



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona



Senior's Farmers Market Nutrition Program (SFMNP)

And

WIC Farmer's Market Nutrition Program (FMNP)

Policy and Procedures Manual

Fiscal Year (FY) 2020

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NON-DISCRIMINATION STATEMENT

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 http://www.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:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov

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STATE CONTACT

State Agency: Arizona Department of Economic Security (ADES)
Division of Aging and Adult Services (DAAS)
Coordinated Hunger Relief Program (CHRP)

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The Arizona Department of Economic Security (ADES) Coordinated Hunger Relief's (CHRP) Seniors' Farmer Market Nutrition Program (SFMNP) and WIC Farmer's Market Nutrition Program (FMNP) Policy and Procedure Manual is intended for the use of the contractor. The purpose of this manual is to serve as a guide for the Code of Federal Regulations (CFRs), Federal and Nutrition Service (FNS) policies pertaining to SFMNP and FMNP as well as outline discretionary state policies and procedures for program implementation by the contractor.

The CFR (Title 7, Subtitle B, Chapter 2, Subchapter A, §249.1 to §249.27) outlines the government program requirements for SFMNP. The CFR (Title 7, Subtitle B, Subchapter A, §248.1 to §248.26) outlines the program requirements for FMNP. Throughout this manual, parenthetical notations are provided for all references to Federal regulations. You may call the CHRP SFMNP/FMNP Program Coordinator for further clarification. The CFRs can be found at <https://www.ecfr.gov>

This policy and procedures manual is a living document in that it contains the current SFMNP/FMNP program policies and procedures required by the USDA and ADES. ADES may clarify or add policies and procedures as situations arise in the field that prompt the need for further interpretation and/or greater program structure or if any changes in CFRs occur. In keeping with the CFR approach toward simplification and flexibility, this manual, in some instances, provides the spirit of certain policies and procedures rather than dictations as to how to meet the law to allow for discretion at the local level. ADES/CHRP's primary mission is to distribute USDA commodities to the agencies, households, and individuals in need of food assistance and to treat our participants with dignity and respect.

It is the responsibility of the Contractor to:

1. Read this manual carefully and apply the policies and procedures herein with good judgment.
2. Stay current with subsequent ADES/CHRP policy and information notices issued after the creation of this manual and adhere to the policies and procedures therein.
3. Contact the ADES/CHRP SFMNP/FMNP Program Coordinator when further clarification is needed

DEFINITIONS OF TERMS AND ACRONYMS

ADES	Arizona Department of Economic Security
AUTHORIZED MARKET	A farmer's market, roadside stand and/or Community Supported Agriculture that is authorized by the Contractor to participate in SFMNP and/or FMNP.
AUTHORIZED FARMER	An individual selling his or her locally grown produce to a consumer at a participating farmers' market, roadside stand and/or Community-Supported Agriculture.
CFR	Code of Federal Regulations.
CHRP	Coordinated Hunger Relief Program.
CONTRACTOR	Selected ADES authorized Contractor that authorizes, supports, trains and monitors Authorized Market(s).
COUPON	Coupon administered by the Contractor to participating Authorized Market(s) for the use of Senior Farmer's Market Program or Farmer's Market Program benefits.
CSA	Community Supported Agriculture to provide approved food box.
CSFP	Commodity Senior Food Program (seniors currently participating or on a CSFP waiting list).
FARMER'S MARKET	A group of local farmers, who assemble for the purpose of selling their locally grown produce to consumers.
FMNP	Farmer's Market Nutrition Program.
FNS	Food and Nutrition Services.
PARTICIPANTS	Individuals who qualify to participate in SFMNP and/or FMNP.
ROADSIDE STANDS	A local grower selling locally grown produce.
SFMNP	Seniors' Farmer Market Nutrition Program.
USDA	United States Department of Agriculture.

WIC

Special Supplemental Nutrition Program for Women, Infants, and Children.

SFMNP Section 1: Program Description and History

A. The Senior Farmers' Market Nutrition Program (SFMNP)

The SFMNP is a federal program, administered in Arizona by ADES and the approved Contractor. The SFMNP is funded by the USDA-FNS.

The SFMNP is an annual benefit designed to:

1. Provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, honey, and herbs from Authorized Market(s) (farmers' markets, roadside stands, and community-supported agriculture (CSA) programs) to low-income seniors in Arizona.
2. Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic Authorized Market(s).

B. SFMNP Community Supported Agriculture (CSA) box

CSA fruit and vegetable box options will be an available option in lieu of coupons where available. Seniors participating in the CSA box option will receive three (3) boxes valued at \$10/each of locally grown fruits and vegetables annually.

SFMNP Section 2: Participant Eligibility and Benefits

A. Participant Eligibility

In accordance with CFR §249.6 and the SFMNP and FMNP Consolidated State Plan Guidance, participant eligibility for SFMNP:

1. persons at least 60 years of age; and
2. income is at or below 185% of annual poverty income guidelines, **or** are CSFP eligible.

The SFMNP will serve as many participants each year as available funding will permit.

B. SFMNP Participant Coupon Book

In accordance with CFR §249.8 and the SFMNP and FMNP Consolidated State Plan, once a year SFMNP participants will receive one booklet containing six (6) SFMNP coupons that may be used during the "Dates of Use" printed on the coupon. Each coupon has a program value of \$5.00, for a total of \$30.00.

Participants may redeem coupons at any Authorized Market(s) in Arizona that accepts SFMNP coupons.

SFMNP coupons are typically distributed by the Contractor to Authorized Market(s) for SFMNP participants starting February 1st. However, the coupon distribution time frame

may change depending on product season.

The number of coupons issued each year may vary according to available funding.

SFMNP Section 3: Nutrition Education

In accordance with CFR §249.9 and the SFMNP and FMNP Consolidated State Plan, SFMNP participants are to receive nutrition education that highlights proper nutrition to quality health, including the importance of consuming fruits and vegetables.

The Contractor will provide nutrition education services at the time of coupon distribution. Nutrition education can include, but is not limited to:

1. SFMNP flyer;
 2. SFMNP pamphlet; and/or
 3. Presentation at the time of SMFNP eligibility.
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SFMNP Section 4: Nondiscrimination

In accordance with CFR §249.7 and the SFMNP and FMNP Consolidated State Plan Guidance, the contractor must comply with the following requirements to ensure that no person shall, on the grounds of race, color, national origin, age, sex or disability, be excluded from participation, be denied benefits, or be otherwise subjected to discrimination, under the SFMNP:

1. Title VI of the Civil Rights Act of 1964;
2. Title IX of the Education Amendments of 1972;
3. Section 504 of the Rehabilitation Act of 1973;
4. The Age Discrimination Act of 1975;
5. Department of Agriculture regulations on nondiscrimination (parts 15, 15a and 15b of this title); and applicable FNS Instructions, including requirements for racial and ethnic participation data collection, public notification of the nondiscrimination policy, and annual reviews of each local agency's racial and ethnic participation data (as required by title VI of the Civil Rights Act of 1964);
6. Compliance with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and regulations and instructions issued thereunder shall include, but not be limited to:
 - a) Notification to the public of the nondiscrimination policy and complaint rights of participants and potentially eligible persons, which may be satisfied through FNS' required nondiscrimination statement on brochures and publications;
7. Review and monitoring activity to ensure SFMNP compliance with the nondiscrimination laws and regulations; and

8. Establishment of grievance procedures for handling participant complaints based on sex and handicap.

SFMNP Section 5: Foods

The SFMNP coupon can be redeemed only for fresh, unprepared fruits, vegetables, honey and herbs that are eligible for purchase under SFMNP.

Ineligible foods for the purpose of SFMNP include but are not limited to:

1. Processed or prepared beyond their natural state except for usual harvesting and cleaning processes;
2. Dried fruits or vegetables, such as prunes (dried plums), raisins (dried grapes), sun-dried tomatoes, or dried chili peppers;
3. Potted fruit or vegetable plants;
4. Potted or dried herbs;
5. Wild rice;
6. Nuts of any kind (even raw);
7. Maple syrup;
8. Cider;
9. Seeds;
10. Eggs;
11. Meat;
12. Cheese; and
13. Seafood.

SFMNP Section 6: Implementation Plan

The Contractor will develop, maintain and adhere to the SFMNP Implementation Plan in accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §249.1 to §249.27, ADES Contract, and the SFMNP and FMNP Consolidated State Plan. The Implementation Plan can include, but is not limited to:

1. Project Coordination;
2. Grant Management;
3. Training;
4. Monitoring; and
5. Outreach.

The Implementation Plan must be reviewed and approved by ADES prior to execution.

SFMNP Section 7: Authorized Market(s) Policy and Procedures

The Contractor will develop, maintain and adhere to the Policy and Procedures Manual for Authorized Market(s) in accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §249.1 to §249.27, ADES Contract, and the SFMNP and FMNP Consolidated State Plan. The Policy and Procedures Manual must include, but is not limited to:

1. Program Direction;
2. Agreements;
3. Coupon Procedures;
4. High Risk Indicators;
5. Training;
6. Monitoring; and
7. Sanctions.

SFMNP Section 8: SFMNP Coupon Book

The Contractor must develop, print and distribute SFMNP coupons. SFMNP coupon development must align with SFMNP CFR §249.10, ADES Contract, the SFMNP and FMNP Consolidated State Plan.

A. Coupon Development

Coupon development must take into consideration the date financial statements are due to ADES, and development must include, but is not limited to the following:

1. The last date the participant may use the coupon. The date must not be later than November 30 of each year;
2. The date by which the Authorized Market(s) must submit the coupon for payment. When establishing this date, the Contractor shall take into consideration the date financial statements are due to the ADES and allow time for the corresponding coupon reconciliation that must be done by ADES prior to submission of financial statements;
3. A unique and sequential serial number;
4. A denomination (dollar amount); and
5. A farmer identifier for the redeeming farmer when agreements are between the State agency and the farmer.

In accordance with SFMNP CFR §249.10, ADES Contract, the SFMNP and FMNP Consolidated State Plan, the contractor must manage and provide accountability for the receipt and issuance of SFMNP coupons

B. Coupon Management

The Contractor must include secure transportation and storage of unissued SFMNP coupons.

Design and implement a system of review for SFMNP coupons to detect errors. At a minimum, the errors the system must detect are a missing participant signature (if such signature is required by the State agency), a missing farmer and/or market identification, and redemption by a farmer outside of the valid date. The State agency must have procedures in place to reduce the number of errors in transactions.

The Contractor must ensure that Authorized Market(s) and/or CSA programs are promptly paid for food costs.

The Contractor shall identify the disposition of all SFMNP coupons as validly redeemed, lost or stolen, expired, or not matching issuance records. Validly redeemed SFMNP coupons are those that are issued to a valid participant and redeemed by Authorized Market(s) within valid dates. SFMNP coupons that were redeemed but cannot be traced to a valid participant or Authorized Market(s) shall be subject to claims action in accordance with §249.20. Replacement of lost, stolen or damaged SFMNP coupons, must adhere to the SFMNP/FMNP State Plan.

The Contractor must use uniform SFMNP coupons within its jurisdiction.

Where coupon reimbursement responsibilities are delegated to farmers' market managers, farmers' market associations, or nonprofit organizations, the State agency may establish bonding requirements for these entities. Costs of such bonding are not reimbursable administrative expenses.

SFMNP Section 9: Surveys and Material

In accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §249.1 to §249.27, SFMNP and FMNP Consolidated State Plan and ADES Contract, the Contractor will create, maintain and distribute SFMNP surveys to participants and SFMNP Authorized Market(s). The Contractor shall also develop participant material.

A. SFMNP Participant Surveys

At a minimum participant survey shall assess the change in the consumption of fresh fruits and vegetables by recipients.

B. SFMNP Authorized Market(s) Surveys

At a minimum Authorized Market(s) surveys shall assess the effects of the SFMNP.

C. SFMNP Material

The Contractor shall develop and maintain SFMNP material for the participant that includes, but is not limited to:

1. SFMNP participant rights and responsibilities;
2. Nutrition Education;
3. Authorized Market(s) locations; and
4. Days and hours of operation.

SFMNP Section 10: Establishing Authorized Markets

In accordance with CFR §249.10, SFMNP and FMNP Consolidated State Plan and ADES Contract, the contractor shall establish criteria to certify potential vendors as Authorized Market(s) to include, but not limited to:

1. Sell foods to SFMNP participants identified as eligible by the State agency;
2. Based on current authorization to operate in the FMNP; and
3. Vendor participation will satisfy service area demand.

Contractor must ensure individuals who exclusively sell produce grown by someone else, such as wholesale distributors, cannot be authorized to participate in the SFMNP, except individuals employed by a farmer otherwise qualified under SFMNP regulations, or individuals hired by a nonprofit organization to sell produce at roadside stands on behalf of local farmers.

The State agency may establish criteria to limit the number of authorized farmers, farmers' markets, and/or roadside stands.

When establishing Authorized Markets to participate in CSA, the Contractor must limit the value of shares awarded to CSA programs to no more than 50 percent of their total Federal SFMNP food grant, except in the case of a State agency that has grandfathered a CSA program model into the permanent SFMNP that uses more than 50 percent of the total Federal SFMNP food grant for the CSA program. The Contractor shall make efforts to select the CSA program(s) that provides the greatest variety of eligible foods.

SFMNP Section 11: Agreements

In Arizona, SFMNP administration is the responsibility of ADES/CHRP which entered into an agreement with the Contractor. ADES/CHRP authorizes the Contractor to establish, provide programmatic and monitoring oversight to the vendors that the Contractor selects as Authorized Market(s). In Accordance with CFR §249.10 requirements, ADES Contract and the SFMNP and FMNP Consolidated State Plan, the contractor must develop agreements between the Contractor and the Authorized Market(s).

The Contractor is responsible for selecting and authorizing the entities who wish to become SFMNP Authorized Market(s) in accordance with the CFRs that govern SFMNP. The Contractor shall ensure that there is no conflict of interest between the Contractor and any participating Authorized Market(s). The contractor will establish written agreements with selected entities. Agreement for all Authorized Market(s) must contain description of sanctions for noncompliance with SFMNP requirements.

The Contractor may determine the exact wording to be used for each agreement. Agreements must include, but are not limited to the following elements:

The Authorized Market(s) shall:

1. Provide such information as the State agency may require for its periodic reports to FNS;
2. Assure that SFMNP coupons are redeemed only for eligible foods;
3. Provide eligible foods at or less than the price charged to other customers;
4. Accept SFMNP coupons within "Dates of Use" and submit such coupons for payment within allowable time period established by the Contractor;
5. In accordance with a procedure established by the Contractor, mark each transacted coupon with a farmer identifier;
6. Accept training on SFMNP procedures and provide training to farmers and any employees with SFMNP responsibilities on such procedures;
7. Agree to be monitored for compliance with SFMNP requirements, including both overt and covert monitoring;
8. Be accountable for actions of farmers or employees in the provision of eligible foods and related activities;
9. Pay the State agency for any coupons transacted in violation of this agreement;
10. Offer SFMNP participants the same courtesies as other customers;
11. Comply with the nondiscrimination provisions of USDA regulations as provided in §249.7; and
12. Notify the State agency if any farmer or Authorized Market(s) ceases operation prior to the end of the authorization period.

The Authorized Market(s) shall neither:

1. Seek restitution from SFMNP participants for coupons not paid by the State agency; nor
2. Issue cash change for purchases that are in an amount less than the value of the SFMNP coupon(s); nor
3. Collect tax on SFMNP coupon purchases.

The CSA program shall:

1. Provide such information as the State agency may require for its periodic reports to FNS;
2. Assure that SFMNP participants receive only eligible foods;
3. Provide eligible foods to their SFMNP shareholders at or less than the price charged to other customers;
4. Assure that the shareholder receives eligible foods that are of equitable value and quantity to their share;
5. Assure that all funds from the State agency are used for planting of crops for SFMNP shareholders;
6. Provide to the State agency access to a tracking system that determines the value of the eligible foods provided and the remaining value owed to each SFMNP shareholder;
7. Assure that SFMNP shareholders/authorized representatives provide written acknowledgement of receipt of eligible foods;

8. Accept training on SFMNP procedures and provide training to farmers and any employees with SFMNP responsibilities for such procedures;
9. Agree to be monitored for compliance with SFMNP requirements, including both overt and covert monitoring;
10. Be accountable for actions of farmers or employees in the provision of eligible foods and related activities;
11. Offer SFMNP shareholders the same courtesies as other customers;
12. Notify the State agency immediately when the CSA program is experiencing a problem with its crops, and may be unable to provide SFMNP shareholders with the complete amount of eligible foods agreed upon between the CSA program and the Contractor;
13. Comply with the nondiscrimination provisions of USDA regulations as provided in §249.7; and
14. Notify the State agency if any CSA program ceases operation prior to the end of the authorization period.

The CSA program shall not substitute ineligible produce when eligible foods are not available.

Neither the State agency nor the farmer, farmers' market, roadside stand, and/or CSA program has an obligation to renew the agreement. The State agency or the farmer, farmers' market, roadside stand and/or CSA program may terminate the agreement for cause after providing advance written notification.

The State agency may deny payment to the farmer, farmers' market and/or roadside stand for improperly redeemed SFMNP coupons and may demand refunds for payments already made on improperly redeemed coupons.

The State agency may demand a refund from any CSA program that fails to provide the full benefit to all SFMNP shareholders as specified in its contract, or that provides ineligible foods as substitutes for eligible foods.

ADES and/or contractor may disqualify Authorized Market(s) for SFMNP violations. The farmer, farmers' market, roadside stand, and/or CSA program has the right to appeal a denial of an application to participate, a disqualification, or a SFMNP sanction by the State agency. Expiration of a contract or agreement with a farmer or Authorized Market(s), and claims actions under §249.20, are not appealable.

A farmer, and/or Authorized Market(s) which commits fraud or engages in other illegal activity is liable to prosecution under applicable Federal, State or local laws.

Agreements may not exceed 3 years.

The Contractor that authorizes Authorized Market(s), but not individual farmers shall require Authorized Market(s) to enter into a written agreement with each farmer within the market that is participating in SFMNP. The Contractor must set forth the required terms for the agreement and provide a sample agreement that may be used.

SFMNP Section 12: Training

In Accordance with CFR §249.10 requirements, ADES Contract and the SFMNP and FMNP Consolidated State Plan The contractor must conduct annual training for farmers, and Authorized Market(s). The Contractor shall conduct annual training for farmers, Authorized Market(s) in the SFMNP. The Contractor must conduct interactive training for all Authorized Market managers who have never previously participated in the SFMNP. After an Authorized Market manager's first year of SFMNP operation, the Contractor has discretion in determining the method used for annual training purposes. At a minimum, annual training shall include instruction emphasizing:

1. Eligible food choices;
2. Proper SFMNP coupon redemption procedures, including deadlines for submission of coupons for payment, and/or receipt of payment for CSA programs' distribution of eligible foods;
3. Equitable treatment of SFMNP participants, including the availability of eligible foods to SFMNP participants that are of the same quality and cost as that sold to other customers;
4. Civil rights compliance and guidelines;
5. Guidelines for storing SFMNP coupons safely;
6. Guidelines for cancelling SFMNP coupons, such as punching holes or rubber-stamping and
7. SFMNP Sanctions.

SFMNP Section 13: Monitoring

In Accordance with CFR §249.10 requirements, ADES Contract and the SFMNP and FMNP Consolidated State Plan The contractor should conduct monitoring on all participating farmers and Authorized Market(s).

The contractor shall be responsible for the monitoring of farmers and Authorized Market(s). This shall include developing a system for identifying high risk farmers, Authorized Market(s), and ensuring on-site monitoring, conducting further investigation, and sanctioning of such farmers, and Authorized Market(s) as appropriate. In States where both the SFMNP and the FMNP are in operation, these monitoring/review requirements may be coordinated to avoid duplication. If the same farmers, and/or Authorized Market(s) are authorized for both programs, a review conducted by one program may be counted toward the requirement for the other program.

The Contractor shall rank participating farmers, and Authorized Market(s) by risk factors, and shall conduct annual, on-site monitoring of at least 10 percent of farmers, 10 percent of farmers' markets, 10 percent of roadside stands, and 10 percent of the CSA programs or one of each program model, whichever is greater, which shall include those farmers, farmers' markets, roadside stands, and/or CSA programs identified as being the highest-risk.

Mandatory high-risk indicators include:

1. A proportionately high volume of SFMNP coupons redeemed by a farmer within Authorized Market(s) (as compared to other farmers within the Authorized Market(s) or within the State);
2. Participant complaints;
3. In the case of CSA programs, an extended or ongoing inability to provide the full SFMNP benefit to each shareholder as contracted; and
4. Farmers and Authorized Market(s) in their first year of SFMNP operation. States are encouraged to formally establish other high-risk indicators for identifying potential problems.

If application of the high-risk indicators results in fewer than 10 percent of farmers and Authorized Market(s) being designated as high-risk, the Contractor shall randomly select additional farmers and Authorized Market(s) to be monitored in order to meet the 10 percent minimum. The high-risk indicators listed above generally apply to a Contractor already participating in the SFMNP. If Contractor is participating in the SFMNP for the first time shall, in lieu of applying the high-risk indicators, randomly select 10 percent of its participating farmers, 10 percent of its participating farmers' markets, 10 percent of its participating roadside stands, and 10 percent of its participating CSA programs or at least one farmers' market, roadside stand, and/or CSA program, whichever is greater, for monitoring visits.

The following shall be documented for all on-site monitoring visits to farmers, farmers' markets, roadside stands, and/or CSA programs, at a minimum:

1. Names of both the farmer, farmers' market, roadside stand, and/or CSA program and the reviewer;
2. Date of review;
3. Nature of problem(s) detected or the observation that the farmer, farmers' market, roadside stand, and/or CSA program appears to be following SFMNP requirements;
4. Record of interviews with participants, market managers, farmers, and/or farmers who operate a CSA program; and
5. Signature of the reviewing Contractor.

Reviewers are not required to notify the farmer, farmers' market, roadside stand, and/or CSA program of the monitoring visit before, during, or immediately after the visit. The contractor shall do so after a reasonable delay when necessary to protect the identity of the reviewer(s) or the integrity of the investigation.

In instances where the farmer, farmers' market, roadside stand, and/or CSA program will be permitted to continue participating in the SFMNP after being informed of any deficiencies detected by the monitoring visit, the farmer, farmers' market, roadside stand, and/or CSA program shall provide plans as to how the deficiencies will be corrected.

At least every 2 years, the Contractor must review all local agencies within its jurisdiction.

SFMNP Section 14: Administrative Funding, Usage and Accounting

SFMNP funding must align with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §249.1 to

§249.27, ADES Contract, and the SFMNP and FMNP Consolidated State Plan. The Contractor may use SFMNP funding for salaries and coupon books. All other use of administrative funding must be approved by ADES prior to spending.

SFMNP Section 15: Records

In accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §249.1 to §249.27, ADES Contract, and the SFMNP and FMNP Consolidated State Plan, the contractor is responsible for retaining records for a minimum of three years following the date of submission.

Records must include, but are not limited to, certification information, financial operations, SFMNP coupon issuance and redemption, Authorized Market(s) agreements, Authorized Market(s) monitoring, invoices, delivery receipts, equipment purchase and inventory, nutrition education, fair hearings and civil right procedures. Please refer to CFR §249.23.

SFMNP Section 16: Reports

In accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §249.1 to §249.27, ADES Contract, and the SFMNP and FMNP Consolidated State Plan, the contractor is responsible for Financial and participant reports.

SFMNP Reports information must include, but shall not be limited to:

1. Number of participants served with SFMNP funds;
2. Value of SFMNP coupons issued and/or eligible foods ordered;
3. Value of SFMNP coupons redeemed and/or eligible foods provided to participants;
and
4. Number of Authorized Market(s) by type.

The contractor must ensure all financial and SFMNP performance reports must be traceable to source documentation. Financial and SFMNP reports must be certified as to their completeness and accuracy by the person given that responsibility.

Reports will be used to measure progress in achieving objectives set forth in the State Plan, and this part, or other State agency performance plans. If it is determined, through review of reports, SFMNP or financial analysis, an audit, that the contractor is not meeting the objectives set forth, ADES may request additional information including, but not limited to, reasons for failure to achieve these objectives.

FMNP Section 1: Program Description and History

FFY 2020 SFMNP/FMNP Policy and Procedures Manual

A. The WIC Farmers Market Nutrition Program (FMNP)

The FMNP is a federal program, administered in Arizona by ADES and the approved Contractor. The FMNP is funded by the USDA - FNS.

The FMNP is designated to:

1. provide nutrition counseling and supplemental foods to low income, pregnant women, breastfeeding women, postpartum women, and children up to age five;
2. provide participants in the WIC Program, except infants, with coupons to purchase fresh fruits and vegetables at local farmers' markets. WIC participants receive these nutritious foods in addition to the regular WIC food package;
3. improve the diet of WIC participants as well as provide an awareness of where Authorized Market(s) are located. Authorized Market(s) offer a community resource of locally grown fresh fruits and vegetables; and
4. increase sales of fruits and vegetables for farmers as well as increase the number of customers using Authorized Market(s).

FMNP Section 2: Participant Eligibility and Benefits

A. Participant Eligibility

In accordance with CFR §248.6, the SFMNP and FMNP Consolidated State Plan, participants of FMNP coupons are those,

1. excluding infants 4 months of age or younger, who are currently receiving benefits under WIC **or**;
2. who are on the waiting list to receive benefits from WIC.

The FMNP will serve as many participants each year as available funding will permit.

B. FMNP Participant Coupon Book

In accordance with CFR §248.8 and the SFMNP and FMNP Consolidated State Plan, FMNP participants will receive one booklet containing six (6) FMNP coupons that may be used during the "Dates of Use" printed on the coupon. Each coupon has a program value of \$5.00, for a total of \$30.00. Participants may redeem coupons at any Authorized Market(s) in Arizona that accepts FMNP coupons. FMNP coupons can be used only at Authorized Market(s) certified by the Contractor.

FMNP coupons are typically distributed to eligible participants starting February 1st. However, the coupon distribution time frame may change depending on product season.

The number of coupons issued each year may vary according to available funding.

FMNP Section 3: Nutrition Education

In accordance with CFR §249.9 and the SFMNP and FMNP Consolidated State Plan, SFMNP participants are to receive nutrition education that highlights proper nutrition to quality health, including the importance of consuming fruits and vegetables.

The Contractor will provide nutrition education services at the time of coupon distribution. Nutrition education can include, but is not limited to:

1. FMNP flyer;
2. FMNP pamphlet and/or;
3. Presentation at the time of FMNP eligibility.

FMNP Section 4: Nondiscrimination

In accordance with CFR §249.7 and the SFMNP and FMNP Consolidated State Plan Guidance, the contractor must comply with the following requirements to ensure that no person shall, on the grounds of race, color, national origin, age, sex or disability, be excluded from participation, be denied benefits, or be otherwise subjected to discrimination, under the FMNP:

1. Title VI of the Civil Rights Act of 1964;
2. Title IX of the Education Amendments of 1972;
3. Section 504 of the Rehabilitation Act of 1973;
4. The Age Discrimination Act of 1975;
5. Department of Agriculture regulations on nondiscrimination (parts 15, 15a and 15b of this title); and applicable FNS Instructions, including requirements for racial and ethnic participation data collection, public notification of the nondiscrimination policy, and annual reviews of each local agency's racial and ethnic participation data (as required by title VI of the Civil Rights Act of 1964);
6. Compliance with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and regulations and instructions issued thereunder shall include, but not be limited to:
 - a) Notification to the public of the nondiscrimination policy and complaint rights of participants and potentially eligible persons, which may be satisfied through FNS' required nondiscrimination statement on brochures and publications;
7. Review and monitoring activity to ensure FMNP compliance with the nondiscrimination laws and regulations; and
8. Establishment of grievance procedures for handling participant complaints based on sex and handicap.

FMNP Section 5: Foods

The FMNP coupon can be redeemed only for fresh, unprepared fruits, vegetables, and herbs that are eligible for purchase under FMNP.

Ineligible foods for the purpose of FMNP include but are not limited to:

1. Honey;
2. Maple syrup;
3. Cider;
4. Nuts and seeds;
5. Eggs;
6. Cheese;
7. Meat; and
8. Seafood

FMNP Section 6: Implementation Plan

The Contractor will develop, maintain and adhere to the FMNP Implementation Plan in accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §248.1 to §248.26, ADES Contract, and the SFMNP and FMNP Consolidated State Plan. The Implementation Plan can include, but is not limited to:

1. Project Cordination;
2. Grant Management ;
3. Training;
4. Outreach;
5. Monitoring; and
6. Sanctions.

The Implementation Plan must be reviewed and approved by ADES prior to execution.

FMNP Section 7: Authorized Market(s) Policy and Procedures

The Contractor will develop, maintain and adhere to the Policy and Procedures Manual for Authorized Market(s) in accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §248.1 to §248.26, ADES Contract, and the SFMNP and FMNP Consolidated State Plan. The Policy and Procedures Manual must include, but is not limited to:

1. Program Management;
2. Agreements;
3. Coupon Procedures;
4. Training;
5. Monitoring;

6. High Risk Indicators; and
7. Sanctions.

FMNP Section 8: Coupons

The Contractor must develop, print and distribute FMNP coupons. FMNP coupon development must align with FMNP CFR §248.10, ADES Contract, the SFMNP and FMNP Consolidated State Plan.

A. Coupon Development

Coupon development must take into consideration the date financial statements are due to ADES, and allow time Coupon development must include, but is not limited to the following:

1. The last date the participant may use the coupon. The date must not be later than later than November 30 of each year;
2. The date by which the Authorized Market(s) must submit the coupon for payment. When establishing this date, the Contractor shall take into consideration the date financial statements are due to the ADES and allow time for the corresponding coupon reconciliation that must be done by ADES prior to submission of financial statements;
3. A unique and sequential serial number;
4. A denomination (dollar amount); and
5. A farmer identifier for the redeeming farmer when agreements are between the State agency and the farmer.

In accordance with FMNP CFR §249.10, ADES Contract, the SFMNP and FMNP Consolidated State Plan, the contractor must manage and provide accountability for the receipt and issuance of FMNP coupons

B. Coupon Management

The Contractor must include secure transportation and storage of unissued FMNP coupons.

The Contractor must design and implement a system of review for FMNP coupons to detect errors. At a minimum, the errors the system must detect are a missing participant signature (if such signature is required by the State agency), a missing farmer and/or market identification, and redemption by a farmer outside of the valid date.

The Contractor must have procedures in place to reduce the number of errors in transactions.

The Contractor must ensure that Authorized Market(s) promptly paid for food costs.

The Contractor shall identify the disposition of all FMNP coupons as validly redeemed, lost or stolen, expired, or not matching issuance records. Validly redeemed FMNP coupons are those that are issued to a valid participant and redeemed by an Authorized Market(s) within valid dates. FMNP

coupons that were redeemed but cannot be traced to a valid participant or Authorized Market(s) shall be subject to claims action in accordance with §249.20. Replacement of lost, stolen or damaged FMNP coupons, must adhere to the SFMNP and FMNP State Plan.

The Contractor must use uniform FMNP coupons within its jurisdiction.

Where coupon reimbursement responsibilities are delegated to farmers' market managers, farmers' market associations, or nonprofit organizations, the State agency may establish bonding requirements for these entities. Costs of such bonding are not reimbursable administrative expenses.

FMNP Section 9: Surveys and Material

In accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §248.1 to §248.26, SFMNP and FMNP Consolidated State Plan and ADES Contract, the Contractor will create, maintain and distribute FMNP surveys to participants and FMNP Authorized Market(s). The Contractor shall also develop participant material.

A. FMNP Participant Surveys

At a minimum participant survey shall assess the change in the consumption of fresh fruits and vegetables by recipients.

B. FMNP Authorized Market(s) Surveys

At a minimum Authorized Market(s) survey shall assess the effects of the FMNP.

C. FMNP Material

The Contractor shall develop and maintain FMNP material for the participant that includes, but is not limited to:

1. FMNP participant rights and responsibilities;
2. Nutrition education;
3. Authorized Market(s) locations; and
4. Days and hours of operation.

FMNP Section 10: Establishing Authorized Markets

In accordance with CFR §248.10, SFMNP and FMNP Consolidated State Plan and ADES Contract, the contractor shall establish criteria to certify potential vendors as Authorized Market(s) to include, but not limited to:

1. Sell foods to FMNP participants identified as eligible by the State agency; and
2. Vendor participation will satisfy service area demand.

Contractor must ensure individuals who exclusively sell produce grown by someone else, such as

wholesale distributors, cannot be authorized to participate in the FMNP, except individuals employed by a farmer otherwise qualified under FMNP regulations, or individuals hired by a nonprofit organization to sell produce at roadside stands on behalf of local farmers.

The State agency may establish criteria to limit the number of authorized farmers, farmers' markets, and/or roadside stands.

FMNP Section 11: Agreements

In Arizona, FMNP administration is the responsibility of ADES/CHRP which entered into an agreement with the Contractor. ADES/CHRP authorizes the Contractor to provide programmatic and monitoring oversight of the vendors that the Contractor selects. In Accordance with CFR §248.10 requirements, ADES Contract and the SFMNP and FMNP Consolidated State Plan. The contractor must develop agreements between the Contractor and the Authorized Market.

The Contractor is responsible for selecting and authorizing the entities who wish to become FMNP Authorized Market(s) in accordance with the CFRs that govern FMNP. The Contractor shall ensure that there is no conflict of interest between the Contractor and any participating Authorized Market(s). The contractor will establish written agreements with selected entities. Agreement for all Authorized Market(s) must contain description of sanctions for noncompliance with FMNP requirements.

The Contractor may determine the exact wording to be used for each agreement. Agreements must include, but are not limited to the following elements:

Authorized Market(s) shall:

1. Provide such information as the State agency may require for its periodic reports to FNS;
2. Assure that FMNP coupons are redeemed only for eligible foods;
3. Provide eligible foods at the current price or less than the current price charged to other customers;
4. Accept FMNP coupons within the dates of their validity and submit such coupons for payment within the allowable time period established by the State agency;
5. In accordance with a procedure established by the Contractor, mark each transacted coupon with a farmer identifier;
6. Accept training on FMNP procedures and provide training to farmers and any employees with FMNP responsibilities on such procedures;
7. Agree to be monitored for compliance with FMNP requirements, including both overt and covert monitoring;
8. Be accountable for actions of farmers or employees in the provision of foods and related activities;
9. Pay the State agency for any coupons transacted in violation of this agreement;
10. Offer FMNP recipients the same courtesies as other customers;
11. Comply with the nondiscrimination provisions of USDA regulations as provided in §248.7; and

12. Notify the State agency if any farmer, farmers' market and/or roadside stand ceases operation prior to the end of the authorization period.

The farmer, Authorized Market(s) shall not:

1. Collect sales tax on FMNP coupon purchases;
2. Seek restitution from FMNP recipients for coupons not paid by the State agency; and
3. Issue cash change for purchases that are in an amount less than the value of the FMNP coupon(s).

Neither the State agency nor the farmer, farmers' market nor Authorized Market(s) has an obligation to renew the agreement. Either the Contractor or the farmer, or Authorized Market(s) may terminate the agreement for cause after providing advance written notification.

The State agency may deny payment to the farmer, Authorized Market(s) for improperly redeemed FMNP coupons and may demand refunds for payments already made on improperly redeemed coupons.

The State agency may disqualify a farmer, farmers' market or roadside stand for FMNP abuse. Expiration of a contract or agreement with a farmer, farmers' market or roadside stand, and claims actions under §248.20, are not appealable.

A farmer, Authorized Market(s) which commits fraud or engages in other illegal activity is liable to prosecution under applicable Federal, State or local laws.

Agreements may not exceed 3 years

The Contractor which approved Authorized Market(s), but not individual farmers shall require Authorized Market(s) to enter into a written agreement with each farmer within the market that is participating in FMNP. The Contractor shall set forth the required terms for the agreement and provide a sample agreement which may be used.

FMNP Section 12: Training

In Accordance with CFR §248.10 requirements, ADES Contract and the SFMNP and FMNP Consolidated State Plan. The contractor must conduct annual training for farmers, and Authorized Market(s). The Contractor shall conduct annual training for farmers, Authorized Market(s) in the FMNP. The Contractor must conduct interactive training for all farmers Authorized Market(s) managers who have never previously participated in the FMNP. After a farmer/Authorized Market(s) manager's first year of FMNP operation, the Contractor has discretion in determining the method used for annual training purposes. At a minimum, annual training shall include instruction emphasizing:

1. Eligible food choices;

2. Proper FMNP coupon redemption procedures, including deadlines for submission of coupons for payment;
3. Equitable treatment of FMNP recipients, including the availability of produce to FMNP recipients that is of the same quality and cost as that sold to other customers;
4. Civil rights compliance and guidelines;
5. Guidelines for storing FMNP coupons safely; and
6. Guidelines for cancelling FMNP coupons, such as punching holes or rubber stamping.

FMNP Section 13: Monitoring

In Accordance with CFR §248.10 requirements, ADES Contract and the SFMNP and FMNP Consolidated State Plan The contractor should conduct monitoring on all participating farmers and Authorized Market(s).

The contractor shall be responsible for the monitoring of farmers and Authorized Market(s). This shall include developing a system for identifying high risk farmers, Authorized Market(s), and ensuring on-site monitoring, conducting further investigation, and sanctioning of such farmers, and Authorized Market(s) as appropriate. In States where both the SFMNP and the FMNP are in operation, these monitoring/review requirements may be coordinated to avoid duplication. If the same farmers, and/or Authorized Market(s) are authorized for both programs, a review conducted by one program may be counted toward the requirement for the other program.

The Contractor shall rank participating farmers, and Authorized Market(s) by risk factors, and shall conduct annual, on-site monitoring of at least 10 percent of farmers, 10 percent of farmers' markets, 10 percent of roadside stands, or one of each program model, whichever is greater, which shall include those farmers, farmers' markets, and/or roadside stands, identified as being the highest-risk.

The following shall be documented for all on-site farmers and Authorized Market(s) monitoring visits. At a minimum, documentation must include:

1. Names of the farmer, Authorized Market(s) and the reviewer date of review;
2. Nature of problem(s) detected or the observation that the farmer, Authorized Market(s) appear to be following FMNP requirements;
3. A record of interviews with recipients, market managers and/or farmers; and
4. The signature of the reviewer.

The Contractor shall do so after a reasonable delay when necessary to protect the identity of the reviewer(s) or the integrity of the investigation. After the farmer/Authorized Market(s) has been informed of any deficiencies detected by the monitoring visit, and instances where the farmer/Authorized Market(s) will be permitted to continue participation, the farmer/Authorized Market(s) shall provide plans as to how the deficiencies will be corrected.

At least every 2 years, the Contractor shall review all local agencies within its jurisdiction. WIC State agency reviews of WIC local agencies, which include reviews of FMNP practices, may contribute to meeting the requirement that all local agencies be reviewed once every 2 years.

FMNP Section 14: Administrative Funding, Usage and Accounting

FMNP funding must align with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §248.1 to §248.26, ADES Contractor, and the SFMNP and FMNP Consolidated State Plan. The Contractor may use FMNP funding for salaries and coupon books. All other use of administrative funding must be approved by ADES prior to spending.

FMNP Section 15: Records

In accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §248.1 to §248.26, ADES Contractor, and the SFMNP and FMNP Consolidated State Plan, the contractor is responsible for retaining records for a minimum fo three years following the date of submission.

Records must include, but are not limited to, certification information, financial operations, FMNP coupon issuance and redemption, Authorized Market(s) agreements, Authorized Market(s) monitoring, invoices, delivery receipts, equipment purchase and inventory, nutrition education, fair hearings and civil right procedures. Please refer to CFR §248.23.

FMNP Section 16: Reports

In accordance with CFR Title 7, Subtitle B, Chapter 2, Subchapter A, §248.1 to §248.26, ADES Contractor, and the SFMNP and FMNP Consolidated State Plan, the contractor is responsible for Financial and participant reports.

FMNP Reports information must include, but shall not be limited to:

1. Number of participants served with FMNP funds;
2. Value of FMNP coupons issued and/or eligible foods ordered;
3. Value of FMNP coupons redeemed and/or eligible foods provided to participants;
and
4. Number of Authorized Market(s) by type.

The contractor must ensue all financial and FMNP performance reports must be traceable to source documentation. Financial and FMNP reports must be certified as to their completeness and accuracy by the person given that responsibility.

Reports will be used to measure progress in achieving objectives set forth in the State Plan, and this part, or other State agency performance plans. If it is determined, through review of reports, FMNP or financial analysis, an audit, that the contractor is not meeting the objectives set forth, ADES may request additional information including, but not limited to, reasons for failure to achieve these objectives.