commodities are ordered once a month by WSDA staff. Orders are placed at least 10 calendar days before the order is scheduled to arrive. Orders are based off the following items:

- The previous month's caseload numbers;
- Items received in the previous months CSFP order;
- Feedback from the contractor on items their clients wish to see in the CSFP box;
- The availability of a given item at the time of order.

Input on the commodities in the order can be given any time prior to the order by sending your request to [foodassistance@agr.wa.gov](mailto:foodassistance@agr.wa.gov) or calling (360) 725-5641 or your FA regional representative. You will receive a copy of the order via email once it has been placed.

If you or someone in your agency wishes to be part of the Food Assistance (FA) Food Ordering Workgroup please contact your FA regional representative or email your request to [foodassistance@agr.wa.gov](mailto:foodassistance@agr.wa.gov).

# CSFP FOOD DISTRIBUTION

## CSFP Food Distribution

### INTRODUCTION:

7 CFR 247.10 (a). Food packages will be distributed on a monthly basis. At the same time whenever possible, clients will receive other foods from other programs that are also available at the food bank. Food package components will be reviewed with the client and adjusted as necessary to meet any nutritional concerns.

Commodities received will be used solely for the benefit of those persons served or assisted by the program, and will not be otherwise disposed of without prior written approval from the state agency. Under no circumstances will USDA commodities be sold or traded. No commodities will be processed commercially without the prior written consent of the state agency.

### FOOD DISTRIBUTION RATES:

Detailed distribution rate sheets have been given to each of the contractors, but if more are needed, they can be requested from the state agency. Clients are only to receive the listed quantity of product in all food categories. The exception to this is if there is bonus product available. This food distribution chart will be updated on November 1, 2019.

Food Package Category	Food Item	Package Size	Packages Per Month	Amount Per Month
<b>Cereals</b> 1 Food Item Per Category In The Amount Per Month	Cereal, Dry Ready-to-Eat	12-18 oz. PKG	2 PKGS	24-36 oz.
	Farina	18 oz. PKG	2 PKGS	28 oz.
	Rolled Oats	42-48 oz. PKG	1 PKG	48 oz.
	Grits	5 lb. PKG	1 PKG Every Other Month	40 oz.
<b>Juice</b>	Juice	64 oz. Container	2 Containers	128 oz.
<b>Proteins</b> 1 Food Item Per Category In The Amount Per Month	Beef	24 oz. Can	1 Can	24 oz.
	Beef Stew	24 oz. Can	1 Can	24 oz.
	Chili	24 oz. Can	1 Can	24 oz.
	Chicken	10-15 oz. Can or Pouch	2 Cans or 2 Pouches	20-30 oz.
	Tuna	12 oz. Can	2 Cans	24 oz.
	Salmon	14.75 oz. Can	2 Cans	29.5 oz.
<b>Milk</b>	UTH Fluid Milk 1%	32 oz. PKG	2 PKGS	64 oz.
	Instant Nonfat Dry Milk	12 oz. PKG	1 PKG	12.8 oz.
		25.6 oz. PKG	1 PKG Every Other Month	
<b>Peanut Butter / Dry Beans</b>	Peanut Butter	18 oz. PKG	1 PKG	18 oz.
	Dry Beans	2 lb. PKG	1 PKG	32 oz.
<b>Grains / Potatoes</b> 1 Food Item Per Category In The Amount Per Month	Dehydrated Potatoes	1 lb. PKG	1 PKG	16 oz.
	Pasta	1 lb. PKG	2 PKGS	32 oz.
	Rice	2 lb. PKG	1 PKG	32 oz.
	Grits	5 lb. PKG	1 PKG Every Other Month	40 oz.
<b>Cheese</b>	Cheese	2 lb. PKG	1 PKG	32 oz.
<b>Fruits</b>	Fruits	15-16 oz. Can	2 Cans	30-32 oz.
<b>Vegetables</b>	Vegetables	15-16 oz. Can	4 Cans	60-64 oz.

### FOOD ISSUANCE:

7 CFR 247.10 (b). The local agency must require each participant, or participant's proxy, to present some form of identification before distributing commodities to that person.

# CSFP FOOD DISTRIBUTION

7 CFR 247.10(c) state and local agencies must not require, or request, that participants make any payments, or provide any materials or services, in connection with the receipt of CSFP commodities. State and local agencies must not use the distribution of CSFP commodities as a means of furthering the political interests of any person or party.

7 CFR 247.10(d) CSFP commodities may not be used for outreach, refreshments, or for any purposes other than distribution to, and nutrition education for, CSFP participants.

## **ONE MONTH FOOD RESERVE:**

All contractors initially receive a two-month supply of food. This is to allow for a reserve month of food in the event that a delivery is delayed or product that could be missing from a delivery. This food is to be rotated into issuance status each month, with the most recent shipment going into reserve status.

Example: When the August food delivery is issued completely, the food that is in reserve status is to be issued in September or the next month after the old product is issued, while the food that was most recently received goes into reserve status.

# FAILURE TO PICK UP FOOD PACKAGES

## Failure to Pick up Food Packages

### **INTRODUCTION:**

Participants are informed at certification when they can pick up their food package for the month and it should be stressed to them at this time as to why it's important to pick up each month. If the participant does not pick up their food package by a certain date then the contractor may choose to issue this to someone on their waitlist that is certified in order to make sure that all caseload slots are utilized. The following procedures listed below should be acted upon if a client fails to pick up their food package.

### **PARTICIPANT FAILS TO PICK UP FOR ONE MONTH:**

After the first no-show, the contractor should call the participant and find out the reason why their food package wasn't picked up. Quite possibly, the reason they haven't picked up is something that is easy to fix such as a transportation problem or the person is home-bound. The contractor should document when they contacted the participant, including the date, time, and with whom they spoke to.

### **PARTICIPANT FAILS TO PICK UP FOR TWO MONTHS IN A ROW:**

If after the second no-show the participant still hasn't picked up their food, the certification period for this person should be shortened to end one month after the second no-show. For example, if the person was certified in August and failed to pick up their food in September and October, their certification period would be changed to end in November instead of January.

In addition, the Notification of Eligibility Status Change will need to be sent to the participant informing them of this action, 15 days advance notice is required.

### **CONTRACTOR REQUIREMENT FOR NOTIFICATION OF ELIGIBILITY STATUS CHANGE:**

The letter to the participant needs to tell them the reason their certification period will be changed. A copy of this letter should be placed in the participant's file. Please see the [Notification of Eligibility Status Change](#) form (AGR-2245) and the [Terminating Participants for Cause](#) section of this manual.

Make sure to note in the participant's file that the certification period has been changed. Follow the procedures for terminating participants for cause when the next month comes.

If the client wants to participate in the program after being terminated, they must be recertified. If the client recertifies in a timely manner (i.e. there is no lapse between certifications), they will still have priority over those on the waiting list.

# INVENTORY CONTROL SYSTEM

## Commodity Shipping and Receiving

### **INTRODUCTION:**

USDA CSFP commodities are shipped by USDA contracted National Multi-Food Warehouses directly to the contractor's warehouse. WSDA will be responsible for ordering the food and the contractor will be responsible for working with the National Multi-Food Warehouse to establish a shipping schedule and for the receipting of CSFP foods into USDA's Web-Based Supply Chain Management system. There is no cost to the contractor for shipments coming from the National Multi-Food Warehouse. Additional information can be found in [FD-709-5 Revision 3](#).

### **MULTI-FOOD SHIPMENTS:**

#### **Arranging for Shipment and Delivery:**

The National Multi-Food Warehouse must arrange regular delivery dates with each contractor (i.e. third Wednesday of each month). Negotiate any tailgating with the National Multi-Food Warehouse when setting the delivery dates. The contractor will typically receive an email from the National Multi-Food Warehouse one week in advance of the delivery confirming the delivery date, time, and quantities.

Contractors wishing to change shipment destinations must notify WSDA. WSDA will coordinate with the National Multi-Food Warehouse and make requested changes if possible.

If an order includes multiple truckloads, every effort must be made to arrange for all deliveries on the same day. If the regularly scheduled delivery must be postponed (e.g., as a result of inclement weather or equipment failure), the National Multi-Food Warehouse will immediately contact the contractor to determine a revised delivery date that is agreeable to both parties.

### **RESPONSIBILITY OF TRUCKING COMPANY:**

The National Multi-Food Warehouse will contract with a trucking company to deliver the food based on the pre-arranged "regular" delivery dates negotiated with the contractor. If the trucking company is late for an appointment the contractor should make every effort to unload the truck when it arrives within normal business hours.

- Provide CSFP foods on pallets and position pallets to facilitate timely unloading of USDA foods (e.g., no pinwheeling).
- Does not exchange pallets.
- Accommodate tailgating if previously arranged with the contractor by the National Multi-Food Warehouse. Provide the National Multi-Food Warehouse with the signed delivery receipt (Bill of Lading), including the date of receipt. This includes any adjustments made by the contractor for quantity discrepancies or damaged product.
- Provide a copy of the Bill of Lading to the contractor for the load.

# INVENTORY CONTROL SYSTEM

- Re-seal for subsequent deliveries.

## RESPONSIBILITY OF CONTRACTOR:

- Have personnel available to off-load trucks and have adequate personnel and equipment to safely and correctly unload.
- Accept shipments on the prearranged delivery date.
  - Contractor may be responsible for charges incurred by the trucking company if the contractor is unable to accept the delivery on the agreed upon delivery schedule (i.e. costs for storage/alternate delivery location).
- Unload the truck even if it arrives late, if possible.
- Ensure that the high security seal on the door or other point of entry of the truck is intact and must record the seal number. If the seal is missing, broken or the seal number does not match what is recorded on the Bill of Lading then the contractor should contact WSDA for further instruction.
  - However, if WSDA cannot be reached then the contractor must refuse the shipment and notify WSDA.
- Remove the high security seal, which must be done with bolt cutters or a similar tool.
- Check the temperature of frozen or refrigerated foods, including checking the thermometer on the truck to ensure the freezer/refrigeration unit is at acceptable levels and in working order.
- Meet allowable off-loading times:
  - Free time. The contractor must complete the unloading of the shipment, and the removal of dunnage and other debris, within the period of free time. For palletized loads, free time is up to two hours. For non-palletized loads, free time is up to six hours. Failure to complete the unloading within the free time may incur a demurrage or detention charge, which the consignee may be obligated to pay.
- Conduct a physical count and inspect commodities for shortages, damage or spoilage before signing for delivery of shipment to avoid possible liability. Make sure to retain a copy of the Bill of Lading and any related documentation. Report any significant problems to WSDA before the driver leaves the delivery area. Please note:
  - All overages, shortages, or damages must be accounted for in the receipting of the shipment into USDA's Web-Based Supply Chain Management (WBSCM) system.
  - If any loss or adjustments are identified after the driver leaves then fill out a [Commodity Loss/Adjustment Report for Contractors](#) (AGR-2256).
- Contractors who receive CSFP shipments from the National Multi-Food Warehouse will be responsible for receipting these shipments into USDA's Web-Based Supply Chain Management (WBSCM) system within **48 hours**. Training is provided by our office and additional training tools will be available soon.

# INVENTORY CONTROL SYSTEM

## Inventory Control System

The most important reason to implement an inventory control system is to protect your agency. It is essential that you know how much food is in your storage areas. Your agency could be held liable for unaccounted losses of product. Inventories should not exceed what can be used in a three-month period.

- Use the FIFO (first in, first out) inventory method for circulating your stock. Mark the products as they are received with the date, time, and program. This is so that you will be sure to rotate stock as it is received and distributed.
- Any product that enters or leaves your warehouse should be counted twice (preferably by two people). Although more time consuming, it could eliminate many inventory errors.
- Utilize an inventory system. It is very important to keep a running total of all shipments that enter or leave your warehouse.
- Pre-post outgoing allocations. Pre-posting is taking the food off the book inventory before it leaves the warehouse. Recipient agencies should sign a receipt for commodities when picking up and/or returning commodities to your warehouse. The receipts can be compared to your book count to determine where inventory errors occurred.
- Monthly Physical Inventory: Physically count your food each month and compare it to the book inventory. Note any variances between book inventory and physical inventory and the cause of each variance. If applicable, complete a Commodity Loss/Adjustment Report for Contractors or Subcontractors and then send it to WSDA or your contractor, as applicable. In any case, use the physical inventory figures for the beginning inventory figures in the following month.

### **INVENTORY CONTROL:**

- WSDA requires that inventory levels do not exceed what can be utilized without waste in a three-month period; exceptions may be allowed.
- If it is determined that inventory levels exceed the three-month limit, WSDA may reallocate commodities to bring inventory levels under control and to avoid possible product spoilage. WSDA will determine the method(s) for reallocation based on the specific circumstances of the contractor(s) and the food (type and quantity) involved.

# CONTRACTOR INVENTORY REPORT

## Contractor Inventory Report

### INTRODUCTION:

The CSFP Contractor Inventory Report (AGGR-2249) is located on the Food Assistance webpage on the [Forms and Pubs](#) page. You will want to download and save the file so that you can update it each month. Conduct a physical inventory prior to completing the inventory report. This report records the total activity of each item during that month, as well as client participation. The CSFP Contractor Inventory Report is always conducted in units and includes all subcontractor activity.

The CSFP Contractor Inventory Report is due the 20<sup>th</sup> of the month following the inventory month, so the December inventory is due January 20.

If you have any questions please call your regional representative. Directions for filling out each part of the inventory report are below:

### GENERAL INFORMATION AND PARTICIPANT DATA:

Top section of the CSFP Contractor Inventory Report:

**Contractor Name:** Your agency name.

**Month/Year:** The month and calendar year are auto-populated to match the month listed on the tab of the report. The report will run on the Federal Fiscal Year (Oct. 1 - Sept. 30).

**Caseload:** Your agencies official caseload as issued by WSDA. Make sure you enter the most current caseload issued to you by WSDA, it may be adjusted by WSDA during the year.

**Total Participants:** Enter the number of seniors that received CSFP foods during the month.

**Percent of Caseload:** The percent of caseload served for the month will auto-populate based on the percent of participants actually served for the month compared to the official caseload.

### INVENTORY DATA:

Main body of the CSFP Contractor Inventory Report:

**Commodity Description:** The category and description of the CSFP foods. The report is organized by the following CSFP distribution categories: Vegetables, Juice, Fruit, Meat, Peanut Butter/Beans, Cheese, Milk, Grain/Pasta, Cereal, and Additional. Each category has blank lines where you can add CSFP items to the report under the correct section. The Additional category, at the end of the report, is where you can add any new CSFP foods that do not fit into the other categories.

**Material Number:** The six digit number used to track USDA food issued to all programs. Make sure that the material number listed in the report matches the material number on the Bill of Lading and/or the shipping notification email from the national multi-ship warehouse. If there is a discrepancy, please notify your regional representative.

**Size:** The number of units per case and the size of each individual unit.

# CONTRACTOR INVENTORY REPORT

**Beginning Inventory:** Only on the first report of the year, will you have to manually enter the beginning inventory from the previous month. After that, subsequent reports will automatically carry the ending inventory over to the next month as the beginning inventory. It's extremely important for this initial beginning inventory to be accurate as it will affect all the other inventory reports.

**Received:** Received is the total of CSFP items delivered in units to you during the month of the inventory. You will need to convert the number of cases per item on the Bill of Lading into units. So for the January inventory report, it would include only CSFP foods received from the national multi-ship warehouse in the month of January. If you received your shipment at the end of December for your January distribution then January's report would NOT include the December shipment, as it should have been included in your December report. This should match exactly to what you entered into USDA's Web-Based Supply Chain Management (WBSCM) system when you receipted the shipment.

**Redonation "In":** The Redonation "In" column is used only when moving food from one program to another or from one contractor to another. Your agency will not need to use this column very often. If you think you need to use this column, please contact your regional representative and they will help you determine if it's needed.

**Total Inventory Available:** This is the total available inventory for distribution to participants for the month. This column totals automatically.

**Issued to Participants:** This is what was actually issued to participants in units, as part of the food package for the month of the inventory. This doesn't include what was packed into a food package but not issued to a participants. Only food issued to participants count for this column. ***Food issued to a participant but refused at the time of distribution would not count as issued.*** It must be returned to the inventory to be packed into another CSFP package.

**Redonation "Out":** The Redonation "Out" column is used when moving food from one program to another or from one contractor to another. Your agency will not need to use this column very often. If you think you need to use this column please contact your regional representative and they will help you determine if it's needed.

**Food Loss (Damage):** All food damaged during handling or lost due to spoilage during the month of the inventory is accounted for in this column. All food damaged during the month should also have an associated Commodity Loss/Adjustment Report. The value of loss is auto-populated in the Value of /Loss Computation section - located in the far right section of this report.

**Amt Used for Nut. Ed:** All food used for nutrition education is recorded in this column.

**Total Activity:** This is the total of all CSFP foods issued (Issued to Participants, Redonation Out, Amt Used for Nut. Ed) and Food Loss (Damage) for the month of the inventory. This column totals automatically.

**Report Check (Overage/Shortage):** These columns are where you would enter any adjustment based on discrepancies in your physical inventory compared to the book inventory. If you are over or short you will need correct the source documents for the commodities, and re-enter the correct amounts in appropriate columns. If you can't find the variance(s) shown in the report check section, leave the overage/shortage in the report check line. You must submit a completed Commodity Loss/Adjustment Report for any shortage or overage left in the report check line.

**Ending Balance:** This is the final balance of CSFP food for the month of the inventory. This should match your physical inventory. This is also what will be automatically carried over to the next month as the beginning inventory.

# CONTRACTOR INVENTORY REPORT

## **VALUE OF LOSS COMPUTATION SECTION:**

This section calculates the value of loss listed in the **Food Loss (Damage)** column. This can be used to find the value of CSFP food when you are filling out a Commodity Loss/Adjustment Report for CSFP items.

## **SUBMITTING THE CONTRACTOR INVENTORY REPORT:**

Complete all sections of the report and review for accuracy. Contractors must send their completed monthly inventory reports to [foodassistance@agr.wa.gov](mailto:foodassistance@agr.wa.gov) by the 20<sup>th</sup> of the month. If there was loss or damage, make sure to send the completed Commodity Loss/Adjustment Report with your inventory report, if not previously submitted at the time of loss/damage.

## **STATE AGENCY RESPONSIBILITY:**

Once the report is received from the contractor, WSDA will review the report for accuracy and work with the contractor on any discrepancies. When all contractor reports have been received and reviewed, they are combined into one state report and submitted to USDA.

# SUBCONTRACTOR INVENTORY REPORT

## Subcontractor Inventory Report

### INTRODUCTION:

The [CSFP Subcontractor Inventory Report](#) (AGR-2254) is located on the on the Food Assistance webpage [Forms and Pubs](#) page. You will want to download and save the file so that you can use it each month. You may also request this report from your contractor. This report records the total activity of each CSFP food box entrusted to the subcontractor for distribution during the month to CSFP participants. If you have damaged product please fill out the [CSFP Commodity Loss Report for Subcontractors](#) (AGR-2255) and send it along with the inventory report. The [CSFP Subcontractor Inventory Report](#) is conducted in food boxes, unless individual items are returned by participants, then those items are counted in units on the report.

The CSFP food boxes are typically packed by the contractor. The boxes are packed using a menu that matches the required USDA CSFP distribution rates. Each months CSFP food box will be packed with different items so they are to be tracked by the month they are packed for. The food box should be marked with the month it was packed for. If you have subcontractors that pack their own CSFP food packages then you may require the use of a modified CSFP Subcontractor Inventory Report that more closely resembles the CSFP Contractor Inventory Report. Any modification to this report must receive WSDA prior approval.

The due date for the [CSFP Subcontractor Inventory Report](#) will be dictated by the contractor. Typically, contractors will require the subcontractor inventory report to be submitted within 5-10 days of the completion of the inventory month so that the contractor can get their report to WSDA by the 20<sup>th</sup>.

If you have any question please call your contractor. Directions for filling out each part of the inventory report are below:

### GENERAL INFORMATION:

**Subcontractor Name:** Your agency name.

**Report Month:** The inventory month.

**Contact Person:** The person filling out the report.

**Phone:** The contact person's phone number or agency phone number.

### INVENTORY DATA:

**Beginning Inventory:** The number of CSFP food boxes left over from the previous month. All Inventory from the previous month must be issued prior to issuing any of the additional boxes received this month.

**Received:** The number of new CSFP food boxes delivered to the subcontractor to be issued to CSFP participants. The number of new CSFP food boxes delivered should match the number of CSFP participants the subcontractor serves each month, minus the number of CSFP food boxes left over from the previous month.

# SUBCONTRACTOR INVENTORY REPORT

**Total Boxes:** This is the total of the beginning inventory and the received food boxes available to issue to CSFP Participants. This should total the number of CSFP participants to be served during the month.

**Boxes Issued:** The number of CSFP food boxes issued to CSFP participants.

**Returned:** The number of CSFP food boxes returned to the contractor at the end of distribution. If participants return a few of the items in the food box then these must be accounted for in the Individual Unit Returns section (listed below) and not in this section.

**Ending Inventory:** The number of CSFP food boxes left in inventory, if the undistributed CSFP food boxes are not returned to the contractor at the end of the distribution. This will be your beginning inventory for the following month.

## INDIVIDUAL UNIT RETURNS:

**Commodity Description:** The description of the CSFP food.

**Material Number:** The six digit number used to track USDA food issued to all programs. If you don't know the Material Number then leave this blank and the contractor will fill it in.

**Number of Units:** The number of units returned of any part of the CSFP food box. All individual returns at the time of distribution must be returned to the contractor to be repacked into future CSFP food boxes.

# COMMODITY LOSS/ADJUSTMENT PROCEDURES

## Commodity Loss/Adjustment Procedures

### INTRODUCTION:

All USDA commodities shall be safeguarded, to the best of the contractor's and subcontractor's abilities, from theft, spoilage, damage, destruction or other loss. WSDA and contractors will investigate any and all loss of donated food. WSDA may pursue claims when the loss is valued at \$500 or less, if the loss was preventable (i.e. spoilage due to improper storage). WSDA will pursue claims, as necessary, including negligence or improper use, for losses valued at more than \$500 and/or if theft is involved. All losses of \$100,000 or more will be sent to USDA FNS to be involved in the claim determination, as applicable. For additional guidelines please review 7 CFR part 250 and 247, FNS 410-1 Rev. 2, and related FNS policies.

### GENERAL INSTRUCTIONS:

- The [Commodity Loss/Adjustment Report for Contractors](#) (AGR-2256) is the primary tool for contractors to report loss or adjustments to WSDA. This report may be submitted at any time an issue is discovered or along with the Contractors Inventory Report. The [Commodity Loss Report for Subcontractors](#) (AGR-2255) is the primary tool for subcontractors to report loss or adjustment to their contractor. This report may be submitted at any time an issue is discovered or along with the Subcontractors Inventory Report.
- If theft is involved please see the specific instructions listed below in the [Theft Reporting System](#) section.
- If damage, spoilage, or an overage/shortage occurs while USDA donated food is in the possession of the contractor:
  - Notify WSDA via email/phone as soon as possible if the loss is due to spoilage and/or poses a food safety risk.
  - Complete the [Commodity Loss/Adjustment Report for Contractors](#) (instructions follow).
  - Make sure to also list this loss or inventory adjustment on the monthly Contractor Inventory Report.
- If damage, spoilage or an overage/shortage occurs while USDA donated food is in the possession of a subcontractor:
  - Notify your contractor via email/phone as soon as possible if the loss is due to spoilage and/or poses a food safety risk.
  - Complete the [Commodity Loss Report for Subcontractors](#) (instructions follow).
- If damage, spoilage, or an overage/shortage is discovered **at the time** of a **USDA multi-shipment**, make sure to enter it into WBSCM. In this case you do not need to complete the [Commodity Loss/Adjustment Report for Contractors](#).

# COMMODITY LOSS/ADJUSTMENT PROCEDURES

## RESPONSIBILITIES:

- Contractors are required to investigate any and all loss of USDA donated food when it is in their subcontractors' possession, including inventory adjustments, regardless of the value. The contractor must complete their section of the [Commodity Loss Report for Subcontractors](#), forward subcontractor documentation to WSDA (if applicable; instructions follow), determine if a claim needs to be pursued against the subcontractor, and retain all records.
- Both contractors and subcontractors must be sure to maintain damaged/spoiled food in stable condition until it can be inspected (e.g., if commodity is cold or frozen product, isolate and keep frozen.) Upon discovery, please physically separate spoiled or damaged food from other food inventories as quickly and as completely as possible. Do **not** dispose of spoiled or damaged product until told to do so by WSDA, or the contractor, in the case of the subcontractor.
- If the value of the commodities involved in the loss is more than \$500 or theft or infestation was involved, contractors are advised to contact WSDA immediately for instructions, which may include:
  - Having the food inspected by a local health inspector and the inspection findings documented. If there is a problem in arranging for a local health inspection, please call WSDA.
  - Make sure to retain a copy of the inspection report for your records.
  - If theft, regardless of the value of the commodities, then follow the instructions in the [Theft Reporting System](#) section below.
  - Claim determination and pursuit of claims.
  - Depending on the circumstances of the loss, WSDA will work with USDA FNS to mitigate impacts and request the ability for contractors and subcontractors to provide in-kind foods or other alternatives, if allowable. See [FNS Instruction 410-1 Rev. 2](#).
- Contractors must send their completed monthly Commodity Loss/Adjustment Report to [foodassistance@agr.wa.gov](mailto:foodassistance@agr.wa.gov); subcontractors must send their completed Commodity Loss Report to their contractor, who will determine if it needs to be forwarded to WSDA.
- WSDA and/or the contractor must complete an investigation into all loss/inventory adjustments within 30 days of discovery and make a determination regarding pursuit of claims.

## THEFT REPORTING SYSTEM:

- Contact your contractor (for subcontractors) or WSDA (for contractors) within 24 hours (preferably immediately) of discovery regarding any theft of USDA donated food from your facilities. WSDA is required to notify USDA of any loss related to theft.
- Immediately report theft to local police and obtain a police report. Unreported theft can result in your agency being liable for the cost of the food, as well as other damages.
- Fill out a Commodity Loss/Adjustment Report detailing:
  - Address where theft occurred;
  - Explanation of how theft occurred;
  - Amount of product involved with specific data.

# COMMODITY LOSS/ADJUSTMENT PROCEDURES

- Email the Commodity Loss/Adjustment Report along with a copy of the police report to your contractor (for subcontractors) or WSDA (for contractors) at [foodassistance@agr.wa.gov](mailto:foodassistance@agr.wa.gov).

## INSTRUCTIONS FOR THE COMMODITY LOSS/ADJUSTMENT REPORT FOR CONTRACTORS:

The following section walks you through how to complete each item requested on the [Commodity Loss/Adjustment Report for Contractors](#).

**Program:** Check the correct box for the program associated with the commodity loss; TEFAP, CSFP or TMP.

**Contractor Name:** Your agency name.

**Date of Loss:** The date the loss occurred or was discovered.

**Contact Person:** The person filling out the Commodity Loss/Adjustment Report.

**Phone:** Contact person's phone number.

**Address:** The address where the loss occurred or was discovered.

The next section on the form is used to total the items lost. Please note that there are only four lines on the loss form. If more than four items were lost, you will need to fill out more than one Commodity Loss/Adjustment Report. This report is to be used on a 'per incident' basis.

**Example 1:** Two units of apple juice were damaged when they fell off a pallet. In this case you would fill out one Commodity Loss/Adjustment Report with one line filled out.

**Example 2:** Your delivery truck was broken into and 2 different items were stolen. You would need to fill out one Commodity Loss/Adjustment Report to list the items lost in that one incident.

**Example 3:** Examples one and two both happen on the same day. You would fill out two separate forms as these are two separate incidents.

**Commodity Description:** This is the material description, which you can find either on the Bill of Lading from the shipper or on the [USDA Food Order Price Lists](#).

**Material Number:** The material number (Part Code) is the six digit number that is used by USDA to identify the item being received. You can find this number either on the Bill of Lading or on the [USDA Food Order Price Lists](#).

**Example:** The commodity description is "UHT FLUID MILK 1% - 12/32 OZ"

The material number for "UHT FLUID MILK 1% - 12/32 OZ" is 100050

**Quantity:** The number of cases that were lost, damaged, spoiled or stolen.

**Measurement (Cases/Units):** For CSFP the measurement is always in UNITS.

**Type (Theft, Damage, Spoilage, or Inventory Adjustment):** Record what kind of loss occurred.

# COMMODITY LOSS/ADJUSTMENT PROCEDURES

**Briefly explain how loss/adjustment occurred:** In this box, explain to the best of your knowledge how the theft, damage, spoilage or adjustment occurred or was discovered.

**Type of Loss/Adjustment:** Specify the type of loss/adjustment and complete additional steps and/or respond to the additional questions pertaining to different types of loss.

- If loss was due to theft, notify WSDA immediately, then contact the police, obtain a police report, and submit the police report to WSDA along with your completed Commodity Loss/Adjustment Report. In all instances of theft, WSDA will notify USDA, regardless of the value.
- If loss was due to spoilage caused by bug or rodent infestation, notify WSDA immediately, then contact your local health jurisdiction to request an inspection, obtain an inspection report, and submit the health jurisdiction's inspection report to WSDA along with your completed Commodity Loss/Adjustment Report.

## **WSDA Use Only: (Page 2)**

This section is for WSDA staff to document their investigation into the loss of USDA donated food. WSDA is required to investigate any and all loss of donated USDA food, including inventory adjustments, regardless of value, in order to determine if a claim must be pursued against the responsible party. Investigations and claim determination must be completed within 30 days from the date of discovery, or from the date that the information was first received indicating that a loss/adjustment had occurred, whichever is later.

## **INSTRUCTIONS FOR THE COMMODITY LOSS REPORT FOR SUBCONTRACTORS:**

The following section provides detailed instructions for CSFP subcontractors to complete each item requested on the [CSFP Commodity Loss Report for Subcontractors](#). It then clarifies what action(s) the contractor must take to investigate loss and when that loss must be communicated to WSDA.

**Subcontractor Name:** Your agency name.

**Date of Loss:** The date the loss occurred or was discovered.

**Contact Person:** The person filling out the commodity loss report.

**Phone:** Contact person's phone number.

**Address:** The address where the loss occurred or was discovered.

The next section on the form is used to total the items lost. Please note that there are only four lines on the loss form. If more than four items were lost, you will need to fill out more than one Commodity Loss Report for Subcontractors. This report is to be used on a 'per incident' basis.

**Example 1:** Two units of apple juice were damaged when they fell off a pallet. In this case you would fill out one Commodity Loss/Adjustment Report with one line filled out.

**Example 2:** Your delivery truck was broken into and 2 different items were stolen. You would need to fill out one Commodity Loss/Adjustment Report to list the items lost in that one incident.

# COMMODITY LOSS/ADJUSTMENT PROCEDURES

**Example 3:** Examples one and two both happen on the same day. You would fill out two separate forms as these are two separate incidents.

**Commodity Description:** This is the material description, which you should be able to find on the Bill of Lading you received from your contractor or on the menu for prepacked CSFP boxes. If you cannot locate this description contact your contractor.

**Material Number:** The material number is the six digit number that is used by USDA to identify the item being received. You should be able to find this number on the Bill of Lading you received from your contractor or on the menu for prepacked CSFP boxes. If it wasn't, please contact your contractor and ask for the material number.

**Example:** The commodity description is "UHT FLUID MILK 1% - 12/32 OZ"

The material number for " UHT FLUID MILK 1% - 12/32 OZ" is **100050**

**Quantity:** The number of units that were lost, damaged, spoiled or stolen.

**Measurement (Cases/Units):** For CSFP the measurement is always in **UNITS**.

**Type (Theft, Damage, or Spoilage):** Record what kind of loss occurred here.

**Briefly explain how loss occurred:** In this box, explain to the best of your knowledge how the theft, damage, or spoilage occurred or was discovered.

**Type of Loss:** Specify the type of loss and complete additional steps and/or respond to the additional questions pertaining to different types of loss.

- If loss was due to theft, notify WSDA immediately, then contact the police, obtain a police report, and submit the police report to your contractor along with your completed Commodity Loss Report. In all instances of theft, your contractor will notify WSDA, and WSDA will notify USDA, regardless of the value.
- If loss was due to spoilage caused by bug or rodent infestation, notify your contractor immediately, then contact your local health jurisdiction to request an inspection, obtain an inspection report, and submit the health jurisdiction's inspection report to your contractor along with your completed Commodity Loss Report.

## **Contractor Use Only: (Page 2)**

This section is for contractor staff/volunteers to document their investigation into the loss of USDA donated food by their subcontractors. Contractors are required to investigate any and all loss of donated USDA food, regardless of value, in order to determine if a claim must be pursued against the responsible party. Accidents happen and are understandable. Your responsibility is to look for patterns of loss, indications of negligence, or other purposeful wrong-doing. In most cases, it is the responsibility of the contractor to determine if a claim should be pursued against a subcontractor. Claim determination must be completed within 30 days from the date of discovery, or from the date that the information was first received indicating that a loss had occurred, whichever is later. If you need guidance, contact WSDA to assist you with this determination. You only need to forward the Commodity Loss Report for Subcontractors to WSDA in the following instances:

# COMMODITY LOSS/ADJUSTMENT PROCEDURES

- Any time theft is involved, notify WSDA immediately and provide WSDA with all documentation.
- Any time a loss exceeds \$500 in value, notify WSDA immediately and provide WSDA with all documentation.
- Any time bug or rodent infestation is involved, notify WSDA immediately and let us know the steps taken to remedy the issue. WSDA reserves the right to request copies of all documentation.

**Date Received:** The date that you received the Commodity Loss Report from the subcontractor.

**Determine the Value of Loss:** Multiply the number of units lost by the price per unit for that commodity food item to determine the value of the loss per item. Find the price per unit on the Food Assistance webpage under the heading [USDA Food Pricelists](#).

If an item isn't listed on the price list, or on an additional items list for the fiscal year in question, then you can contact your regional representative have them look up the correct price per unit. Add up the value of the loss per item for the total value of loss.

**Responsible Party:** Determine the responsible party. It could be the subcontractor, natural event, or other. A natural event is defined as a hurricane, flood, or general power outage. In the case of other it could be theft and in that case it may be some other entity.

**Was the loss over \$500?** If so, then you must **immediately** notify WSDA as USDA must be notified.

This section is also the section in which your agency indicates whether you have determined to pursue further claim action against a subcontractor or if you have completed your investigation to your satisfaction and are not required to pursue a claim. If the value of the donated USDA food loss doesn't exceed \$500, you are not required to pursue a claim.

However, if the loss has occurred as a result of theft, embezzlement, willful misapplication, or fraud, the agency must pursue further claim for further action, regardless of the value of the loss.

If you are having trouble figuring out if a claim is required contact WSDA for guidance.

**Date Investigation Complete:** The date you've completed the investigation and determined whether or not to pursue a claim for the loss.

Once you have completed the investigation, if the loss reported by a subcontractor is \$500 or less, does not include theft, and is not due to a bug or rodent infestation, you are not required to notify WSDA and must simply keep this completed report on file as supporting documentation. However, please notify WSDA for further direction if the subcontractor is consistently reporting loss.

# HOLDS AND RECALLS

## Holds and Recalls

After receiving a recall notice from WSDA Food Assistance, immediately respond to the email which will notify us that you have received the email and will put the USDA food in questions on hold.

- Place all USDA food in question on hold. Mark each pallet with dated signs that read, “USDA hold don’t distribute!” Isolate the USDA food in question to avoid accidental use and to take an accurate inventory.
- Conduct an inventory of the USDA food in question to determine what you have left on hand.
- Identify the sites that have had the USDA food in question issued to them. Immediately contact the sites and have them place the USDA food in question on hold and conduct an inventory to determine what they have left on hand.
- Upon receiving the inventories from all your sites, compile a master inventory list that should include:
  - Total Received
  - Total Issued
  - Total still in inventory and on hold
  - Locations of the USDA food in question
- Send master inventory to WSDA Food Assistance by email.
- It may be necessary to dispose of the USDA food in question. Costs associated with the disposal of recalled USDA food should be tracked.
- It may be necessary to get all of the remaining USDA food in question back to a central distribution point so that USDA can arrange to have it removed. Be prepared to do this quickly; we may have a very short notice of a pickup. Costs associated with the pickup and storage of recalled USDA food should be tracked.
- It may be necessary for you to notify your clients that they should:
  - Refrain from eating the recalled USDA food.
  - Dispose of the recalled USDA food.

***This could include but should not be limited to: word of mouth, flyers and signs at the site, in addition to any normal communications you use for your recall process.***

You may release a hold on USDA food only at the express written permission of WSDA. Remember that WSDA will contact you in the case of a hold or a recall and will provide you with specific guidance. However, if you would like additional information regarding responding to a food recall, please see: [fns-prod.azureedge.net/sites/default/files/Responding\\_Food\\_Recall\\_FNS\\_Final\\_May\\_30\\_2014.pdf](https://prod.azureedge.net/sites/default/files/Responding_Food_Recall_FNS_Final_May_30_2014.pdf).

# USDA FOOD COMPLAINT PROCESS

## USDA Food Complaint Process

Contractors and their subcontractors must accept and process all USDA food complaints received by a participant regardless of whether the complaints are written, verbal, or anonymous by completing the [FA USDA Food Complaint Form](#) (AGR-2329). If a participant reports a food safety or health risk please contact WSDA immediately.

Contractors and subcontractors report directly to WSDA by using the [FA USDA Food Complaint Form](#) (AGR-2329) and/or subcontractors may request that their contractor submit the food complaint form to WSDA on their behalf. USDA food complaints are broad in nature and include things like issues with the packaging, recommendations for quality improvement, food safety, or health risks. The [FA USDA Food Complaint Form](#) (AGR-2329) should NOT be used when a contractor or subcontractor is reporting a receipt or inventory adjustment due to shortages, overages, spoilage, damage or theft.

The [FA USDA Food Complaint Form](#) (AGR-2329) should be completed and submitted to [foodassistance@agr.wa.gov](mailto:foodassistance@agr.wa.gov) within 10 calendar days of receiving a complaint, unless there is a food safety or health risk which needs to be reported immediately.

Make sure that all food complaints are properly documented and reported. WSDA Food Assistance will report the issue into the USDA Web-Based Supply Chain Management (WBSCM) reporting system within five calendar days and report any significant issues directly to USDA FNS Western Region upon receipt. WSDA Food Assistance will maintain a record of and track all USDA food complaints including complaint status (pending, follow-up, completed, or referred to FNS).

# STORAGE REQUIREMENTS

## Storage Requirements

It is important to store food properly and at the right temperature. Improper storage can result in spoilage or damage that could result in your agency being charged for the cost of the food. Following are storage requirements for dry, refrigerated, frozen and processed commodities. The storage requirements given below are the minimum requirements. As such these requirements do not exempt a contractor or its CSFP sites from complying with the local health authority's food storage and handling regulations.

### **DRY COMMODITIES:**

Store in a clean, cool, dry place, preferably where food will not be in direct sunlight. Food should be stored up off the floor and at least four to six inches away from walls. The storage area should be secure, clean and inspected on a regular basis. Temperatures should be regulated and monitored regularly. A method of pest infestation control (either professional or self-applied) should be in place for all storage areas.

Nuts and dried fruits can be damaged during storage by various stored-product insects and high heat. Infestation by insects can be minimized by storage at 50 to 70 degrees Fahrenheit and use of good sanitation and quick distribution of the product. Storage at lower temperatures will help maintain the storage life of the product. It is not recommended that you store dried fruit or nuts during the summer months in a non-air-conditioned warehouse. If you must store these items during the summer it's recommended that they are stored in a cooler to ensure that the product will remain useable for distribution.

### **ULTRA-HIGH TEMPERATURE (U.H.T) SHELF STABLE MILK:**

U.H.T milk can be stored on the shelf at room temperature for months before being opened. It is recommended that it is used by the date stamped on the top of the carton. Once the package is opened it must be refrigerated.

If the package is damaged or if the package has been opened U.H.T milk will spoil. Once the package is opened the milk is exposed to the air and will spoil just like pasteurized milk. Always refrigerate after opening for maximum shelf life.

The best temperature to store shelf stable milk is from 33 to 80 degrees F. It can withstand higher temperatures between 81 to 108 degrees F but this will cause the milk to age more quickly (not causing bodily harm). Storing the milk at or above 109 degrees F for more than 10 days will cause the milk to sour but will not cause bodily harm.

### **REFRIGERATED COMMODITIES:**

Store in a cooler or refrigerator that will maintain a temperature between 33 and 40 degrees F. Refrigerated commodities include fresh fruit and vegetables. Commodities needing refrigeration can include dry commodities that store better at cool temperatures such as dried fruit (e.g., raisins and prunes) and milled grains (e.g., flour and cornmeal.) The food should be stored such that proper air circulation is maintained in

# STORAGE REQUIREMENTS

the refrigeration unit. The unit should be cleaned and inspected on a regular basis. A thermometer should be in each unit and monitored daily.

## **FROZEN COMMODITIES:**

Store in a freezer that will maintain a temperature of zero degrees Fahrenheit or lower. The food should be stored such that proper air circulation is maintained in the freezer unit. The unit should be cleaned and inspected on a regular basis. A thermometer should be in each unit and monitored daily.

Recommended temperatures and storage time for CSFP commodities:

<b>TYPE</b>	<b>TEMPERATURE RANGE</b>	<b>TIME SPAN</b>
Frozen	0 degrees Fahrenheit or lower	9 months
Refrigerated	33-40 degrees Fahrenheit	5 months
Dry Goods	50-70 degrees Fahrenheit (exception fruits and nuts)	1 year

## **Storage Periods:**

Shelf life is the length of time from pack date that USDA donated food can be stored at acceptable temperatures without affecting quality. USDA donated food shelf life recommendations are currently stated as “best if used by” dates. WSDA requires that contractors and subcontractors have no more than a three-month supply of USDA donated food on hand.

## **Expiration and Use-by Dates:**

“Expiration” dates and “use-by” dates are the last dates the manufacturer recommends a food item be consumed to ensure peak quality and nutrient retention. CSFP USDA donated food that is past its expiration date or its use-by date must not be distributed to program recipients.

## **Best-If-Used-By (BIUB) Date:**

A “best-if-used-by” (BIUB) date is the last date a food item will be at its peak, in terms of flavor and quality. At some point after that date, the product will begin to undergo changes in taste, color, texture, and/or nutrient content. However, the product may be wholesome and safe to consume, and retain most of its nutrient value, long after the BIUB date. BIUB dates are intended only as useful guidelines. Some CSFP USDA donated food may deteriorate more quickly and some may last longer than the times recommended. But, because many factors can shorten the useful life of a USDA donated food such as improper handling and inadequate storage temperatures, the inventory control method of “first-in, first-out” (FIFO) should be practiced by those responsible for CSFP USDA donated food and inventories and distribution.

**As stipulated by USDA in [Policy Memo FD-107](#), USDA CSFP food that is past its BIUB date must not be distributed to program recipients.** Contractors and their subcontractors must consider BIUB dates in managing their CSFP inventories, and distribute foods in a manner that allows the food to be consumed by

# STORAGE REQUIREMENTS

the BIUB date. Failure to distribute CSFP food to program recipients prior to the expiration/BIUB date may be considered a loss of CSFP food.

## **“Sell-by” Date:**

The “sell-by” date is the date by which the manufacturer recommends that a store sell the food product, and is not necessarily a reliable indicator of how long it may retain its wholesomeness or nutritional value.

## **CONVENTIONAL STORAGE PRACTICES:**

### **Monitoring Storage Temperatures:**

Contractors are responsible for any loss of CSFP USDA donated food that happens due to negligence. Contractors should monitor and record storage temperatures on a daily basis year round. Although WSDA cannot require the daily year round reading of storage temperatures, USDA considers all losses that result because of inadequate temperature control to be caused by negligence and hold the contractor responsible for the CSFP food loss. **This includes losses due to the failure of an alarm system.** Therefore, the burden of proof is on the contractor to demonstrate that the loss was not caused by its negligence and shall record the storage temperatures on a daily basis.

The purpose of the temperature chart is to help the contractor maintain the proper temperatures in their CSFP food storage facilities. If there is a significant change in temperature, the contractor can take appropriate action to correct the problem and avoid deterioration or loss of stored CSFP food.

### **Practicing FIFO (First In, First Out):**

USDA donated foods are to be stored so that the USDA donated food with the **nearest expiration/BIUB dates** are in front and used first, followed by USDA foods with the **oldest pack dates**. With the increasing number of CSFP foods having commercial labels; contract numbers, pack dates and expiration/BIUB dates may not appear on each case. When CSFP food is received, contractors shall write the received date on the product if no other date is present. If CSFP food is taken out of the case and stored, each can, box or container should be marked with the received dates if pack dates or expiration/BIUB dates are not available.

# FOOD SAFETY AND SANITATION REQUIREMENTS

## Food Safety and Sanitation Requirements

### **ALL MUST ADHERE TO REASONABLE SAFETY AND SANITATION STANDARDS:**

Any program that provides either food bank or food pantry services must adhere to all applicable local, state and federal regulations on food safety and sanitation. These standards cover the areas of ground and warehouse maintenance, food storage and pest control.

- Properly control pests inside and outside.
- Use the assistance of a trained exterminator to set outside traps and bait stations, setting traps indoors. **NOTE: Rodent pesticides are not to be used inside except with very serious infestations and never in close proximity to food.**
- Do proper lawn care and weed control.
- Store equipment, pallets and trash receptacles away from the building, keeping grounds litter-free. Keep trash receptacles covered and clean.
- Keep doors and windows shut unless they are screened.
- Maintain the inside of buildings so that they are clean and in good repair.
- Adhere to good food safety practices so that foods are stored in a manner to protect them from spoilage, infestation, damage or other condition that may jeopardize the wholesomeness or safety of the foods.
  - Move out the oldest food first.
  - Must be maintained in sanitary conditions, keep food storage areas and pallets clean.
  - Maintain proper temperatures and humidity, and with adequate air circulation of perishable foods. Cold storage must be maintained at between 33 and 40 degrees; frozen storage must be maintained at zero degrees or lower.
  - Keep food off the floor and on pallets.
  - Keep food 4-6 inches from the wall.
  - Keep cleaning agents and other toxic materials away from food, inspecting food for damage or contamination.
- Food safety: Foods that show signs of spoilage, infestation, or other visible defects should not be used or distributed, regardless of product dates or when the foods were received, as such food is generally considered not fit for human consumption.
- There must be hand-washing facilities with hot running water.

### **NON-COMPLIANCE TO SAFETY AND SANITATION STANDARDS:**

- Providers who put the public's health at risk and do not adhere to these standards may be suspended or terminated from CSFP if they do not make the necessary improvements within 30 days of a notice from WSDA or contractor requiring compliance.

*NOTE: Chapter 246-215 Washington Administrative Code (WAC), Subpart D - Donated Food Distributing*

# FOOD SAFETY AND SANITATION REQUIREMENTS

*Organizations, effective May 1, 2013 provides the safety standards for food pantries and food banks. The Food Code serves as the basis for food service rules in most states and provides Washington with rules that are more consistent with the national food safety standards. [www.doh.wa.gov/Portals/1/Documents/Pubs/332-033.pdf](http://www.doh.wa.gov/Portals/1/Documents/Pubs/332-033.pdf)*

# SECTION 6: PROPERTY MANAGEMENT

## Section 6: Property Management

CSFP PROCEDURES MANUAL

SECTION 6: PROPERTY MANAGEMENT

# PROCUREMENT REQUIREMENTS

## Procurement Requirements

### **PERSONAL PROPERTY PROCUREMENT:**

For this policy “personal property” means property of any kind except real property. For this policy, “equipment” means tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit, including ancillary costs.

Contractors must notify and get prior approval from WSDA when using program funds to purchase equipment when the cost is expected to equal or exceed \$5,000 per unit. [Equipment Procurement Requirements and Guidelines](#) (AGR PUB 609-454) and the [FA Equipment Purchase Request/Approval Form](#) (AGR-2204) can be found on the WSDA, Food Assistance webpage at: [agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs](http://agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs). Contractors, and on behalf of their subcontractors, must submit the [FA Equipment Purchase Request/Approval Form](#) (AGR-2204) to FA prior to purchasing, regardless of the percentage to be paid with FA funds.

Contractors and subcontractors, shall establish written procurement procedures, which should include at least the following:

- All procurement transactions shall be conducted in a manner to provide to the maximum extent practical, open and free competition.
- Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement method when using FA funds, and to assure the avoidance of purchasing unnecessary or duplicative items.
- Solicitations for goods and services shall provide a clear and accurate description of the technical requirements for the material, product, or service to be procured.
- Procurement records for purchases shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.
- Purchasing agreements shall be made only with responsible vendors under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as the vendors’ integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Vendors shall not be suspended or debarred.
- Subcontractors must submit to the contractor any related procurement documents, justification for non-competitive procurement, if applicable, in order to receive reimbursement from FA funds.
- Real property (land, land improvements, structures and appurtenances/fixtures) is considered an unallowable cost

# PROPERTY MANAGEMENT AND INVENTORY

## Property Management and Inventory

For this policy “personal property” means property of any kind except real property. For this policy “equipment” means tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

The Washington State Administrative and Accounting Manual (SAAM) defines the state’s capitalization policy as assets with a unit cost (including ancillary costs) of \$5,000 or greater, or collections with a total cost of \$5,000 or greater. Consequently, components valued less than \$5,000 but are pieces of a larger system valued over \$5,000 are determined to be equipment. (Refer to [SAAM 30.20.20](#)).

### **EQUIPMENT INVENTORY POLICY REQUIRED:**

- Contractor and subcontractors shall have an inventory policy in place for nonexpendable personal property that adequately addresses how to track all nonexpendable personal property inventories.
- Contractors shall have a method for tracking inventory purchased by their subcontractors with FA funding in order to assure that all appropriate equipment is listed on FA’s Annual Inventory Report each year.
- Subcontractors shall have a method for tracking FA purchased nonexpendable personal property.
- A physical inventory of the property purchased with FA funds must be taken and reconciled with the equipment records at least once every two years.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft shall be investigated.
- Adequate insurance and maintenance procedures must be in place for all equipment.
- If the agency is authorized to sell the property, proper sales procedures must be established to ensure the highest possible return.
- Contractors shall follow proper procedures for the disposition of equipment purchased with FA funds. See the [Disposition of Personal Property Equipment](#) section of this manual.

### **ANNUAL REPORTING OF EQUIPMENT:**

- All contractors must report at the end of each state fiscal year on the [FA Annual Inventory Report](#) (AGR-2201) of nonexpendable personal property and equipment with an acquisition cost of \$5,000 or more per unit that was purchased with FA funds, regardless of the percentage FA paid. Section 1 of the report includes new and past purchases that have not been placed in disposition status. Section 2 of the report includes only disposition of equipment actions that occurred since the last report was submitted.
- Contractors are responsible for reporting subcontractors’ applicable equipment inventory on the [FA Annual Inventory Report](#).

# PROPERTY MANAGEMENT AND INVENTORY

- Equipment reporting is based on the acquisition date and has no ending date for the [FA Annual Inventory Report](#) until disposition occurs.
- Equipment records shall be maintained accurately and shall include the following information:

## **Active Inventory:**

- Purchase date;
- Item purchased;
- Description: brand, size, for vehicles: make, model, year;
- Identification: manufacturer's serial number, model number, VIN number, federal stock number, national stock number, or other identification number;
- Condition: good, fair, poor, scrap/salvage;
- Unit cost;
- Percent of total cost: percent per FA funding type;
- FA funding: CSFP, EFAP, TEFAP, TEFAP-ARRA, TMP;
- Physical Location;
- Agency Title Holder: name of agency that owns equipment.

## **Inventory Disposition:**

- Purchase date;
- Item purchased;
- Description: brand, size, for vehicles: make, model, year;
- Identification: manufacturer's serial number, model number, VIN number, federal stock number, national stock number, or other identification number;
- Condition: good, fair, poor, scrap/salvage;
- Sale price or current market value;
- Percent of total cost: percent per FA funding type;
- FA funding: CSFP, EFAP, TEFAP, TEFAP-ARRA, TMP;
- Disposition type: sold, scrap, transferred, trade-in, lost/stolen;
- Agency Title Holder: name of agency that owns equipment.
- Method used to determine current fair market value where a program compensates the state (or federal entity) for its share, if applicable.

## **DISPOSITION OF PERSONAL PROPERTY AND EQUIPMENT:**

If a contractor or their subcontractor has no further need for the equipment, with an original purchase price of \$5,000 or more per unit, then the [FA Equipment Disposal Request/Approval Form](#) (AGR-2203) must be completed and sent to FA for prior approval. Additional instructions can be found in the [Equipment Disposition Requirements](#) (Publication No. 609-452). Once approved, the following applies:

# PROPERTY MANAGEMENT AND INVENTORY

- If current fair market value is under \$5,000, WSDA encourages the contractor, if the equipment is in good working condition, to see if another emergency food provider can use it.
- If current fair market value is \$5,000 or more, disposition is at the state's discretion and is dependent upon the value, condition, and whether the equipment can be used to further service other programs. FA staff determine the best method of disposition on a case-by-case basis, and may include:
  - Contractor compensates WSDA by applying the percentage of WSDA's contribution towards the original purchase price of the item to the current fair market value of the equipment, if WSDA determines that the contractor or subcontractor is not keeping the equipment to use in an eligible program or using as a trade-in.
  - Contractor compensates WSDA by applying the above same formula to the selling price of the item if the contractor or subcontractor sells the equipment. Contractor may keep \$500 from WSDA's share or 10 percent of the proceeds; whichever is less, for costs involved in selling the equipment if not using it for the purchase of another piece of equipment for use in an eligible program. In the latter case, contractor or subcontractor may use the entire proceeds of the sale for the new purchase.
- When determining the method of disposition, the following questions could be used for disposition consideration by WSDA or by contractors with subcontractors:
  - What is the best interest for all parties?
  - Who, if anyone, can make the best use of the equipment in serving clients or continuing the service?
  - How serviceable is the equipment?
  - How much residual value does the equipment actually have based upon an appraisal by a disinterested party?
- Disposition status must be updated on the [FA Annual Inventory Report](#) (AGR-2201) that the contractor provides to WSDA annually.

# SECTION 7: COMPLIANCE MANAGEMENT

## Section 7: Compliance Management

# CSFP PROCEDURES MANUAL SECTION 7: COMPLIANCE MANAGEMENT

# PAPERWORK DUE DATES

## Paperwork Due Dates

### REQUIRED REPORTS AND SCHEDULE OF SUBMITTALS FOR CONTRACTORS:

Unless otherwise expressly required by a provision the contract, contractor shall adhere to the following schedule for reporting:

<b>DUE DATE</b>	<b>CSFP REPORTS</b>
20th of the month following provision of services	<ul style="list-style-type: none"> <li>▪ Monthly Contractor Invoice Voucher</li> <li>▪ Contractor Inventory Report</li> </ul>
Upon request or as needed	<ul style="list-style-type: none"> <li>▪ Other reports and data as requested</li> </ul>
Annually, on May 20 <sup>th</sup>	<ul style="list-style-type: none"> <li>▪ FNS 191 report</li> <li>▪ Participant Survey</li> </ul>
Annually, on July 20 <sup>th</sup>	<ul style="list-style-type: none"> <li>▪ Annual Inventory Report (Equipment)</li> </ul>
Annually, 30 days after the end of the contractor's fiscal year	<ul style="list-style-type: none"> <li>▪ Single Audit Exemption Form for Contractors, if applicable</li> </ul>
Annually, 9 months following end of contractor's fiscal year	<ul style="list-style-type: none"> <li>▪ Single Audit Report, if applicable</li> <li>▪ Financial Audit, if applicable, and if contractor is conducting an annual audit.</li> </ul>
Option for either a one or two year audit, 9 months following the end of contractor's fiscal year	<ul style="list-style-type: none"> <li>▪ Financial Audit</li> </ul>
45 days after the contractor's fiscal year	<ul style="list-style-type: none"> <li>▪ Accounting System Verification Form, if applicable</li> </ul>
Within 30 days of contract execution and thereafter upon each renewal.	<ul style="list-style-type: none"> <li>▪ Insurance Certificates</li> </ul>
Within 30 days of subcontract execution	<ul style="list-style-type: none"> <li>▪ Subcontract face sheet</li> <li>▪ Subcontractor site list</li> </ul>

Forms listed above may be downloaded from the Food Assistance webpage at: [agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs](http://agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs).

# WSDA COMPLIANCE REVIEWS

## WSDA Compliance Reviews

### **WSDA STAFF SHALL MONITOR FISCAL REPORTS ON A MONTHLY BASIS:**

WSDA staff shall conduct monitoring of contractors by evaluating monthly submitted expenditure reports and responses. At any time, WSDA may request a contractor to send in any and all supporting documentation for expenditures.

- If a contractor violates any conditions set forth in the contract, WSDA staff will investigate the violation.

### **WSDA COMPLIANCE REVIEWS OF CONTRACTORS AND SUBCONTRACTORS:**

WSDA is responsible for monitoring the operation of the program to ensure that it is being administered in accordance with federal and state requirements and promotes program integrity. The WSDA monitoring system will include:

- CSFP contractors will be reviewed at least every two years.
- Five CSFP subcontractors will be reviewed on an annual basis.
- Contractors that have serious performance issues will have a program review more often if warranted.

If a contractor or subcontractor violates any of the more critical conditions set forth in the contract, WSDA staff may conduct a site visit to investigate the violation.

At a minimum, each review must encompass, as applicable, eligibility determinations, distribution rate formula, storage and warehousing practices, fiscal and inventory control, reporting and record keeping requirements, and compliance with civil rights policies and training. WSDA compliance review forms for contractors are available on the Food Assistance webpage.

### **WSDA COMPLIANCE REVIEW PROCESS:**

- WSDA staff will try to schedule site visits in advance by sending a written or a verbal notification to the program manager or representative.
- Documentation may be requested ahead of time for review in the office by WSDA staff.
- Once WSDA staff have completed the review it is required that they obtain appropriate signatures to verify that the review took place.
- At the request of the contractor or WSDA, an exit interview will be conducted.
- WSDA will send the final report to the contractor, the subcontractor (if applicable) and their respective contractor. This will include results, recommendations, required follow-up or corrective action.
  - If corrective action (significant) is required, then WSDA will also notify USDA FNS Western Region.
- WSDA will keep a copy of the review on file.
- WSDA staff will monitor required follow-up or corrective action items to ensure completion.

# CONTRACT COMPLIANCE

## Contract Compliance

### **WSDA MAY RECAPTURE AND REALLOCATE CONTRACT FUNDS:**

- If a contractor does not spend down their full allocation, it will be reallocated for program use.
- WSDA will pursue recovery of any misused funds or foods.

### **TERMINATION OR SUSPENSION:**

- Either party may terminate contract in whole or in part upon thirty 30 days written notice, regardless of whether termination is for cause or at will.
- If WSDA determines to terminate because of contractor's failure to comply with the contract (termination for cause), WSDA may provide notice and offer contractor the opportunity to correct the noncompliance. The notice will provide a time by which the contractor must return to compliance.
- If contractor fails to correct the noncompliance within the time WSDA allows, WSDA may then immediately terminate the contract.
- If WSDA terminates the contract for cause, contractor may request a dispute review as provided under the Disputes section of the contract.
- As an alternative to termination, WSDA may suspend the contract in whole or in part, effective upon contractor's receipt of notice of suspension.
- If WSDA suspends the contract because of contractor's failure to comply with the contract, WSDA may provide opportunity for contractor to correct the noncompliance during the period of suspension.
- WSDA will not pay any costs associated with suspended work from the time contractor receives notice of suspension until the time contractor receives notice from WSDA to resume work.
- WSDA may terminate Contract at any time during a period of suspension.
- Action to suspend or terminate funding will be taken if repeated communication with the agency's governing board fails to produce corrective action.
- WSDA shall follow the process for suspension and termination as provided in the contract.
- Contractor shall refund WSDA for any misuse or loss of funds or food received by contractor under the contract, regardless of whether contractor has further distributed the funds or food.

### **CONTRACTORS MAY SUSPEND OR TERMINATE SUBCONTRACTORS FUNDS:**

Contractors may suspend or terminate funding to subcontractors according to the above criteria and their corrective action policy. The contractor must notify WSDA prior to taking any corrective action.

# DISPUTE POLICY FOR CONTRACTORS

## Dispute Policy for Contractors

When a dispute arises between WSDA Food Assistance (FA) and the contractor that cannot be resolved by direct negotiation, the contractor may request a review by WSDA's director, who may designate another neutral person (designee) to hear the dispute.

### **DISPUTING A WSDA FOOD ASSISTANCE (FA) DECISION:**

- Contractors may appeal to WSDA any substantive decision of FA to deny, award, recapture, reallocate, suspend or terminate funds that is believed to be to be unfair, unreasonable, or have a major adverse impact on local delivery of services.
- FA must provide contractors with a copy of the dispute policy prior to or with any substantive decision.
- Any decision of FA to deny, award, recapture, reallocate, suspend or terminate funds will stand until the dispute review process is completed and will only be modified or reversed as a result of the dispute review process.

### **THE CONTRACTOR DISPUTE REVIEW PROCESS:**

- The request must:
  - Be written;
  - Identify the contractor's name, address and the contract number;
  - State the disputed issues;
  - State each party's position;
  - Be mailed to the director, with a copy to the WSDA Food Assistance program manager within 15 working days after the parties agree that they cannot resolve the issue.
- The WSDA Food Assistance program manager shall submit a written statement of their position regarding the contractor's request to both the director or the director's designee, and the contractor within 10 working days.
- The director or director's designee shall review the written statements and provide a decision in writing to both parties within 15 working days. At the discretion of the director or director's designee, the time in which to make a decision may be extended or expedited upon notice to both parties.
- The decision of the director or the director's designee shall be the final agency decision.
- The parties shall attempt to resolve the dispute as listed above before filing a claim in any tribunal.

# DISPUTE POLICY FOR SUBCONTRACTORS

## Dispute Policy for Subcontractors

When a dispute arises between the contractor and the subcontractor that cannot be resolved by direct negotiation, the subcontractor must follow the contractor's dispute policy.

### **THE CONTRACTOR SHALL ESTABLISH A DISPUTE PROCESS:**

The contractor shall establish a written dispute resolution process for subcontractors under their contract with WSDA no later than 30 days after execution of the subcontract. The subcontractor dispute resolution process shall not include WSDA as the arbitrator. WSDA is available to review and provide feedback to contractors when they are dealing with a subcontractor dispute.

### **THE CONTRACTOR MUST PROVIDE THIS DISPUTE PROCESS IN WRITING TO ALL SUBCONTRACTORS:**

The contractor shall provide a copy of the dispute process to all subcontractors within 45 days of the subcontract execution date.

# SECTION 8: APPENDIX

## Section 8: Appendix

# CSFP PROCEDURES MANUAL SECTION 8: APPENDIX

# FA REQUIRED FORMS AND PUBLICATIONS

## Food Assistance Required Forms and Publications

### **AVAILABLE FOR DOWNLOAD ON THE FOOD ASSISTANCE WEBPAGE AT:**

[agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs](http://agr.wa.gov/services/food-access/hunger-relief-agency-hub/fa-forms-and-pubs)

#### ***Accounting / Audit Forms:***

- Accounting System Verification Form for Contractors (AGR-2206)
- Accounting System Verification Form for Subcontractors (AGR-2206)
- Food Assistance Single Audit Exemption Form (AGR-2207)
- Food Assistance Audit Requirement Form For Subcontractors (AGR-2217)

#### ***Civil Rights /Nondiscrimination:***

- Civil Rights Training Instructions (AGR PUB 609-443)
- Civil Rights Training Checklist for Frontline Staff, Volunteers, and Managers (AGR-2198)
- Civil Rights Training Checklist for Non-Frontline Staff and Volunteers (AGR-2199)
- CSFP Written Notice of Beneficiary/Client Rights (AGR-632)
- TEFAP and CSFP Beneficiary / Client Referral Request Form (AGR-2239)
- USDA Nondiscrimination Statement (AGR PUB 609-488) English and Spanish

#### ***CSFP Forms and Publication:***

- CSFP Contractor Inventory Report (AGR-2249)
- CSFP Contractor Invoice Voucher (AGR-2234)
- CSFP Commodity Loss Report for Subcontractors (AGR-2255)
- CSFP Eligibility Application (AGR-2244)
- CSFP Income Guidelines (AGR PUB 609-444) English/Spanish
- CSFP Monthly Distribution Rates (AGR PUB 609-506)
- CSFP Notification of Eligibility Determination (AGR-2246)
- CSFP Notification of Eligibility Status Change (AGR-2245)
- CSFP Participant Agreement (AGR-2247)
- CSFP Participant Survey (AGR-2248)
- CSFP Procedures Manual (AGR PUB 609-486)
- CSFP Receipt of USDA Commodities – Proxy Form (AGR-2324)
- CSFP Subcontract (AGR-2320)
- CSFP Subcontractor Inventory Report (AGR-2254)
- CSFP State Plan (AGR PUB 609-797)
- Welcome to CSFP – Resource Handout (AGR PUB 609-739)

#### ***Equipment and Inventory:***

- Annual Inventory Report Form (AGR-2201)
- Equipment Procurement Requirements and Guidelines (Publication No. 609-454)
- FA Equipment Purchase Request / Approval Form (AGR-2204)

# FA REQUIRED FORMS AND PUBLICATIONS

- FA Equipment Disposition Requirements (Publication No. 609-2204)
- FA Equipment Disposal Request / Approval Form (AGR-2203)

***Miscellaneous:***

- Alternate 501 (c) (3) Church Verification Form (AGR-2241)
- Commodity Loss/Adjustment Report for Contractors (AGR-2256)
- Contractor Review Form (AGR-2225)
- Food Assistance – USDA Food Complaint Form (AGR-2329)
- Request for Alternate Language Approval Form (AGR-2325)
- Subcontractor Review Form (AGR-2227)