



# **COLORADO**

## **Office of Economic Security**

Division of Food & Energy Assistance

Food Distribution Programs



## **The Emergency Food Assistance Program Policy and Procedure Manual**

Effective March 31, 2022

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The Emergency Food Assistance Program

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## I. Introduction

### A. Program Description

1. The Emergency Food Assistance Program (TEFAP) is a federally funded [U.S. Department of Agriculture program](#) that provides USDA foods to low-income households and [congregate feeding sites](#).
2. The Colorado Department of Human Services (CDHS), Division of Food and Energy Assistance, Food Distribution Programs (FDP), hereafter referred to as the Distributing Agency (DA) has an agreement with the United States Department of Agriculture (USDA), Food and Nutrition Services (FNS) to administer TEFAP in Colorado and does so in accordance with federal and state requirements. You can reference these requirements in the:
  - a. Code of Federal Regulations (CFR) at [Title 7 CFR Part 251](#) and, as applicable, [Part 250](#), including all referenced guidance contained therein.
  - b. TEFAP State Plan.
3. The DA contracts with Subdistributing Agencies (SDAs), such as nonprofit organizations and public agencies, that:
  - a. Order, receive, store, transport, and distribute USDA Foods.
  - b. Determine eligibility of Recipient Agencies (RAs) for distribution of TEFAP to eligible households and for congregate feeding.
  - c. Receive reimbursement for eligible program costs.
4. SDAs enter into TEFAP agreements with RAs to ensure TEFAP is provided to eligible Coloradoans in need.

## II. Definitions

Administrative Costs:	Direct and indirect costs that are necessary to support program operations.
Applicant:	Any person who applies to receive program benefits. Applicants include program participants applying for recertification.
Bill of Lading:	A detailed list of a shipment of goods in the form of a receipt given by the carrier to the person purchasing the goods.
Capital Equipment:	The State agency under agreement with Food and Nutrition Services to administer Child Nutrition and Household USDA

	Foods Programs. In Colorado, the Colorado Department of Human Services is the Distributing Agency.
Code of Federal Regulations (CFR):	Contains the regulations governing all federal programs. Regulations for TEFAP are 7 CFR 251 and 7 CFR 250.
Colorado Department of Human Services (CDHS):	The state department that develops and oversees high quality health and human services that improve the safety, independence, and well-being of the people of Colorado. The programs and services are delivered at the local level in a manner that recognizes and preserves individual rights, responsibilities, and dignity.
Commodity (Commodities):	aka USDA Foods; Food made available for USDA Foods program distribution by the United States Department of Agriculture (USDA) through legislation.
Congregate Feeding Site:	A facility that is a clean, secure environment that offers prepared meals free of charge to predominately needy people. A congregate feeding site serves nutritious meals in a congregate setting or take-home meals without charge, for homeless persons, transient persons, and or others in need.
Consignee	An entity (e.g., SDA, RA, or commercial storage facility) that receives a shipment of USDA Foods from a vendor or Federal storage facility.
Contractor:	A person or company that undertakes a contract to administer a USDA Foods program with the State of Colorado.
Corrective Action:	A plan created to address non-conformance. Corrective actions lead to performance improvement.
Distributing Agency (DA):	The State agency under agreement with Food and Nutrition Services to administer Child Nutrition and Household USDA Foods Programs. In Colorado, the Colorado Department of Human Services is the Distributing Agency.
Entitlement:	USDA funds allocated to Distributing Agencies to purchase USDA Foods.
Federal Fiscal Year (FFY)	A twelve-month period used for accounting and reporting purposes, October 1 through September 30.
Federal Poverty Level:	Established by the United States Department of Health and Human Services as an indicator of poverty based on income and utilized in establishing income-based eligibility standards for participants. The guidelines are updated annually.
Food and Nutrition Service (FNS):	An agency of United States Department of Agriculture (USDA) responsible for the nationwide administration of several federal nutrition programs including USDA Foods programs such as the

	Child and Adult Care Food Program (SACFP), Commodity Supplemental Food Program (CSFP), the National School Lunch Program (NSLP), and The Emergency Food Assistance Program (TEFAP).
Food Distribution Programs (FDP):	The work unit within the Colorado Department of Human Services (CDHS) that administers federal USDA Foods programs in the State of Colorado.
Food Pantry:	A public or private nonprofit organization that is a part of a food bank network and distributes food and grocery products to low-income households, including food from sources other than USDA, to relieve situations of emergency and distress. It is housed in a standing facility that distributes USDA Foods, among other food and grocery products, on a regular basis.
Homeless Shelter:	A facility where the primary purpose is to provide temporary or transitional shelter for homeless individuals and families in general or for specific group populations (i.e., battered women, run-away youth) of homeless individuals and families.
Household:	A group of related or non-related individuals living as one economic unit who buy and cook food together. It can also mean a single individual living alone.
Management Evaluation (ME)	A system to assess the accomplishment of federal program objectives as provided under regulations, the State Plan, and the written agreement with FNS. The system will aid the agency/organization being reviewed, establish standards and procedures to determine how well the objectives are being accomplished, and implement sanctions and follow-up when warranted.
Mountain Plains Regional Office (MPRO):	USDA/FNS Regional Office, headquartered in Denver, Colorado, responsible for USDA programs in Colorado, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.
Network:	Food bank member agencies responsible for the provision of emergency and supplemental food services.
Nonprofit Agency:	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.
Out-of-condition Products:	Food products which appear to be contaminated, deteriorated, spoiled, infested, or have latent defects. Bulging cans or cans with sharp dents and rust on the seams are examples of out-of-condition products.
Proxy:	Any person designated by a participant to sign applications and pick up USDA Foods on behalf of the applicant or participant.



Recipient:	A person or persons living together in one household who have been determined eligible to receive USDA Foods for consumption or for household use.
Recipient Agency (RA):	A public or private nonprofit agency that enters into a contract with the Distributing Agency or Subdistributing Agency to administer a USDA Foods program at the local or regional level.
Service Region:	An area of the state that is determined by the Distributing Agency and served by a subdistributing agency under contract with the Distributing Agency.
State Fiscal Year (SFY):	A twelve-month period used for accounting and reporting purposes, July 1 through June 30.
<a href="#">State of Colorado Fiscal Rules:</a>	Implements statutory provisions, set forth principles concerning internal controls, accounting policies, and financial reporting for the State of Colorado, and assists the State Controller in managing the finances and financial affairs of the State.
State Plan:	The document that describes the manner in which the State Agency intends to administer CSFP in Colorado.
Storage:	The holding of USDA Foods for a period of time longer than twelve hours.
Subdistributing Agency (SDA):	An agency or organization that has entered into a contract with the Distributing Agency to perform delegated functions, such as making arrangements for the storage and distribution of USDA Foods, entering into agreements with and managing eligible organizations performance, accepting applications for program participation, and/or determining participant eligibility.
The Emergency Food Assistance Program (TEFAP):	The Emergency Food Assistance Program (TEFAP) is a federal program that helps supplement the diets of low-income Americans by providing them with emergency food assistance at no cost. USDA provides 100% American-grown USDA Foods and administrative funds to states to operate TEFAP.
United States Department of Agriculture (USDA):	Cabinet level agency responsible for federal programs related to agriculture.
Web Based Supply Chain Management (WBSCM):	A web-based software managed by USDA to order and receipt USDA Foods and allocate entitlement.

### III. Administration

#### A. Federal Allocation to States

1. TEFAP Entitlement
  - a. The USDA has developed a formula based on 60% poverty and 40% unemployment to allocate USDA Foods and funding to states. This is known as the state's fair share. Each state is offered its fair share of entitlement and administrative funds according to the formula.
  - b. The USDA notifies the DA when ordering is available including the product type, pack size, and value. Orders are placed in the USDA's food management software called Web-based Supply Chain Management (WBSCM).
  - c. The DA may order products based on the entitlement funds allocated by the USDA. The USDA makes every effort to fill orders as requested. Occasionally, due to unforeseen circumstances, the USDA will cancel or substitute products and/or change delivery times.
2. TEFAP Bonus
  - a. Bonus products are offered to each state based on the fair share of the federal allocation or on an open order basis. Bonus orders do not impact TEFAP entitlement.
  - b. The DA may choose to accept all, part, or none of the bonus offerings. It is the goal of the DA to accept all bonus offerings made available to Colorado.

#### B. TEFAP State Plan

1. The DA must submit for approval by the FNS Mountain Plains Regional Office (MPRO) a plan which contains:
  - a. A designation of the state agency responsible for distributing USDA Foods and administrative funds and the address of such agency.
  - b. A plan of operation and administration to expeditiously distribute USDA Foods received.
  - c. A description of the standards of eligibility for recipient agencies, including any sub priorities within the two-tier priority system.
  - d. A description of the criteria established which must be used by recipient agencies in determining the eligibility of households to receive USDA Foods for home consumption.
2. The plan will be updated through the MPRO as needed.

### C. Distributing Agency Administration

1. Direct daily operation is the responsibility of the DA.
  - a. The DA enters into contracts with SDAs to administer TEFAP in a designated service region. An agency must meet the following criteria to be eligible as an SDA:
    - 1) Have 501(C)(3) status.
    - 2) The organization may not be listed on the IRS Automatic Revocation of Exemption List found at <https://www.irs.gov/Charities-&-Non-Profits/Automatic-Revocation-of-Exemption-List>.
    - 3) Abide by applicable federal and state program regulations, including all referenced guidance contained therein.
    - 4) Properly store and distribute USDA Foods.
    - 5) Have adequate refrigeration and freezer capacities.
    - 6) Maintain the required records and submit records to the DA in a timely manner.
    - 7) Maintain an emergency food provider network.
    - 8) Comply with the terms of the contract.
  - b. SDAs under contract with the DA may enter into agreements with RAs to determine applicant eligibility and/or distribute USDA Foods to eligible TEFAP participants. The following criteria are assessed when considering contracting with a potential SDA.
    - 1) Ability to meet USDA Warehousing Standards for storage of USDA Foods and non-USDA Foods and non-food items as outlined in [§ V](#).
    - 2) Ability to provide appropriate transportation of USDA Foods and non-USDA Foods to agencies in the service area.
    - 3) Ability to obtain non-USDA items and food resources to supplement USDA Foods.
    - 4) Ability to monitor local network and enforce state and federal guidelines within the required timeframe.
    - 5) Ability to maintain an established operation involving the distribution of USDA Foods on a regular basis as an integral part of its normal activities.
  - c. Agreements must be completed on form [FDP-CO-175](#), TEFAP Agreement Between Subdistributing Agency and Recipient Agency. Copies of the agreement must be submitted to the DA and maintained by all applicable agencies.

2. The DA is required to:
  - a. Agree to operate the program in accordance with the requirements of [Title 7 CFR Part 251](#) and, as applicable, [Part 250](#), including all referenced guidance contained therein
  - b. Complete and submit a TEFAP State Plan to FNS.
  - c. Establish eligibility criteria for SDAs and RAs in accordance with [Title 7 CFR 251.5\(a\)](#).
  - d. Establish eligibility criteria for TEFAP participants in accordance with [Title 7 CFR 251.5\(b\)](#).
  - e. Conduct reviews of SDAs and RAs in accordance with [Title 7 CFR 251.10\(e\)](#).
  - f. Select and enter into contracts with SDA to administer the program in designated areas of the State.
  - g. Ensure program access by establishing a Civil Right complaint procedure and Civil Rights training as outlined in [§ XIII](#).
  - h. Ensure compliance with Federal audit requirements.
  - i. Provide training and technical assistance to SDAs and RAs.

#### **D. SDA Regional Plan**

1. SDAs will develop a regional plan that must include, but not be limited to:
  - a. Criteria for soliciting and maintaining pantries/agencies to ensure a monthly distribution of TEFAP in each County in the network.
  - b. Procedure for allocation of product throughout the region.
  - c. Procedure for inventory control.
  - d. Procedure for RA pick-up and/or delivery.
  - e. Procedure for informing RAs of SDA, DA, or USDA policy changes.
  - f. Procedure for funding an RA, if applicable.
  - g. Training plan.
2. The SDA will submit the regional plan for its service region to the DA at the beginning of the federal fiscal year following a contract award and will update as necessary when changes occur.

#### **E. SDA Network and Administration**

1. SDAs will maintain enough sites to ensure that USDA Foods are available to low-income eligible households and individuals within the designated region.

2. The SDA is responsible to ensure that TEFAP distribution is conducted at least monthly in every county in the designated service region unless the DA has approved an exemption for distribution in a specific area/county.
3. SDAs may enter into agreements with RAs to ensure equitable access throughout the designated service region.
4. At a minimum, the SDA will consider the following prior to making TEFAP foods and/or funds available to a distribution or congregate feeding site.
  - a. The organization must meet criteria for an emergency feeding organization as defined in 7 CFR 251.3.
  - b. The organization may not be listed on the IRS Automatic Revocation of Exemption List found at <https://www.irs.gov/Charities-&-Non-Profits/Automatic-Revocation-of-Exemption-List>.
  - c. The organization is located within the contracted region.
  - d. The proximity of the organization in relation to other distribution sites offering similar services must be considered to mitigate dual participation.
  - e. Adequacy of the organization's storage facility.
  - f. Days and hours of operation.
  - g. Ability to comply with federal and state operating/participation standards.
  - h. Ability of the organization to provide food from non-USDA sources.
  - i. Ability to ensure USDA Foods are made available to all eligible households.
  - j. Ability to maintain accurate records for the USDA Foods received.
  - k. Ability to maintain required records for the number of households receiving USDA Foods or the number of meals served.
  - l. Acceptable finding from the Civil Rights Pre-Award Compliance review.
5. SDAs will ensure that RAs integrate both USDA Foods and non-USDA Foods into the food package provided to households to the maximum extent possible.

#### **F. SDA Responsibilities**

1. Enter into required agreements with RAs to administer the program in areas of need and manage network performance. The SDA will have an RA management plan that includes, but is not limited to:
  - a. Dissemination of program updates and changes.
  - b. Providing and documenting RA training that includes a process for determining when and what types of training are completed.

- c. Conducting a program review of RA performance at least once every two years.
  - d. Allocating USDA Foods to the RA.
  - e. Managing TEFAP documentation and inventory at the RA level.
  - f. Provide training and technical assistance to RAs.
2. Determine eligibility of applicants in accordance with eligibility criteria established by the DA.
3. Comply with fiscal and operational requirements established by the DA.
4. Order USDA Foods in a manner to:
  - a. Provide foods that TEFAP participants need and want.
  - b. Ensure USDA Foods are distributed expeditiously and distributed to TEFAP participants during the foods peak of freshness and nutritiousness.
  - c. Ensures that the SDA can distribute inventory within a six (6) month period.
5. Properly and safely store and distribute USDA Foods.
6. Establish procedures for resolving complaints about USDA Foods.
7. Comply with civil rights requirements as outline in section [§ XIII](#).
8. Maintain accurate and complete records as outlined in [§ VII](#).
9. Annually review and record the tax-exempt status of nonprofit sub-distributing agencies under agreement as outlined in section VII.E., Automatic Revocation of Tax-Exempt Status.
10. Provide an annual report to RAs of the value of USDA Foods and funding passed through to an RA.

#### **IV. Financial Requirements**

##### **A. Financial Management System**

1. The SDA must maintain a financial management system that provides accurate, current, and complete disclosure of the financial status of the TEFAP operation. This system must ensure the following.
  - a. Accounting records are supported by source documentation, including canceled checks, paid bills, payroll, and contract and RA award documents.

- b. Records identify the source and application of funds and contain information about program reimbursements paid by the DA, authorization, obligations, unobligated balances, assets, liabilities, outlays, and income.
- c. Records include accurate, current, and complete reports concerning program participation and the financial results of the program.
- d. Audits are conducted as required by [Food Distribution National Policy Memorandum FD-037](#), to determine the fiscal integrity of financial transactions and reports and compliance with laws, regulations, and the DA guidelines.
- e. A systematic method to resolve audit and review findings and recommendations.

## **B. Requesting Administrative Funds Reimbursement**

1. Requests for reimbursement of an SDA's operating expenses related to TEFAP are considered quarterly based on the region's fair share percentage, the availability of Federal funds, and compliance with Federal regulations and State fiscal rules.
2. Requests must be submitted on form [FDP-CO-25, TEFAP Reimbursement Request](#) and received in the DA by the 30th<sup>th</sup> of the month following the close of the quarter.
  1. Funds will be allocated to provide priority for the reimbursement of TEFAP related expenses.
  2. SDAs may claim expenses for distributing non-USDA Foods to RAs who have entered into TEFAP agreements.
    - a. Expenses must be claimed in the quarter in which they occurred.
    - b. Expenses must be submitted in the appropriate section of form [FDP-CO-25, TEFAP Reimbursement Request](#).
  3. Quarterly Statements of Expenditures shall be kept current and available for audit and review purposes.
  4. An agency receiving administrative funds is responsible for any misuse of program funds received.

## **C. Allowable Administrative Costs for Reimbursement**

1. Administrative labor costs including salaries and benefits for administrative personnel, e.g., administrative professionals and accountants. Each element of an

individual's compensation must be reasonable for the services provided by the individual and conform to the SDAs written compensation policy.

2. General administration, including but not limited to, personnel, warehousing, and insurance.
3. Transporting USDA Foods and administering the food distribution program.
4. Monitoring and reviewing TEFAP operations.
5. The cost of establishing and maintaining accounting and other information systems required for management of the nonprofit food service. (The SDA may not claim the cost of maintaining central accounting records to meet all the organization's requirements.)
6. The cost of audits required for the administration and management of TEFAP.
7. The cost for Interpreters and translators for TEFAP materials.
8. The costs of supplies and services such as telephone, fax, license fees for electronic mail software, internet services, postage, and messenger services. Costs must be prorated accordingly.
9. Equipment for administration of the program.
  - a. To be classified as equipment, an item must cost at least \$5,000 per unit and have a useful life of at least one year.
  - b. Prior to purchasing equipment with federal funds, written approval must be received from the DA as outlined in section [IV.D., Capital Equipment](#).
  - c. Instead of using depreciation, an organization, with specific prior written approval, can charge the program for certain types of equipment at the time the items are purchased. The SDA must maintain a capital equipment list of all equipment purchased made with federal funds as outlined in section [IV.D., Capital Equipment](#).
10. Space and facilities costs may be charged through rental/lease fees or depreciation. Whether in privately or publicly owned buildings, the total cost for space and facilities cannot exceed the rental costs of comparable space and facilities for privately owned buildings in the same locality.
11. Insurance costs that are required for the administration of TEFAP.
12. Legal expenses required for the administration of the program. However, the SDA may not claim the cost of maintaining a legal staff with general responsibilities.



13. Materials and supplies include durable supplies and expendable materials and supplies.
  - a. Durable supplies have a life expectancy of one year or more and include desks, chairs, and computers. Durable supplies are charged to the program at the time of purchase.
  - b. Expendable materials and supplies have a life expectancy of less than one year and include copy paper, pens, and pencils. Expendable materials and supplies are charged to the program as they are used each month.
14. Meetings and conferences include federal, state, county, national, or regional conferences. Meetings and conference costs are not the same as training costs. Allowable costs include:
  - a. Travel and registration fees for attending meetings and conferences devoted solely to the TEFAP.
  - b. The prorated share of travel and registration fees when the TEFAP is only a portion of a larger related agenda.
15. Membership Costs
16. Travel costs are expenses for transportation, lodging, and related costs for employees, officers, directors, or trustees performing program work.
  - a. Costs for travel may be charged on an actual per diem or mileage basis provided that the method used results in charges consistent with those normally allowed by the SDA in its non-program operations.
  - b. The DA cannot require that the SDA use the state, federal GSA, or IRS mileage and travel rates instead of the rates used for non-federally funded travel. However, the DA can limit the amounts charged for mileage or other travel costs when the amount requested is unreasonable or when the requested rate will divert needed financial resources from activities required to meet TEFAP requirements.
17. Publication, printing, and reproduction include the costs for in-house and outside publication, printing, and reproduction costs. All allowable costs are limited to the direct costs for publication, printing, and reproduction of materials related solely to the program, or the prorated share when necessary.
18. Costs of utilities purchased security, and janitorial service, etc., not already included in space costs or labor compensation costs.
19. Costs for supplies, storage, and maintenance of records necessary for the administration of the TEFAP.

20. Lease costs for space, facilities, vehicles, and equipment for use in TEFAP. Rental fees must be prorated when necessary. Written rental agreements must be properly procured from a third party.
21. An organization's cost for providing training to administrative staff.

**D. Unallowable Costs**

1. The following are examples of unallowable costs:
  2. Administrative costs not approved by the DA.
  3. Bad debts.
  4. Contingencies.
  5. Contributions and donations.
  6. Entertainment.
  7. Fines and penalties.
  8. Fundraising.
  9. Interest and other financial costs, such as insufficient funds/returned check charges and late payment fees.
  10. Legislative expense.
  11. Political or partisan costs.
  12. Under-recovery of costs under grant agreements (These are costs exceeding income in other federal programs, including all grant agreements regardless of funding source or program year. Also included are disallowed costs in the current or prior program years.)

**E. Capital Equipment**

1. All capital equipment purchases made using Federal funds in whole or in part that are at or above \$5,000 must receive prior approval from the DA.
  - a. Requests must be submitted to the DA using the Capital Equipment Purchase Request form and include:
    - b. Property Description
    - c. Federal source of funding
    - d. Proposed property title holder

- e. Cost of the property
  - f. Location and use of the property
  - g. The DA will provide a written decision within 10 business days of the request.
  - h. The DA will maintain all requests for capital equipment purchases in G:\Shared drives\FDP\Household Programs\Capital Equipment\Capital Equipment Purchase Requests.
2. The SDA will retain in its records for no less than three years plus the current Federal Fiscal Year or until the property has been properly disposed of in accordance with Title [2 CFR 200.313](#), whichever is longer, a capital equipment list that will include the following for all capital equipment purchases made in whole or in part with Federal funds.
- a. DA approval for the purchase when applicable
  - b. Property description
  - c. Property serial number or other identification number
  - d. Federal Source of funding for the property (include Federal Award Identification Number, or FAIN)
  - e. Property Title Holder
  - f. Date of Acquisition
  - g. Cost of Property
  - h. Percentage of Federal participation in project costs for Federal Award under which the property was acquired
  - i. Location, use, and condition of the property
  - j. Any ultimate disposition data including date of disposal and sale price of property.
3. If the location of the property is with a RA, the SDA is responsible to:
- a. Provide a capital equipment list to the RA in possession of the property
  - b. Conduct a physical inspection of the property by June 30 of each odd year.
4. Beginning February 28, 2022, and continuing each June 30 of odd years, the SDA will provide the following information to the DA for a capital equipment list reconciliation.
- a. A complete capital equipment list as outlined in §2 a-j
  - b. An assurance that the location, use, and condition of the property has been physically observed within the past 24 months.

5. Beginning March 31, 2022, and continuing each July 31 of add years, the DA will conduct a reconciliation that compares the SDA capital equipment lists with the DA's consolidate capital equipment list, reviews the list for accuracy and completeness, ensures that all property is accounted for, and that disposal of property was conducted in accordance with [Title 2 CFR 200.313](#).
6. The DA will include a review of capital equipment lists in its management evaluation process for SDAs and RAs. This review will include collecting the onsite capital equipment list and conducting a physical inventory of property onsite. A subsequent review will be conducted to ensure that all equipment is accounted for and accurate on the consolidated capital equipment list.

## **V. SDA Responsibility for USDA Foods**

### **A. Coverage of Contracted Service Area:**

1. The SDA under contract with the DA assumes administrative and financial responsibility for the distribution of USDA Foods within their contracted service areas until the food is in the hand of the RA.
2. The DA has the discretion to modify a contractor's service area to best meet the needs of the community being served.

### **B. Ordering USDA Foods Using TEFAP Entitlement**

1. TEFAP [entitlement](#) is allocated to the SDA using a fair share formula and is rolled down to the SDA in [WBSCM](#).
  - a. Entitlement is spent on the calendar year.
  - b. Entitlement balances as of December 31 are rolled into the next calendar year for each SDA.
2. SDAs must spend the full entitlement award each calendar year. Spending plans should incorporate for the possible cancellation of orders or late deliveries. Entitlement is used for the deliveries made during the calendar year (example: if an order is requested for a delivery date of 12/15 and delivery is made in January, the load will be charged to the new year's entitlement.)
3. SDAs are encouraged to purchase USDA Foods that are desired by the clients being served.
4. The DA receives allocation notices from the USDA, establishes ordering deadlines, and communicates ordering information to the SDAs
5. SDAs place orders in WBSCM against their TEFAP entitlement.

- c. The DA provides guidance and materials to assist the SDAs ordering of USDA Foods.
- d. The DA may place orders on behalf of the SDAs.
- e. At no time may the SDA's inventory be more than a six-month food supply without written approval of the DA.
- f. Excess inventories may be transferred between SDAs with prior notice and consent of the DA. Records documenting the transfer must be maintained by all pertinent parties.

### **C. Ordering BONUS USDA Foods**

1. BONUS orders are periodically offered to the DA. These BONUS items do not count against entitlement.
2. SDAs are required to accept BONUS allocations as long as they can safely receive, store, and distribute the BONUS orders.
3. BONUS USDA Foods are handled and distributed in the same manner as USDA Foods ordered through TEFAP entitlement.

### **D. Receipt of USDA Foods**

1. SDAs must ensure that the USDA Foods are safeguarded against theft, spoilage, and damage.
2. Any entity that stores USDA Foods must have an active TEFAP Agreement and become familiar with and adhere to federal, state, and local health codes that apply to stored food products.
3. The USDA provides for the transportation of USDA Foods to the [consignee](#) at no cost per [FNS Instruction 709-5, Shipment and Receipt of USDA Foods](#).

### **E. Direct Delivery:**

1. The USDA reserves the right to change the shipping period, exchange ordered product with like product, or cancel orders.
2. Shippers must contact the [consignee](#) to schedule a delivery appointment as far in advance as possible but no less than 72 hours prior to delivery. In the event of split shipments, the shipper must schedule a delivery appointment with each [consignee](#).
3. When a shipper does not make a delivery appointment in advance, the [consignee](#) must report the issue and identify the shipper in the comment section of WBSCM

when receipting the delivery. All efforts must be exhausted to receive a shipment, even if a delivery appointment was not made in advance.

#### F. Delivery Requirements

1. when a shipment is delivered, the receiving facility **must**:
  - a. Obtain a copy of the [Bill of Lading](#) (BOL).
  - b. Validate the truck seal is intact and that the seal number matches the BOL.
  - c. Validate that the load is supposed to be delivered to the [consignee](#).
  - d. Check the temperature of the load and ensure it is within the correct temperature range.
  - e. Check the overall condition of the load and ensure it is in optimal condition.
  - f. Count the product and note any damage, overage, and/or shortage of product on the BOL with a signature and date.

#### G. Refusing a Delivery:

1. If there is a problem with a delivery, the [consignee](#) **must** do the following prior to refusing the load:
  - a. Collect all pertinent information including the sales order number, the product codes(s) the shipper's name, the reason for possibly refusing the load, photos, etc.
  - b. Immediately notify the DA. The DA will collect information from the [consignee](#) and determine if a request to refuse a delivery is appropriate. If a refusal is appropriate, the DA will request approval from FNS. Upon FNS approval, the DA will notify the [consignee](#) who may refuse the load with the shipper.
  - c. EXCEPTION: A [consignee](#) may refuse any load that has a missing seal, a broken seal, or if the seal number does not match the seal number on the BOL without prior approval from the DA. However, the [consignee](#) must notify the DA if a load is refused for a seal issue.

#### H. Receipt Orders in WBSCM

1. Once a BOL is signed, title is transferred to the SDA on the state's behalf.
2. By signature of the [consignee](#), the SDA assumes liability and will be held financially responsible for the product shown on the BOL.
3. All orders must be receipted in WBSCM within two (2) calendar days (48 hours) of receipt. NOTE: Do NOT receive shipments in WBSCM until the BOL is signed.

4. All goods must be receipted in WBSCM noting any discrepancies and/or delivery issues. This notifies the USDA of overages/shortages/etc.
5. The WBSCM receipt must match the BOL, including any discrepancies noted on the BOL, and the receipt entered in the SDAs inventory management system.
6. If the order is not available for receipt in WBSCM, the [consignee](#) must submit a [WBSCM Help Desk ticket](#) and copy the DA. This alerts the:
  - a. USDA of contractor performance issues; and
  - b. DA that late receipt on the part of the SDA is not the responsibility of the SDA.

#### **I. Food Storage and Handling**

1. Every effort must be made to reduce loss due to spoilage, pest infestation, and theft by following accepted warehousing methods.
2. Acceptable warehouse and storage practices include but are not limited to the following.
  - a. Keep all food 6" off the floor and stored on pallets, platforms, or shelves.
  - b. Keep all food 4" away from walls. This promotes air circulation and accommodates pest control.
  - c. Keep all non-food items separate from food. Toxic items such as soap, bleach, cleaning supplies, etc., must be kept away from food items.
  - d. Keep floors, pallets, walls and shelving clean.
  - e. Keep doors, windows, and roofs well sealed to prevent pest entry and water damage.
  - f. Maintain proper temperatures in all food storage areas.
  - g. Maintain a good pest control system to include a qualified person on staff or a contract with a licensed firm to manage a pest infestation.
  - h. Maintain equipment to include a regular check for leaky compressors in freezer and refrigeration units, hydraulic forklift leaks, etc.,
  - i. Maintain thermometers in all freezer and refrigeration units and dry storage areas.
  - j. Maintain temperature logs for each area.
  - k. Assure inventory rotation so that the product expiring first is issued to the TEFAP participant first allowing time for the participant to consume the product prior to its expiration date.

**J. Maintenance of Storage Area**

- a. An ongoing system of pest control is required. Pest controls such as traps and glue boards are recommended. Place traps along walls and near doorways, moving the traps monthly.
- b. Poisons may only be used by a licensed professional.
- c. Ensure there is a cleaning schedule established listing the necessary frequency of cleaning for each location.
- d. Floors, including under pallets, should be swept, and cleaned at least monthly.
- e. Floors in high traffic areas require regular cleaning.
- f. Area soiled by spillage or breakage must be cleaned immediately.
- g. Broken pallets must be discarded, and dirty pallets cleaned. Empty pallets should be stored apart from food products.
- h. The building grounds should be inspected regularly for signs of fire hazard, pest infestation, security problems, and needed repairs.
- i. An eighteen-inch exterior barrier of weed and grass control must be maintained to facilitate inspections.
- j. Garbage, waste, or rubbish must be disposed of frequently and not allowed to become nesting areas for pests.

**K. Dry Food Storage**

1. At 50° - 70° F
2. Away from direct sunlight
3. Storage area must be clean, secure, and inspected regularly

**L. Refrigerated Food Storage**

1. Refrigerated at temperatures of 35° - 40° F
2. Stored to allow for proper air circulation
3. Refrigerator must be clean, secure, and inspected on a regular basis

**M. Frozen Food Storage**

1. Frozen at a temperature of 0° F or below
2. To allow for proper air circulation



3. Freezer must be clean, secure, and inspected on a regular basis

#### **N. Stacking Methods**

1. Limit the height of the stack so cases of food on the bottom layers will not be crushed.
2. Cross-stack cases on pallets to ensure the stack will be sturdy and solid and will not tip when being moved.
3. Shrink wrapping pallets to provide added stability.
4. Stack cases away from potential damage by heat, steam, or water.

#### **O. Inventory Requirements**

1. SDAs must maintain complete and accurate electronic records of USDA Foods received and distributed.
2. SDAs must differentiate between USDA Foods and other purchased or donated foods.
3. All food storage and handling locations that receive USDA Foods are responsible for good inventory management. Good practices include:
  - a. Requesting only an amount of food that can be used without waste.
  - b. Preventing inventory levels that exceed three months of inventory.
  - c. Preventing and quickly detecting damage or spoilage.
4. TEFAP Monthly Inventory Form must be completed on the last working day of each month and submitted to the DA by the 20th of the following month in a format prescribed by the DA.

#### **P. Allocation Plan for USDA Foods**

1. SDAs must have a plan to allocate USDA Foods to the RAs in their region that ensures equitable food distribution throughout the region. The plan must be evaluated periodically, but no less than annually. The plan must include the following:
  - a. A reasonable allocation formula that ensures an equitable distribution of USDA Foods throughout the region that considers the needs of the community being served.
  - b. A timeline for periodic evaluation of the allocation formula.
  - c. RA notification of their food allocation to be delivered.

- d. An opportunity for the RA to refuse all or a portion of their allocation.
- e. A plan for reallocating all refused USDA Foods within 90 days.

#### **Q. SDA Delivery Process**

1. The SDA is responsible for ensuring a monthly TEFAP distribution in each county in their designated region.
2. When the SDA uses an RA to distribute USDA Foods, the SDA will provide notification to the RA prior to the delivery date. The notification must include, but is not limited to:
  - a. Types and amounts of USDA Food Allocation.
  - b. An opportunity for the RA to decline all or a portion of their USDA Foods allocation.
  - c. The anticipated delivery dates.
3. When USDA Foods are delivered to the RA, the SDA will provide an invoice or Bill of Lading to the RA.
  - a. The invoice must reflect the type and amount of USDA Foods in the order.
  - b. RAs must be able to inspect the order for accuracy and food safety upon receipt of an order.
  - c. If the RA is satisfied that the invoice and USDA Foods match and that the USDA Foods have been received at the proper storage temperatures, the RA will sign the invoice and a copy will be maintained by both the SDA and the RA.
  - d. If there are any discrepancies found during the RAs inspection of the order, the RA will note all discrepancies on the invoice prior to signing the invoice.
  - e. If the RA finds a food safety issue with the order, the RA must refuse the order and notify the SDA immediately.
  - f. The SDA is responsible for the safe transportation of USDA Foods. If the transportation creates a food safety issue, the SDA is responsible for:
    - 1) Transporting unsafe/damaged food to the SDAs warehouse.
    - 2) Submitting a food loss as outlined in [§ VIII](#).

### **VI. RA Responsibility for USDA Foods**

#### **A. USDA Foods Receipt**

1. RAs should only accept the amount of food that can be distributed in 30 days from the date of delivery and stored safely as outlined in section [V.I.](#)
2. When product is delivered, the RA is responsible for reviewing the order for accuracy and ensuring the food was transported safely. The RA must:
  - a. Ensure the amount of product on the invoice matches the amount of product delivered.
  - b. Take the temperature of refrigerated and frozen product to ensure it is at a safe temperature as outlined in section [VI.K-M.](#)
  - c. Document any discrepancies on the invoice.
  - d. Sign the invoice and retain a copy for the RA's records.
3. If there are any USDA Foods in the order that are deemed unsafe (for example, outside of the safe temperature range), the RA must document the issue on the invoice and refuse those items. The SDA will return the items to their warehouse and complete the food loss process outlined in [§ VIII](#)
4. RAs will report end of the month inventory by the date and in the format outlined by their SDA.

#### **B. RA Food Storage**

1. RAs will store USDA Foods in their possession as outlined in sections [VI.I-N.](#)
2. RAs will provide inventory information to the SDA in a format designated by the SDA.
3. RAs will retain all records related to USDA Foods inventory and distribution for three years plus the current Federal Fiscal Year.

#### **C. RA Food Distribution**

1. RAs will distribute USDA Foods to eligible TEFAP households in an equitable manner.
  - a. The best practice for distribution is to provide a food package that is appropriate for the household size. However, this is not the required distribution method.
  - b. RAs are highly encouraged to make TEFAP foods part of an ongoing food distribution.
2. RAs will report TEFAP households and individuals served data to the SDA in a format designated by the SDA.

3. RAs will retain all records related to TEFAP participants for three years plus the current Federal Fiscal Year.

#### **D. Use of USDA Foods for Demonstrations or Workshops**

1. USDA Foods may be made available to professionally trained home economists for demonstrations or workshops relating to the more effective utilization of USDA Foods.
2. The amounts of USDA Foods released for this purpose will be limited to the amounts needed for “tasters”. These may be prepared from one or more USDA Foods and will be served in small amounts rather than as a full meal.

### **VII. Hold and Recall Procedures**

#### **A. Decision and Notification Process**

1. Federal Responsibilities
  - a. When a firm recalls a product, FNS will notify the State within 24 hours of the recall and provide the State with the recall notification, press release, and other information needed to track the product and document reimbursable costs.
  - b. At the same time, the procurement agency begins discussions with the vendor for pick-up and replacement of recalled product.
2. DA Responsibilities
  - a. Upon receipt of a hold/recall notification, the State will contact each affected RA no later than 24 hours after receiving the hold/recall notification through SENS.
  - b. The notification will include the product name, affected lot numbers, and other pertinent product information.
  - c. The State will provide information needed to track the product and document reimbursable costs at the RA.
  - d. The State will release press information to assist RAs in responding to requests from media, parents, school district officials, and others.
  - e. The State will contact the distributors and warehouses, directing them to place the USDA Foods on hold.
  - f. The State will determine the amount of recalled product still in storage at the State level and amount of product delivered to RAs.
3. SDA and RA Responsibilities

- a. Upon receipt of a hold/recall notification, the State will contact each affected RA no later than 24 hours after receiving the hold/recall notification through SENS.
- b. The notification will include the product name, affected lot numbers, and other pertinent product information.
- c. The State will provide information needed to track the product and document reimbursable costs at the RA.
- d. The State will release press information to assist RAs in responding to requests from media, parents, school district officials, and others.
- e. The State will contact the distributors and warehouses, directing them to place the USDA Foods on hold.
- f. The State will determine the amount of recalled product still in storage at the State level and amount of product delivered to RAs.

## **B. Product Disposition**

1. Federal Responsibilities
  - a. While the State and RAs compile inventory information, the USDA will work with the vendor to determine the best course of action for collecting the recalled product at local or centralized locations. In certain circumstances, product may be destroyed on-site, if agreed by the vendor and approved by USDA.
2. DA Responsibilities
  - a. In most situations, the recalled product will be returned to the vendor from central locations within the State. The recalled product should be consolidated for pick-up as soon as possible, but no later than 30 days after the date of the recall notification.
3. SDA and RA Responsibilities
  - a. RAs will work with the State to determine the appropriate method and timeframe for picking up the recalled product.
  - b. It is the RA's responsibility to consolidate the product from affected schools at a central location for pick-up.

## **C. Reimbursement/Replacement Process and Responsibilities**

1. Federal Responsibilities

- a. USDA in consultation with the vendor, will decide determine replacement of product or entitlement credit within 60 calendar days of the recall notification. The preferred method is replacement of product. If the vendor agrees to replace the product, it will not be delivered to the State between April 1 and August 1, except when mutually agreeable to the vendor and the State.
  - b. USDA and the vendor will closely monitor the process to attempt to ensure the vendor/processor initiates reimbursement within 20 days of the recall notification. During this time USDA will process the reimbursement documentation/invoice received from the State.
2. DA Responsibilities
- a. After receiving the reimbursement documentation from the RAs, the State must consolidate this information on a USDA Public Voucher and forward it to the procurement agency within 15 calendar days from the recall notification date. If the State fails to meet this deadline, the State will be reimbursed at the close-out of the recall process (90 calendar days).
  - b. The State is responsible for ensuring the sufficiency and accuracy of the RA documentation prior to submission to USDA.
  - c. Upon receiving the electronic funds transfer from USDA, the State will reimburse RAs within 90 days.
3. SDA and RA Responsibilities
- a. The quantity and location of the product must be submitted to the State within 10 calendar days for the RA to be reimbursed within 30 days of the recall notification. If the RA does not meet this deadline, reimbursement will be made at the close-out of the recall process (90 calendar days).

## **VIII. USDA Foods Complaints and Food Loss**

### **A. USDA Foods Complaints**

1. The USDA makes every effort to ensure that USDA Foods provided through TEFAP are nutritious and of the highest quality. However, if there are concerns with the quality or safety of any USDA Foods item, a complaint should be filed. Complaint Form FDP-CO-400 is available on the DA website and should be filed through the RA who will work with the DA.
2. SDAs are responsible for collecting the appropriate information regarding the product and nature of the complaint so that an investigation can be pursued by the DA or the USDA. A completed form must be submitted to the DA within three business days of receipt of the complaint.

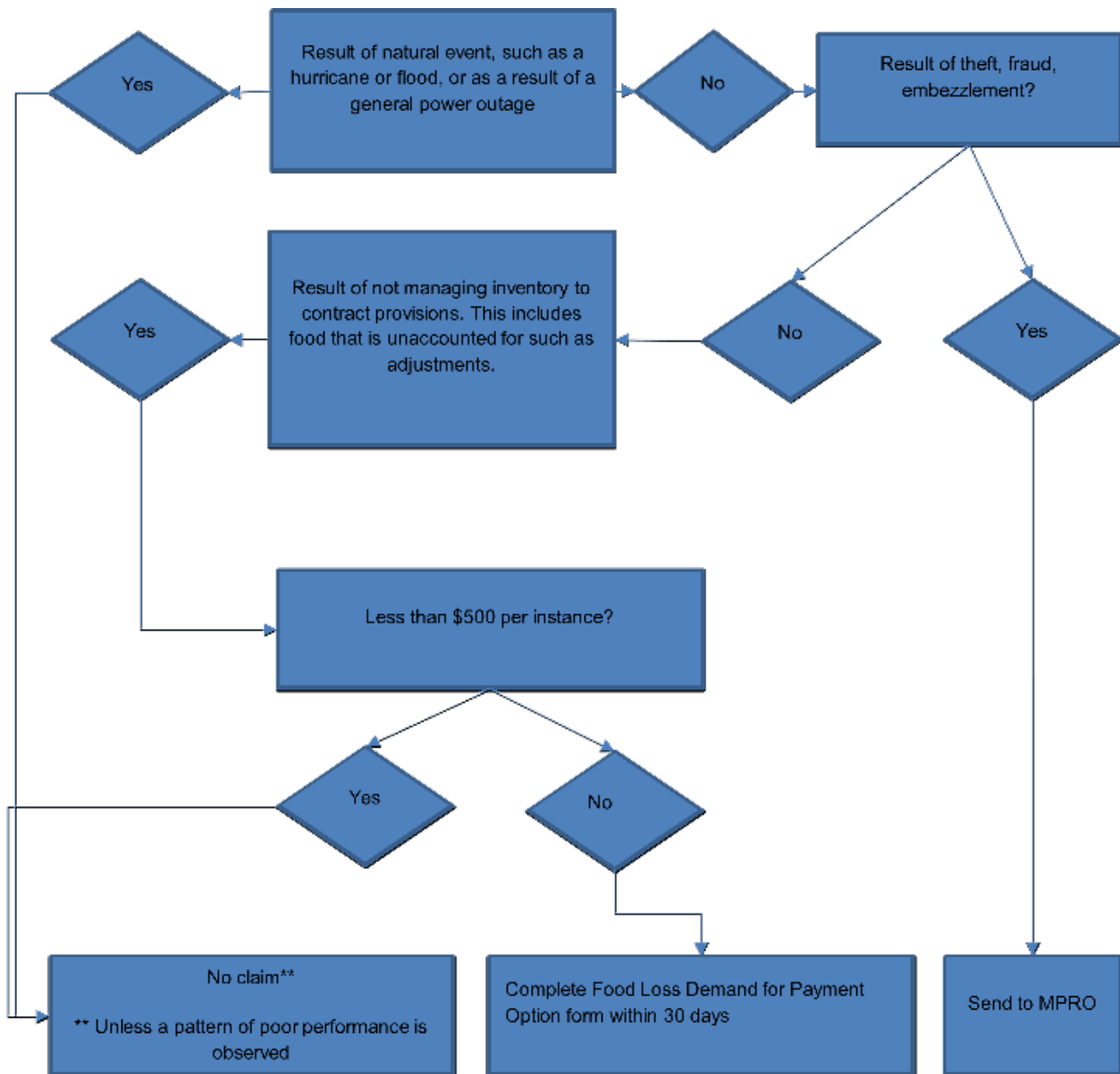
3. The DA will enter complaints into the WBSCM when appropriate. The USDA will request that the recipient keep the defective product for up to ten (10) days until the DA provides further instructions, as the USDA vendor may request a return of the product in question.

## **B. USDA Foods Loss and Claim Procedure**

1. When USDA Foods are no longer fit for human consumption because of:
  - a. Spoilage, contamination, infestation, or damage, or when the results of an investigation by Federal, State, or local health authorities deems them no longer fit for human consumption.
  - b. Donated foods are not stored or managed in accordance with the provisions of a contract or agreement, or with regulatory provisions or policy relating to storage and inventory management.
  - c. Donated foods are stolen, willfully misapplied, obtained by fraud, or improperly distributed, or are not otherwise available for distribution to eligible recipients.
2. This procedure does not apply to the following situations:
  - a. SDAs exceed their assigned TEFAP caseloads (such improper distribution of donated foods is subject to regulations in [7 CFR Part 247](#)).
  - b. Participants or households receive donated foods for which they are ineligible (such losses are subject to regulations applicable to specific programs---e.g., [7 CFR Part 247](#) for CSFP).
  - c. The loss of donated foods before their acceptance at the delivery location by the consignee (i.e., claims for donated foods in transit), or in other cases where the USDA vendor may be held liable for the loss
  - d. Losses identified in audits, investigations, or management reviews conducted by the USDA or by authorized representatives of the USDA.
3. Make a Claim Determination
  - a. The DA must investigate any loss of donated foods, or any improper use or loss of funds regardless of the value of the loss, to determine if a claim must be pursued against the party responsible for the loss. Such claim determination must be completed within 30 days from the date of discovery of the loss, or from the date that information was first received by the DA indicating that the loss had occurred, whichever is later.
4. Gather Information

- a. To begin the claim determination, the SDA shall complete the [Food Loss form](#) within 7 days of the discovery and submit it to the DA. The form includes information that allows the DA to establish:
  - 1) The types and quantities of donated foods lost.
  - 2) The value of the donated foods lost, or the amount of funds improperly used or lost.
  - 3) The date and location of the loss, to the extent they can be determined.
  - 4) The cause, including if theft, embezzlement, or fraud was involved.
  - 5) The party responsible for the loss, if any.
5. Within 15 days of receiving a Food Loss form, the DA will value the lost USDA foods using WBSCM's purchase price of the food at the time the loss occurred.
6. The DA will determine the responsible party, the cause, and total value of lost food.
  - a. If the DA determines that the loss did not result from action or negligence by a specific party (e.g., if the loss occurred because of a natural event, such as a hurricane or flood, or because of a general power outage), it is not required to pursue a claim or to forward the claim determination to MPRO for further action. However, the DA must notify MPRO if the value of such a loss exceeds \$500.
  - b. If the food loss occurred because of theft, embezzlement, negligence, willful misapplication, or fraud the DA will forward the claim to MPRO immediately and must pursue a claim regardless of the dollar value.
  - c. If the DA determines the food loss resulted from lack of proper inventory storage and/or distribution practices, the value of the loss is calculated. If the total loss does not exceed \$500, the DA will not forward the claim to MPRO and pursue a claim. All food losses will require the responsible party to submit a corrective action plan to the DA within 30 days. The DA will evaluate the effectiveness of the plan during regularly scheduled MEs.
  - d. An instance of food loss is defined as one occurrence. Examples include:
    - 1) The total negative adjustment on one month's 152 reports
    - 2) A total annual inventory reconciliation
    - 3) A found pallet of expired product
    - 4) A freezer malfunctions
    - 5) A forklift dropping a pallet
    - 6) A volunteer slicing through bags of rice while opening a case.





### C. Priorities of USDA Foods

1. The DA and SDAs must serve all TEFAP applicants on a first-come, first-served basis.
  - a. When caseload is available, approved applicants will be served as soon as feasible.
  - b. When the SDA does not have a caseload slot available, an approved applicant will be immediately notified of their status on an established wait list using the procedure outlined in [§.VI.H](#)

2. TEFAP food benefits are made available to every certified participant monthly.
3. USDA Foods will be distributed per USDA, Food and Nutrition Services memorandum, [CSFP: Revised Food Package Maximum Monthly Distribution Rates](#).
4. SDAs will have a procedure to allow TEFAP participants to refuse any food item they cannot use or do not want.
  - a. The procedure must include a process for returning the item(s) back into the SDA's inventory and accurate accounting of that inventory.
  - b. If an TEFAP participant refuses a food item, the refused food may not be supplemented with other USDA Foods. For example, an TEFAP cereal cannot be substituted with a TEFAP cereal.

## **IX. Eligibility**

### **A. Eligibility as a Food Pantry**

1. A food pantry must be a public or private non-profit organization that distributes USDA Foods exclusively to needy persons for household consumption pursuant to an established means test.
2. A food pantry is an integral component to the success of the federal food program. Distribution of USDA Foods may vary from site to site. USDA Foods are to be incorporated into the food pantry inventory and provided to all eligible participants as part of a food package.
3. USDA Foods are not to be a singular source of food supply at a food pantry.
4. Other sources of food may include food banks, donated food, food drives, or food purchase plans.
5. All food pantries are encouraged to establish a participant choice model of distribution, permitting the participant to have input into the food package they receive.
6. A food pantry receiving USDA Foods must allow participants to access food monthly.
7. A food pantry must establish and post regular hours of operation and may establish a procedure for on-call access.

### **B. Eligibility as a Congregate Feeding Site**

1. A congregate feeding site or shelter must be a public or private non-profit organization that provides prepared meals for predominantly need persons.
2. USDA Foods must not be the singular source of food supply at a meal site. Other sources may include food banks, donated food, food drives, or food purchase plans.
3. A congregate feeding site may be open to the public or be located in a shelter that provides meals to only sheltered individuals or families.
4. A congregate feeding site may provide up to three regularly scheduled meals and a snack each day.
5. Eligibility determination is not required at congregate meal sites.

### **C. Recipient Eligibility**

1. To be determined eligible for food assistance a household must:
  - a. Need food assistance because of inadequate household income,
  - b. Not have previously received USDA Foods in the same distribution period,
  - c. File an application,
  - d. Be a Colorado resident,
  - e. Meet the definition of a "household"; and
  - f. Meet the TEFAP income-based standards in either of two ways in the following order:
    - 1) The household is a recipient of a social service program as described in Item VI.E.; or
    - 2) The combined gross household income does not exceed the maximum income limit applicable to its household size as described in Item VI.F.
    - 3) Households determined eligible under section VI.A.(f)(1) will not be required to demonstrate eligibility under Item VI.A.(f)(2).

### **D. Application**

1. RAs will use the most current version of Form [FDP-CO-100, "TEFAP Eligibility Application"](#) to document household signatures and eligibility criteria. The TEFAP Eligibility Application form may be found on the FDP website at: <https://cdhs.colorado.gov/TEFAP>.
  - a. The use of a paperless certification system must be approved by the DA prior to implementation and must provide the same or higher degree of

confidence regarding the accuracy of the certification results from the electronic system as from the traditional, paper-based system.

- b. Electronic signatures must be a facsimile of the participant and proxy's signature.
  - c. A policy plan must be in place to ensure the confidentiality of participant information. The plan must include routine monitoring of the practice of maintaining the confidentiality of participant information.
  - d. Records must be retained for three years from the end of the fiscal year to which they pertain, or, if they are related to an unresolved claim action, audit, or investigation until those activities have been resolved.
2. No household may be denied the opportunity to file an application.
  3. Households are not required to obtain a "referral" to apply for or obtain USDA Foods.
  4. After the application is filed and eligibility determined, distribution of USDA Foods will be made to eligible households. In most cases, the claimant's statement regarding a household's circumstances will be acceptable verification. Should an apparent question exist, verification may be requested; however, this should not delay the distribution of USDA Foods.

#### **E. Residence**

1. A participant is required to show proof of address and a form of identification, if available. Proof of address may include a current address on a photo ID, recent public service bill, rent receipt, etc.
2. An individual cannot participate as a member of more than one household or in more than one service area during the same month.
3. The address requirement does not impose any durational requirement; nor does it imply "intent" to reside permanently in the state or county.

#### **F. Household Defined**

1. For USDA Foods distribution purposes, household means:
  - a. A group of related or non-related individuals, exclusive of boarders, who are not residents of an institution, but who are living as one economic unit, and for whom food is customarily purchased and prepared in common, or
  - b. An individual living alone.

#### **G. Eligibility through Participation in a Public Assistance Program**

1. Eligibility for receipt of a food package at a food pantry is established if the household participates in one of the nine (9) public assistance programs listed below. Note: Social Security, Medicare, and Unemployment Compensation are not forms of public assistance.
  - a. Aid to the Blind (AB)
  - b. Aid to the Needy Disabled (AND)
  - c. Commodity Supplemental Food Program (CSFP)
  - d. Low-income Energy Assistance (LEAP)
  - e. Old Age Pension (OAP)
  - f. Supplemental Nutrition Assistance Program (SNAP) (previously known as Food Stamps)
  - g. Supplemental Security Income (SSI)
  - h. Temporary Assistance for Needy Families (TANF)
  - i. Medicaid eligible foster children (NOTE: A Medicaid-eligible foster child is considered a household of one if the child is the only household member meeting eligibility criteria.)

#### **H. Eligibility through Combined Household Income**

1. If a household is not eligible as a participant of a public assistance program, it may be eligible if the combined household income does not exceed 200% of the current federal poverty level as established by the United States Department of Health and Human Services. Qualifying income includes:
  - a. Gross wages
  - b. Earning from self-employment (excluding overhead expenses)
  - c. Retirement or disability benefits
  - d. Veteran's, workers, or unemployment compensation
  - e. Social Security
  - f. Alimony or child support
  - g. Public assistant cash grants
  - h. Scholarships, educational grants, fellowships, or Veteran's educational benefits not used to pay tuition and mandatory fees
  - i. Dividends, interest, and other payments which benefit the household
  - j. Income from roomers or boarders
  - k. Adoption subsidies

2. The following are examples of exempted income:
  - a. SNAP (previously known as food stamps) benefits
  - b. Special Supplemental Nutrition Program for Women Infants and Children (WIC) benefits
  - c. One-time lump sum payments such as insurance settlements
  - d. Foster subsidies
  - e. In-kind Income
  - f. Vendor Payments

### **I. Completing TEFAP Eligibility Application**

1. Using the TEFAP Eligibility Application ([FDP-CO-100](#)) and the information thereon, the following steps, in order, should lead to determining eligibility of an applicant household by an RA.
  - a. Obtain the number of persons in the household and name of the applicant.
  - b. Determine the household's address.
  - c. Ascertain that the household members have not previously received USDA Foods in the current calendar month.
  - d. Determine if the household participates in an eligible public service program.
  - e. If not eligible under [§IX.G](#) above, determine if the household meets the income eligibility criteria requirement by comparing the household's size and income to the household income criteria ([200% of the poverty guidelines](#)).
  - f. Mark the Certification section for appropriate eligibility or denial.
2. Since eligibility is based on a current need for food assistance and the TEFAP Eligibility Application ([FDP-CO-100](#)), a certification period is not applicable. Eligibility must be re-established each time food assistance is requested.
3. The RA will accept self-declaration as the primary means of documenting eligibility.
  - a. Needy persons receiving USDA Foods from an RA will sign the TEFAP Eligibility Application ([FDP-CO-100](#)) each time USDA Foods are received to attest that they meet the income-based standards for the program.
  - b. The applicant's signature places the responsibility for documenting eligibility directly on the recipient and relieves RA's staff and volunteers of both legal and programmatic liability.

4. Agency staff and volunteers may receive USDA Foods only if they meet the eligibility requirements.
  - a. Eligible staff and volunteers may not be given extra food to encourage their assistance.
  - b. Eligible staff and volunteers must complete the TEFAP Eligibility Application ([FDP-CO-100](#)) each time they receive USDA Foods.
  - c. Eligible staff and volunteers may not be given preferential treatment.

#### **J. Homebound Participants**

1. A program participant who is unable to visit a TEFAP food pantry may designate a relative, friend, or caregiver as their proxy for receipt of the food package.
2. Documentation of a proxy should be provided in writing on form FDP-CO-1640 and maintained by the RA.
3. The proxy must provide appropriate identification to receive the participant's benefit and must provide a signature on the participant's behalf.

#### **K. Homeless Applicants**

1. Applicants who do not have a residence or do not have the capacity to utilize USDA Foods available are to be referred to a congregate meal site and should only be provided food items that the applicant can safely store and consume.

#### **L. Eligibility for Congregate Meal Sites**

1. Recipients of meals served at congregate feeding sites are not required to complete an application form to determine eligibility. Such persons are "deemed" eligible and not subject to a means test.
2. The DA does not require congregate meal organizations to employ a means test to determine that recipients are needy, or to keep records solely for the purpose of demonstrating that its recipients are needy.

### **X. Management Evaluation**

#### **A. Management Evaluation Purpose**

1. The purpose of the management evaluation is to evaluate program operations; ensure compliance with federal regulations and state policy and procedures; and to provide technical assistance and training. The process includes, but is not limited to the review of:

- a. Outreach and referral procedures,
  - b. Eligibility procedures: including RA eligibility and TEFAP recipient eligibility,
  - c. Civil rights compliance,
  - d. Food ordering, receipt, distribution, storage, and inventory, and
  - e. Financial and record keeping processes.
2. The management evaluation will be used to provide technical assistance for program improvement. The process also provides an opportunity for the RA to ask questions, discuss concerns, and make suggestions about the program.
  3. The USDA and/or the DA may visit any SDA or RA at its discretion for review purposes.

#### **B. Management Evaluation Process**

1. Any agency that will be reviewed should receive ample notice of the review date, time, and duration, what areas of the program will be reviewed, and documentation that will be requested.
  - a. This best practice does not negate section XI.3.
  - b. Notification to an SDA or RA of a management evaluation should be provided in writing.
2. Upon completion of the review, the reviewing agency should provide written communication of the results of the review to the agency that was reviewed.
  - a. Any issues of noncompliance must be provided the agency that was reviewed in writing.
  - b. The agency that was reviewed must be provided a with written guidance that:
    - 1) Outlines the issues of non-compliance.
    - 2) Provides guidance on how to correct the issues on non-compliance.
    - 3) States a deadline for correcting the issues of non-compliance.
3. The reviewing agency must follow up on all non-compliance issues to ensure that all issues of non-compliance are corrected within a reasonable time frame.

#### **C. DA Responsibilities**

1. The DA will conduct a management evaluation of SDAs once every four years or more frequently at the DAs discretion.



- a. The DA will issue a report of review findings detailing recommended and/or required corrective action to the SDA.
  - b. The SDA will have forty-five days to:
    - 1) Develop resolution, when applicable,
    - 2) Respond to the findings, and
    - 3) Document compliance with corrective action.
2. The DA is required to conduct a management evaluation of 10% of its RA or 20 total management evaluations (whichever is less) each year.

#### **D. SDA Responsibilities**

1. SDAs are responsible to conduct on-site monitoring of RAs. These reviews are in addition to reviews conducted by the DA.
2. SDAs will review 25% of their RAs each year, resulting in a review of every RA once every four years.

#### **E. RA Responsibilities**

1. Retain records of a management evaluation for a period of three years plus the current Federal Fiscal Year.

### **XI. Records and Reports**

#### **A. Record Retention Requirements**

- a. All program records are to be maintained for a period of three years from the close of the federal fiscal year to which they pertain, or longer if related to an audit or investigation in progress.
- b. The records must be always reasonably accessible for use during management evaluations, site reviews, audits, or investigations.

#### **B. SDA Records**

1. Records include, but are not limited to:
  - a. Records documenting the receipt, disposal, and inventory of USDA Foods, including records documenting distribution to RAs.
  - b. Records documenting any funds that arise from the operation of the distribution program.
  - c. SDA's contract with the DA.
  - d. SDA's agreement with RAs.

- e. SDA's record of RA compliance.
- f. Records related to the loss of or damaged USDA Foods.
- g. Records related to TEFAP complaints, investigations, and resolutions.
- h. Records of civil rights training including records of attendance.
- i. Annual Automatic Revocation of Exemption review records for RAs.

### **C. SDA Monthly Inventory Report**

1. The 152 Report is a monthly inventory report. This report is submitted to the DA by the 20th day of every month to report previous month's inventory and participation.
2. SDAs must submit their reports in the format designated by the DA
3. The following information must be provided in the report to submit a complete report.
  - a. Expiration Date: If USDA Foods in the current inventory have more than one expiration date, the SDA will enter the soonest expiration date.
  - b. Receipts: This is for USDA Foods received through a Direct Ship order in the month being reported. NOTE: the DA will compare the receipts entered in the 152 with the receipted orders for the month in WBSCM.
  - c. Transfer In: Any USDA Foods received by a transfer from another SDA are reported in this field. A comment must be provided for all entries in this column.
  - d. Distributed to RA: A sum of the number of cases issued to TEFAP RAs during the month reported.
  - e. Warehouse Damage: Any USDA Foods that are not available for distribution to participants must be reported in this column. This includes USDA Foods that are damaged, expired, previously reported through a food loss claim, etc. A comment must be provided for all entries in this column.
  - f. Transfer Out: Any USDA Foods transferred to another SDA is reported in this field. A comment must be provided for all entries in this column.
  - g. Positive Adjustment: This field must be used sparingly. If a positive adjustment must be made to reconcile the 152 report to book/physical inventory, a reason for the adjustment must be provided in the Comment field.
  - h. Negative Adjustment: This field must be used sparingly. If a negative adjustment must be made to reconcile the 152 report to actual inventory, a reason for the adjustment must be provided in the Comment field.

- i. Physical Inventory: Enter the results of the physical inventory conducted on the last working day of the month.
  - j. Comment: Use this field to provide any pertinent notes including and explanation for entries in the Transfer In, Transfer Out, Food Loss, Positive Adjustment, and Negative Adjustment columns.
4. All remaining fields will automatically calculate based on the data entries outlined above.
5. A comment must be provided for any discrepancies including how the discrepancy was reconciled.

#### **D. SDA Contact List**

1. The contact list for RAs is due on the 20<sup>th</sup> of each month following the last month of a quarter (January, April, July, and October).
2. The contact list data is used to populate an interactive map on the DAs TEFAP website that is used by clients and other public service organizations (such as the Hunger Hotline, Senior Hotline, 211, etc.) to find food services. It is imperative that this report accurately reflects the data requested.
3. This report includes the following information:
  - a. RA Name
  - b. RA Address
  - c. RA Mailing Address
  - d. RA City
  - e. RA Zip Code
  - f. County
  - g. RA Contact Name
  - h. RA Contact Email
  - i. RA Contact Phone
  - j. RA Days and Hours of Distribution

#### **E. SDA Claim for Reimbursement**

1. The SDA will submit a Claim for Reimbursement for their costs associated with the administration of TEFAP using form [CO-25, TEFAP Reimbursement Request](#).

2. This report is due to the DA on the 30<sup>th</sup> of the month following the last month of the quarter (January, April, July October).
3. All costs associated with the distribution of TEFAP USDA Foods should be reported quarterly
4. Costs of distributing non-USDA Foods to TEFAP RAs may be reported in section B. Please note that the DA prioritizes using TEFAP administrative funds to reimburse the costs for the distribution of TEFAP USDA Foods.
5. Supporting documentation must be provided for costs listed in the “Other” category. No other supporting documentation is required to complete this form.

#### **F. SDA Inventories in Excess of Six Months**

1. This six-month report is completed on form [FNS 155](#).
2. The Inventories in Excess of Six Months report is due on the last business day of the month of June and December.
3. The FNS 155 is to report if an agency has an amount of a single USDA Foods product in inventory as of either June 30 or December 31 that they will not be able to distribute in the next six months. If an SDA has an amount of any USDA Foods product that they will not be able to distribute in the next six months, the SDA is required to do the following:
  - a. Notify the DA immediately. The DA will work with all TEFAP SDAs to transfer product within the next six months.
  - b. If the product is in inventory as of June 30 or December 31, the SDA must complete form [FNS 155](#) and immediately submit the completed report to the DA.

#### **G. SDA Value of USDA Foods Distributed to RAs**

1. In accordance with the Single Audit Act of 1984 and Title 2 CFR 200.501, a non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year. The value of USDA Foods is a Federal award.
2. The SDA is responsible for maintaining current records for all USDA Foods and administrative funds that is passed through to its RAs.
3. On an annual basis, the SDA is required to provide each of its RAs a letter that outlines the value of USDA Foods provided to the agency and the amount of any administrative funds passed through to the agency.

4. The SDA must comply with requests from their RAs to provide this information as needed when the RA is undergoing a single or program audit.
5. The DA will provide annual letters to its SDAs each March and upon request.

#### **H. SDA Automatic Revocation of Tax-Exempt Status**

1. Prior to entering into an agreement with an SDA, the DA will review the agency's exemption status by conducting a search of the IRS Automatic Revocation of Exemption List <https://apps.irs.gov/app/eos/>.
2. The DA will conduct an annual review of each SDAs exemption status and maintain records of the search in the contract folder.
3. SDAs must review the IRS Automatic Revocation of Exemption List (<https://www.irs.gov/Charities-&-Non-Profits/Automatic-Revocation-of-Exemption-List>) prior to entering into an agreement with an RA and then at least annually to determine whether RAs with which the SDA has an Everyday Eats agreement are listed.
4. Should an RA appear on the list, the reviewer must:
  - a. Notify the RA in writing that it has 30 days to provide documentation that it has applied for reinstatement of tax-exempt status, or it will be terminated from Everyday Eats.
  - b. Per 7 CFR 251.5(a)(3), the organization then must forward documentation of IRS recognition of tax-exempt status to the SDA within 180 days of the above-mentioned notification.
  - c. An SDA may grant one 90-day extension if the organization can demonstrate that its inability to obtain appropriate status during the initial period was due to circumstances beyond the organization's control.
  - d. In addition to regular checks of established RAs, the SDA must verify that an organization does not appear on the List prior to entering into an Everyday Eats agreement.

#### **I. SDA Physical Inventory Report**

1. On June 30/July 1 of each year, the DA will conduct a physical inventory of all TEFAP USDA Foods in possession of the SDA.
2. The DA will reconcile the physical inventory to the prior year's physical inventory, WBSM delivery reports, reported food losses, the prior year's 152 reports, and the SDA inventory management system reports.

3. To prepare for the physical inventory, the SDA will provide the following information to the DA. All inventory management system reports will include transactions from July 1 through June 30
  - a. Received shipment report from the SDAs inventory management system that includes all TEFAP USDA Foods received or transferred in during the reporting period.
  - b. Shipping report from the SDAs inventory management system that includes all TEFAP USDA Foods shipped to their RAs or transferred to an SDA during the reporting period.

#### **J. RA Records Requirements**

1. Records include but are not limited to:
  - a. Records documenting the receipt and disposal and storage of USDA Foods.
  - b. For home consumption only, records documenting distribution of USDA Foods including the name of the person receiving USDA Foods, the address of the household (to the extent practicable), the number of persons residing in the household, the basis for determining that the household is eligible to receive USDA Foods, and distribution rates.
  - c. Records documenting any funds that arise from the operation of the TEFAP distribution.
  - d. The agency's agreement/contract to administer TEFAP.
  - e. Records related to the loss of or damaged USDA Foods.
  - f. Records related to TEFAP complaints, investigations, and resolutions.
  - g. Records of civil rights training including records of attendance.
2. Additional reports may be requested by the DA or the SDA as needed.

#### **K. RA Reporting Requirements**

1. RAs are required to provide monthly reports of the following information to their SDA by the date and in a format designated by their SDA.
  - a. A report of all TEFAP food inventory on hand as of the last day of the month.
  - b. A report of the number of households and participants served during the calendar month or a report of the number of meals served during the calendar month.

## **XII. Civil Rights**

## A. Civil Rights Requirements

1. All agencies will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.); all provisions required by the implementing regulations of the Department of Agriculture; Department of Justice Enforcement Guidelines, 28 CFR Part 50.3 and 42; and FNS directives and guidelines, to the effect that, no person shall, on the grounds of race, color, national origin, sex, age, or disability, be excluded from participation in, be denied benefits of, or otherwise be subject to discrimination under any program or activity for which the program applicant receives Federal financial assistance from FNS; and hereby gives assurance that it will immediately take measures necessary to effectuate this agreement.
2. All agencies must have posted at their facility, in plain sight, the “And Justice for All” poster.
3. All agencies will include the following official non-discrimination statement on all written materials (including websites) naming TEFAP or the USDA Foods program:

*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, audiotope, 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](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](mailto:program.intake@usda.gov).

*This institution is an equal opportunity provider.*

4. If the material is too small to permit the full statement to be included, the material will, at a minimum, include the statement, in print size no smaller than the text, that: *This institution is an equal opportunity provider.*

## **B. Civil Rights Training**

1. As required by USDA FNS-113-1, a Civil Rights Pre-Award Compliance review must be conducted for all agencies prior to entering into a TEFAP agreement.
2. All agencies will ensure that employees and volunteers that have direct interaction with TEFAP applicants and participants receive civil rights training annually.
3. Should I add in taking CR training online thru our website?

## **C. Complaints of Discrimination**

1. USDA reserves the right to conduct investigations and make the final determination on the proper handling of all complaints.
2. All agencies must agree to accept all Civil Rights complaints received in connection with the distribution of USDA Foods.
3. All agencies will maintain a record of complaints.
4. To file a complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ocio.usda.gov/sites/default/files/docs/2012/Complain\\_combined\\_6\\_8\\_12.pdf](http://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf) or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

## **D. Meaningful Access**



1. Each January the DA will conduct an assessment to determine frequently encountered languages for Colorado and update language requirements as appropriate. All participant/applicant facing forms and TEFAP materials including outreach and marketing materials must be provided in the identified frequently encountered languages which is currently English and Spanish.
2. The DA is responsible to translate vital documents, i.e., TEFAP application. RAs may request vital document translation through their SDA, as needed.
3. Notification of free interpretation services for participants/applicants with limited English proficiency is required.
  - a. SDA's will provide a Limited English Proficiency (LEP) plan to the DA annually. The LEP plan must include how the agency, including its partner agencies, will provide free interpretation services to TEFAP applicant and participants.
  - b. RAs may contact their SDA regarding interpretation services, if needed.

#### **E. TEFAP Activities**

1. As a condition of receipt of USDA Foods, SDA's and RAs cannot require or coerce participants to:
  - a. Attend a religious service,
  - b. Participate in prayer,
  - c. Join a counseling group,
  - d. Attend budgeting, parenting, or job training classes, and/or
  - e. Do odd jobs.

#### **F. Non TEFAP Activities**

1. Activities unrelated to the distribution of USDA Foods or meal service may be conducted at sites if:
  - a. The person(s) conducting the activity makes it clear that the activity is not part of TEFAP and is not endorsed by the USDA and/or the DA.
  - b. Cooperation in the activity is not a condition of the receipt of USDA Foods.
  - c. Information about the activity is not placed in or printed on bags or boxes in which USDA Foods are distributed.
  - d. Program participants are not solicited or required to contribute money, sign petitions, or converse with the persons conducting the activity.
  - e. The activity is not conducted in a manner that disrupts the food distribution or meal service.

### **XIII. Religious and Faith Based Organizations**

#### **A. Notice Of Beneficiary Rights**

1. In accordance with 7 CR Part 16.4(g), if a beneficiary or prospective beneficiary of TEFAP objects to the religious character of an organization that provides services under the program, the 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.
2. Religious or faith-based RAs will post the TEFAP Written Notice of Beneficiary Rights poster in a participant visible area during every TEFAP distribution. The TEFAP Written Notice of Beneficiary Rights is available from the SDA or on the [FDP website](#).

#### **B. Beneficiary Referrals**

1. RAs will refer all TEFAP applicants and/or recipients that object to the religious character of the organization to the primary contact at their SDA.

### **XIV. Prohibited Activities**

1. An SDA and their network understand that USDA Foods are not to be sold, exchanged, or used for personal gain.
2. All SDAs and RAs are prohibited from repackaging USDA Foods unless exceptions are granted with prior USDA approval. All requests for repackaging must be submitted to the DA.
3. No USDA Foods are to be opened, altered, or removed from unit containers except for meal preparation at RA congregate meal sites.