

SECTION II – STATE PLAN

STATE OF MONTANA

COMMODITY SUPPLEMENTAL FOOD PROGRAM

STATE PLAN OF PROGRAM OPERATIONS

FFY – 2007

FFY 2007 Plan Revision January 15, 2025

Developed according to the eleven points required
under 7 CFR 247.6(c) and verified by e-CFR Data as of 2016

INTRODUCTION

This is the Food Distribution Section of the Intergovernmental Humans Services Bureau (IHSB) of the Human and Community Services Division (HCSD) of the Montana Department of Public Health and Human Services (DPHHS) 2007 USDA Approved State Plan for the operation of the Commodity Supplemental Food Program (CSFP) in Montana. This State Plan complies with the eleven requirements of the August 2005 revision of 7 CFR 247.6(c) for the submission of new state plans for existing state CSFP programs. Revisions to the plan are made annually and sent to USDA for approval as needed to reflect state changes or USDA federal regulation and policy changes.

STATE PLAN REQUIREMENT NUMBER 1: CURRENT CONTRACTED LOCAL AGENCIES AND SUBDISTRIBUTING AGENCIES-Alphabetical by Community

There are 12 Local Agency (LA) contracts which are renewed annually. Each LA can subcontract with agencies within their defined service areas to provide certification services, outreach and nutritional education. Attachment A details the LAs and the Communities and Surrounding Areas Served. Attachment B includes the agreements between DPHHS and the LAs.

Per 7 CFR § 247.6(c)(1), the names and addresses of all Local Agencies (LA) with which DPHHS has entered into agreement are as follows:

The 12 ERA Agencies are:

GALLATIN VALLEY FOOD BANK - Area IX HRDC
602 BOND
BOZEMAN, MT 59715

FAMILY SERVICES
3927 1ST AVE SOUTH
BILLINGS, MT 59101

AREA V AGENCY ON AGING
1015 SOUTH MONTANA STREET
BUTTE, MT 59701

NORTH CENTRAL AGENCY ON AGING-Area III AOA
311 S. Virginia, Suite 2
CONRAD, MT 59425-2532

ACTION FOR EASTERN MONTANA (AEMT) Area I AOA
PO BOX 1309
2030 NO MERRILL

GLENDIVE, MT 59330

ST. VINCENT de PAUL
426 CENTRAL AVENUE WEST
GREAT FALLS, MT 59404

RAVALLI COUNTY COUNCIL ON AGING
310 OLD CORVALLIS RD
HAMILTON, MT 59840

ROCKY MTN DEVELOPMENT COUNCIL (RMDC) – Area IV AOA
201 SO LAST CHANCE GULCH
HELENA, MT 59601

FLATHEAD FOOD BANK
1203 HIGHWAY 2 WEST – SUITE 2
KALISPELL, MT 59901

MISSOULA FOOD BANK
1720 WYOMING ST
MISSOULA, MT 59801

AREA VI AGENCY ON AGING
110 MAIN STREET – SUITE 5
POLSON, MT 59860-2316

AREA II AGENCY ON AGING
PO BOX 127
1502 4TH ST WEST
ROUNDUP, MT 59072

STATE PLAN REQUIREMENT NUMBER TWO- INCOME ELIGIBILITY STANDARDS AND OTHER ELIGIBILITY REQUIREMENTS

ELIGIBILITY DETERMINATION

Per 7 CFR § 247.6(c)(2), eligibility standards are as follows:

To be eligible for CSFP benefits in Montana, each applicant must be age, income and residency eligible to receive CSFP.

1. Age Eligibility: Applicants must be at least 60 years of age to participate in CSFP. Verification of age and source used to verify must be documented. Homebound applicants 60 years and older who are unable to acquire their own foods due to medical conditions, lack of a valid driver's license or a restricted driver's license preventing transportation to the distribution site may receive CSFP via home delivery.
2. Income Eligibility: Applicants are income eligible when their gross household income is at or below 150 percent of the Federal poverty guidelines as issued in the Federal Register by the U.S. Department of Health and Human Services for the relevant Federal fiscal year. These are amended each year and sent to the state agency by USDA-FNS. Montana implements new income guidelines immediately upon receipt and will notify LAS of the most current income information.

Income eligibility is determined by comparing household size and household income with the CSFP income eligibility guidelines. Income eligibility is based on the most current indicator of their financial status. An applicant shall self-report their total gross income.

Income Guidelines: Income means gross income before deductions for such items as income taxes, employee's social security taxes, insurance premiums, and bonds. Current income is income received by the household during the month prior to application. However, household-income during the previous 12 months can also be considered as well as current income to determine which indicator more accurately reflects the household's status.

Excluded Income: Montana excludes all income sources listed at 7 CFR 247.9(d)(2) and 7 CFR 247.9(d)(3). Professional judgment is to be used in determining what will not be included as income. All other income is to be included. If questions arise, the State CSFP office is to be contacted.

Change of Income: If a participant's income changes to the extent to disqualify them due to exceeding income limitations, the local agency must notify the participant with a written notification of discontinuance at least 15 days before the effective date of discontinuance.

3. Residency Eligibility

Persons eligible for Montana's CSFP must reside in Montana. There is no duration or fixed residency requirements. Migrant and seasonal farm workers shall be considered as meeting the residency requirement. Local agencies are authorized to serve residents from counties outside their normal service area, but within Montana and not overlapping another CSFP local agency's counties unless there is coordination with that agency.

Persons living in nursing homes do not qualify for program benefits.

Residency must be documented at each certification and transfer. Documentation of residency can be from current address on a driver's license, utility bill, voting registration, Medicaid card, TANF letter, SNAP letter, etc. (some kind of documentation connecting participant with current address). Other means can be used to assure CSFP staff that residency in Montana is authorized. The source of verification or residency should be no more than one month old, whenever feasible.

APPLICATION

1. The following persons may apply on behalf of an eligible persons:

A spouse, relative or caretaker of the applicant if the applicant is homebound or for any reason unable to apply on his/her own behalf.

In the above case CSFP staff must be assured that the eligible individual does exist. A home visit or a telephone conversation with the eligible individual must occur unless staff has knowledge that the applicant is alive and not living in a nursing home. There also needs to be documentation in the applicant's file as to why the spouse, relative or caretaker is applying on behalf of the applicant (i.e., letter from doctor, notarized letter, etc.).

2. Other applicants are to apply on behalf of themselves.

NON-DISCRIMINATION AND CIVIL RIGHTS

1. Non-Discrimination. The State and local agencies shall comply with and include the following non-discrimination statements without modification in all agreements and written materials as required;

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-> from any USDA office, by calling (866)-632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

2. Mail:
U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
3. Fax:
(833)256-1665 or (202) 690-7442; or
4. Email:
program.intake@usda.gov

This institution is an equal opportunity provider.

1. Civil Rights. The State and local Agencies shall comply with and incorporate the following Civil Rights assurance into any and all written agreements:
 - i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);
 - ii. Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.);
 - iii. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);
 - iv. Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.);
 - v. Title II and Title III of the Americans with Disabilities Act (ADA) of 1990 as amended by the ADA Amendment Act of 2008 (42 U.S.C. 12131-12189);

- vi. Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency." (August 11, 2000);
- vii. All provisions required by the implementing regulations of the Department of Agriculture (USDA) (7 CFR Part 15 et seq.);
- viii. Department of Justice Enforcement Guidelines (28 CFR Parts 35, 42 and 50.3);
- ix. Food and Nutrition Service (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 the benefits of, or otherwise be subject to discrimination under any program or activity for which the Program applicant receives Federal financial assistance from USDA; and hereby gives assurance that it will immediately take measures necessary to effectuate this Agreement.
- x. The USDA non-discrimination statement that 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, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

This assurance is given in consideration of and for the purpose of obtaining any and all Federal financial assistance, grants, and loans of Federal funds, reimbursable expenditures, grant, or donation of Federal property and interest in property, the detail of Federal personnel, the sale and lease of, and the permission to use Federal property or interest in such property or the furnishing of services without consideration or at a nominal consideration, or at a consideration that is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease, or furnishing of services to the recipient, or any improvements made with Federal financial assistance extended to the Program applicant by USDA. This includes any Federal agreement, arrangement, or other contract that has as one of its purposes the provision of cash assistance for the purchase of food, and cash assistance for purchase or rental of food service equipment or any other financial assistance extended in reliance on the representations and agreements made in this assurance.

By accepting this assurance, the agency agrees to compile data, maintain records, and submit records and reports as required, to permit effective enforcement of nondiscrimination laws and permit authorized USDA personnel during hours of program operation to review and copy such records, books, and accounts, access such facilities and interview such personnel as needed to ascertain compliance with the nondiscrimination laws. If there are any violations of this assurance, the Department of Agriculture, FNS, shall have the right to seek judicial enforcement

of this assurance. This assurance is binding on the agency, its successors, transferees, and assignees as long as it receives assistance or retains possession of any assistance from USDA. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the agency.

1. Data Collection. During a specified time period each year a manual tally of race and ethnic status categories per the requirements of FNS Instruction 113-1 will be kept for all participants picking up food, based on the information on the certification form. If the participant has not established his/her status on the certification form, a staff person will determine racial/ethnic status and complete the form. Each local agency will summarize the racial/ethnic data, and complete and submit the FNS-191 form, "Racial/Ethnic Group Participation" to the state agency within the required time frame. The state agency will then submit the forms to the FNS regional office.
2. Public Notification. Each local agency shall display the FNS "And Justice for All" non-discrimination poster at all certification and distribution sites. The non-discrimination statement is printed on each CSFP publication. The procedure for requesting a fair hearing is printed on the certification form.
3. Annual Civil Rights Training by local agencies and sub-agency staff and volunteers.
 - a. Annual civil rights training will be conducted by the local agency for staff and volunteers including sub-agencies that deal directly with applicants and participants. Initial training will be performed as part of the new staff/volunteer orientation. Volunteers with only occasional contact with applicants/participants will receive refresher training as deemed necessary by the local agency.
 - b. Documentation of annual training shall be maintained by the local agency.
4. Compliance Review (CR). State CR of local agencies will address civil rights activities.

STATE PLAN REQUIREMENT NUMBER THREE: NUTRITIONAL RISK CRITERIA

Responsive to 7 CFR § 247.6(c)(3), the State of Montana shall not use Nutritional Risk Criteria

STATE PLAN REQUIREMENT NUMBER FOUR: DESCRIPTION OF SERVICE PLANS FOR SERVING AND MEETING CASELOAD REQUIREMENTS

PROCESSING STANDARDS AND WAITING LIST

When maximum caseload has not been reached, applications for program benefits must be processed within specific time frames. When there are no funds available to provide benefits to all eligible applicants, a waiting list will be established. Applications shall be date stamped when submitted to ensure compliance with program required time frames.

1. Processing Standards without a waiting list

- a. Certify an applicant or notify the applicant of ineligibility within 10 days of the applicant's first on-site agency visit to apply for program participation. The 10-day time limit does not apply to telephone inquiries concerning program participation.
- b. A person determined eligible shall receive supplemental foods within 10 days of notification of eligibility. Applicable to rural clinics only, the 10 days shall be determined from the date of the first food distribution day scheduled in the rural area nearest to the date eligibility was determined by an outreach worker or volunteer.

2. Processing Standards with a waiting list

- a. Individuals shall be notified of their placement on a waiting list within 10 days after they visit the local agency during clinic office hours.
- b. Participants placed on a waiting list at the end of their certification period shall receive the "Notification Letter" to document notification of their placement on a waiting list. Staff shall retain a copy of the notice in the participant file.

New applicants that are placed on a waiting list shall be told verbally that they are on a waiting list or can be given the "Notification Letter" indicating such. If verbal notification is given, document this on the Waiting List form. If the "Notification Letter" is given, a copy shall be attached to the waiting list record, see 3-c below.

3. Waiting List

- a. Contact the state agency for approval prior to implementing a waiting list.
- b. To enable the local agency to contact individuals on the waiting list when caseload

space becomes available, the waiting list shall include:

- i. Applicant's name
- ii. Date of application and date placed on the waiting list
- iii. An address or phone number of the applicant

- c. The waiting list form shall be organized by date of application.
- d. Should the local agency choose to use certification forms completed only to indicate 3(b)i-iii listed above these may be filed, separate from active and inactive files, organized by date of application. This file shall then serve as the waiting list record.
- e. Contact persons on the waiting list by date of application. An individual placed on the waiting list on January 10 would be contacted before an individual placed on the waiting list on January 11.
- f. Each local agency will follow the procedure below when a waiting list exists for one or more priorities, providing the local agency is consistent for the period the waiting list exists.
- g. Participants due for recertification shall be allowed to continue on the program as long as they are eligible as long as there is no directive to reduce caseload.
- h. Document on the Waiting List form the date the individual was contacted to visit the certification agency for screening when an opening becomes available.

CERTIFICATION OF HOMEBOUND PARTICIPANTS AND APPLICANTS WITH DISABILITIES

Homebound participants are defined as persons who are, in the judgment of the local agency, unable to obtain monthly food packages without assistance provided by or through the local agency.

Definition of a disability is defined as a physical or mental impairment that substantially limits one or more of the major life activities of such individuals.

1. Homebound participants and persons with disabilities will be certified at their home or health clinic by CSFP staff or by other local agency staff. Volunteers can collect eligibility data, however, CSFP staff must finalize the certification.
2. Delivery of food to homebound participants and persons with disabilities shall be in compliance to the state plan procedures.

CERTIFICATION PERIODS

Each participant will be certified for program benefits in accordance with the following

timeframes. Participants will be certified at time of entrance into the program for one year. At the end of one year a new application should be completed by the participant for a new certification period of one year.

TRANSFER OF CERTIFICATION

Certified and categorically eligible participants are eligible to receive benefits until the end of their certification period.

1. Participants relocating to an area served by CSFP must be issued a CSFP Verification Of Certification (VOC) form to enable entrance onto a CSF Program in the other area.
2. Participants relocating to an area authorized to provide CSFP services shall accept CSFP VOC forms or cards from those participants and provide CSFP benefits.
3. The VOC is valid until the certification period expires, and shall be accepted as proof of eligibility.
4. If the receiving local agency has a waiting list for participation, the transferring participant shall be placed on the list ahead of all waiting applicants.
5. The VOC form or card should include the name of the participant, the date the certification was performed, the date the certification expires, the signature and printed or typed name of the local agency official in the originating jurisdiction, the name and address of the certifying local agency and a form identification number.
6. Each local agency must maintain a register of issued VOC forms.
7. If a transferring participant has an incomplete VOC card or form, or does not have any VOC information, every effort should be made to contact the originating agency to obtain certification information. If the agency cannot be contacted the participant shall be rescreened for eligibility.

CASELOAD

12 local agencies contract with the state to provide service to portions of all 56 counties in Montana. Caseloads for each local agency are determined by the state's past performance criteria established in 7 CFR 247.21(c), requests by the state for additional caseload, available federal funding annually and final caseload assignments by USDA.

1. Caseload Management
 - a. Local agency failure to distribute to total assigned caseload for two consecutive months may result in the loss of unused slots; those slots will be reassigned to agencies serving their maximum caseload and maintaining waiting lists.

- b. When the state is found not to be serving its assigned maximum local agencies may be given authority to exceed their assigned caseload each month by no more than 1% of their assigned caseload or 5 participants, whichever is greater, to maximize caseload usage and to encourage maintaining a certified waiting list for issuance of no-show food packages.
- c. When state caseload is reduced local agency caseloads will be reduced based on past performance over the preceding three months. Local agencies not serving maximum caseload may have their caseload reduced by the number of slots not being served. The number of slots removed from one site assigned other agency(ies) who are serving their maximum caseload and have an active waiting list.
- d. Reduction of caseload will be based on USDA guidance for caseload reduction. Local agencies will make every effort to reduce their caseloads to their newly assigned numbers as quickly as possible, primarily through recertification time periods.

2. Caseload Assignments

The State Agency shall assign caseloads based on local agency participation numbers for the previous quarter and USDA FNS annually provided caseloads for the state agency. Unused caseload assigned to a local agency for two consecutive months may result in the loss of unused slots; those slots will be reassigned to agencies serving their maximum caseload that are maintaining waiting lists and/or can provide justification on their ability to utilize additional caseload. Final caseload assignments are also dependent on Congressional funding and Presidential signature of the Agriculture Bill. Reassignments of caseloads are done throughout the year as necessary to maintain maximum state assigned caseload participation.

3. Additional Caseload Requests

- a. The state shall request additional caseload for the next caseload cycle by November 5th of each year as an amendment to the State Plan. Justification shall be given for the additional caseload request as well as the plans for serving the requested additional caseload.
- b. New caseload assignments to local agencies will be made based on any new areas for distribution and the estimated number of that area for participation. Any additional caseload beyond new area distributions will be based on justification provided by local agencies of existing waiting list numbers and planned outreach that would increase the participation in that area.
- c. Assignment by the state agency of additional caseload to local agencies may also be given to those agencies most consistently serving their maximum assigned caseload.

STATE PLAN REQUIREMENT NUMBER FIVE – OUTREACH ACTIVITIES

Outreach activities are primarily the responsibility of the local agency. The focus of outreach activities by local agencies will include the following:

1. At the State level, outreach efforts include dissemination of information about CSFP to programs that serve the same populations. State level staff is available to meet with local groups to facilitate program promotion, as requested.
2. At any time a local agency reaches a point where caseload assignment is not met or whenever all on a waiting list are being served, that agency shall advertise for participation in the CSFP program including information about the CSFP program through whatever means are available to do so as determined appropriate by the agency. This may include through media events, newspaper advertisement, through local food banks or senior centers, etc.

STATE PLAN REQUIREMENT NUMBER SIX- THE SYSTEM FOR STORING AND DISTRIBUTING USDA FOODS

FOOD DELIVERY SYSTEM

1. State Level Food Delivery System

The Food Distribution Section of the Department of Public Health and Human Services (DPHHS) coordinates all food delivery activities. DPHHS orders, receives and warehouses all food from USDA, and determines the total food needs in order for the distribution site to assemble food packages according to USDA prescriptions. The warehouse is also used to store foods for other USDA food programs including The Emergency Food Assistance Program (TEFAP), the Food Distribution Program on Indian Reservations (FDPIR), the Nutrition Services Incentive Program (NSIP) and the National School Lunch Program (NSLP). The NSLP program ordering and issuance determinations for the School Lunch, School Breakfast, and Summer Feeding Program are done by the MT Office of Public Instruction (OPI); DPHHS coordinates the NSLP food delivery activities by receiving, warehousing, picking orders, loading commercial carrier trucks, makes local deliveries and performs inventory control activities. DPHHS and the distribution sites also make provisions for specifically designed or modified packages which allow for special dietary needs. Foods are ordered by the distribution sites. Actual preparation and distribution of the food packages are completed at the distribution site which is approved by the State Department of Public Health and Human Services and the local agency. DPHHS will arrange for shipping the food from the state warehouse to the appropriate distribution site. Transportation will be provided to these sites by the state agency, using state semi-tractor, trailers.

2. Local Level Food Distribution System

Participating local agencies, with assistance from the Department of Public Health and Human Services, are responsible for recruiting and/or establishing food distribution sites. Each site must conform with federal, state, and local health standards and must enter into an agreement with the applicable local agency to assure food handling, storage and distribution procedures and recording requirements are maintained.

Distribution sites, under agreement with local agencies, shall assure that adequate care and security is provided for the food while in their possession. Foods will be stored in adequate and secured areas at each distribution site in order to safeguard them from spoilage, infestation, fire and other losses. These storage areas may also be used to store TEFAP, FDPIR, and NPE foods for local use and distribution. Inventory and distribution amounts as well as participant data will be reported to DPHHS each month to determine additional food ordering from DPHHS.

Program participants will pick up food packages once each month or once every other

month according to the prescription presented at the distribution site. Staff at the food distribution site will verify recipient eligibility prior to distributing the foods. Food packages are prepared by staff at the distribution sites.

3. Participant Identification

Only a participant or participant's authorized representative is permitted to receive supplemental foods. Local agencies may issue a CSFP identification card to participants or to the participant's authorized representative as a means of identification.

a. Persons authorized to receive foods are as follows:

An authorized representative identified by the participant

- i. Volunteers willing to home-deliver to homebound participants.
- ii. Persons preparing food samples for participant education.

b. The frequency of food distribution to participants shall be:

- i. one month food package issued each month for the current month.

-or-

- ii. A two-month food package issued every other month for the current month and for the forthcoming month.

Note: For no reason shall food be issued in the current month for a past month.

- c. Local agencies must maintain a participant register indicating to whom food was issued and what type of food package was issued each month.
- d. The responsible party or proxy for a participant must show a CSFP identification card, a driver's license or other means of identification at the time of the food pickup.
- e. Participants who are required to be in the hospital for extended stays retain their participant status. They should not be removed from the program for missing two consecutive months. They can be issued food for any month within their certification period, for which they had at least one day at home. If they have extended hospital stays covering every day of the month, they should not receive a food package for that month.

SAFEGUARDING FOODS

1. DPHHS assures that adequate care and security is provided for the food while in the state warehouse. Carriers are required to provide adequate care, accountability, and security for the food while in transit.
2. DPHHS food storage and distribution regulations or policies comply with federal, state, and

local health requirements. All such regulations and policies are followed to safeguard foods from spoilage, infestation, fire, and other losses.

3. Distribution sites are visited at least annually by DPHHS in order to assess compliance with federal, state, and/or local health regulations and to assure that food storage, handling, and inventory/distribution procedures and records are accurate and appropriate. A written report of findings and recommended corrective action is sent to the local agency.
4. Physical inventories of CSFP foods are performed at the state level by DPHHS on a monthly basis. Delivery records will be compared to inventory records each month at the state level and a perpetual inventory maintained in order to assure accountability. The FNS-153 Monthly Report of the Commodity Supplemental Food Program and Quarterly Administrative Financial Status Report are completed by the recipient agency. Inventory records are also kept and physical inventories are taken of CSFP foods as they are used and/or in storage at the local distribution site. Any losses must have a full explanation and will be investigated by DPHHS. DPHHS will monitor inventory and distribution reports monthly from each distribution site, and will take appropriate action when problems or discrepancies are noted.

INVENTORY ACCOUNTABILITY

The Local agency staff is responsible for maintaining a system that will account for all foods received and distributed, and for reporting month-end inventory and distribution summaries to the state agency.

1. A perpetual inventory system will be maintained by completing the INVENTORY STATUS REPORT form at the end of each month, after all food distribution and food receipts are completed for that month.
2. A month end physical inventory must be completed and these figures reconciled to the ending inventory on the Inventory Status Report.
3. A month-end Inventory Status Report that accurately reflects food receipts and distributions for the entire one month period shall be submitted to the state agency by the tenth day of the following month.
4. If the local agency has unaccountable gains and losses of more than \$500.00 of its total food inventory reported on a monthly Inventory Status Report, corrective action must be taken. Comparing the physical inventory to the paper inventory on a daily or weekly basis is recommended. See Claims and Losses below.

CLAIMS AND LOSSES 7 CFR 247.30

USDA requires states to be accountable for all USDA Foods received through CSFP and to take appropriate claim and collection action in certain situations. Contracted agencies are required to

carry sufficient insurance coverage to ensure reimbursement of a claim for the value of the loss.

1. Loss of USDA foods may occur in many ways: theft, pilferage, damage, contamination from improper storage and handling, infestation, spoilage, etc. All losses must be reported to the state agency in writing.
 - a. Damage losses detected before, or at the time of issuance to participants must be reported on an SRS-FD-28 Commodity Loss and Damage Report form, and also reported in column 11 B of the Inventory Status Report. Attach a copy of the completed Commodity Loss and Damage Report to the pertinent month end report before submitting to the state agency.
 - b. In the event there are damage losses of more than a few cases of a single product or more than \$500.00, prior to destroying damaged food the state or federal entity must approve the loss and destruction by the local agency. Information will be collected concerning large losses, a claim determination made by state or federal staff; if the loss has occurred as a result of theft, embezzlement, willful misapplication, or fraud the state must pursue further claim actions, in accordance with FNS-410 or forward the claim determination to USDA for further action, regardless of the value of the loss. If negligence is involved, the agency responsible will refund the value of the foods.
 - c. USDA foods determined unfit for consumption must be disposed of in a prescribed manner. If burned or buried immediately, the container and contents need not be separated. If disposed of through garbage routes, the container must be emptied and the label defaced. This avoids any misunderstanding if USDA foods are seen in the garbage and prevents use of contaminated food items by someone who may believe it to be fit for human consumption.
2. Local agencies are to distribute commodity foods in accordance with the provisions of 7 CFR Part 247.10, and shall reimburse the State agency for improper or negligent issuance of prescriptions in supplemental foods. The local agency shall pay the State agency the value of the foods or shall purchase and replace improperly distributed, lost or damaged due to failure to manage caseload or to provide storage, care of handling if a determination by DPHHS so indicates.
3. DPHHS, all participating agencies, warehouse personnel, carriers and other persons are subject to a claim determination and the corresponding repayment responsibility as a result of the following:
 - a. Improper distribution or use of donated foods.
 - b. Loss of USDA-donated foods which is caused by neglect, carelessness, and/or willful mishandling. "Loss" means any quantity of USDA-donated USDA Foods that are unaccounted for (including physical count discrepancies), or which have become

unusable for human consumption.

- c. Damage to USDA-donated foods which is caused by neglect, carelessness and/or willful mishandling.

NOTE: Anytime it is discovered or reported that a situation has occurred involving (a), (b), or (c) above, the procedures outlined below are to be followed. All losses must be reported to DPHHS within three (3) working days from the date of discovery.

- 4. Establishing Claims. A "claim" is any demand (or basis for a demand) for money or for replacement of a lost or improperly distributed/used commodity. Once DPHHS has received all information regarding situations requiring claim action, a claim determination will be made to decide the existence or nonexistence of a liability. If it is determined that a claim is necessary, PHHS will do the following:
 - a. Determine the dollar value of the products involved based upon the USDA replacement cost at the time of the loss or discovery of the loss;
 - iii. Notify USDA as appropriate;
 - iv. Determine the liable party(s);
 - v. Where appropriate, make three formal written demands to the local agency for repayment; and/or
 - vi. Take legal action for recovery.
- 5. Right to File Claims
 - a. USDA may assert claims against liable CSFP participating states.
 - b. States may assert claims against liable carriers, warehouse personnel, processors, participating organizations, or other persons to whom donated foods are delivered. States are required to take appropriate collection actions in order to obtain restitution where liability is involved.
 - c. Participating organizations have the right to assert claims. An organization may assert a claim in the event a loss or inappropriate use, or distribution of USDA foods has occurred. Such claims may be established against persons or companies with whom the organization has placed the responsibility for care, handling, or distribution of USDA foods (i.e., employees, volunteers, storage facilities, etc.).
 - d. Organizations shall always have the right to pursue restitution through appropriate legal channels in addition to claims action taken through CSFP.

PARTICIPANT REPORT OF UNACCEPTABLE FOOD

- 1. Use a Participant Report of Unacceptable Food form to document any phone calls or return

of unacceptable food. A copy of this completed form must be sent to the State agency.

2. Whenever possible, obtain the unacceptable product.

CLAIM DETERMINATIONS

As per FNS-410-1 the State Agency has responsibility for making claim determination on losses not exceeding the amount required by USDA guidance. The State Agency will use the claims form to register claims. Documentation will include information collected on forms submitted by local agencies and on the claims register as per Section VIII of FNS-410-1. Each month the State Agency will offset distribution errors (gains and losses) of similar products and make a determination if a claim should be assessed. Claim determinations will be made by USDA for losses exceeding the dollar limitation established by USDA guidance.

FOOD DEMONSTRATIONS

1. Food demonstrations can only be used for nutrition education and cannot be used for outreach.
2. Foods used to prepare food samples for participants must be reported in section 11-C of the monthly Inventory status Report.
3. A list of persons sampling the food to be kept on file at the agency providing the demonstration.

ESTIMATING AND MAINTAINING QUARTERLY FOOD NEEDS

DPHHS bases food orders on a comparison of existing products on hand at the State and local level against product movement document and usage history. Monthly inventory reports are submitted by distribution sites with their participation information. State and local inventory levels are monitored by DPHHS on a monthly basis. DPHHS works with distribution sites, local agencies, and the Council on Aging on a regular basis in order to project or anticipate major caseload changes which might result in fluctuating inventory needs, etc.

MANAGEMENT EVALUATION AND REVIEW

1. A local agency review is an examination and evaluation of local agency operations and of all food storage facilities of the CSF Program to ensure local agencies are meeting program requirements and objectives. All aspects of program administration shall be reviewed including certification procedures, nutrition education, civil rights compliance, food storage practices, inventory controls, and financial management systems. Financial reports, audit reports, food orders, inventory reports and other relevant information will also be reviewed.

2. The purpose of a local agency review is to help the local agency identify specific strengths and weaknesses and develop a plan of resolution.
3. Each contracting agency is reviewed by the State Agency no less frequently than once every two years.
4. Within one month after the on-site review, the State Agency will send a written report that includes findings, recommendations and a resolution date. The local agency must respond with a plan of action within 30 days of receipt of the State report. Failure of the local agency to respond within 30 days may cause the State Agency to make a technical visit to the local agency. Failure of the local agency to respond within 60 days may result in funds being withheld.
5. On-going monitoring of local agencies is accomplished by review of the following: monthly Inventory Status reports; correspondence; and, from discussions with local agency staff.

PROGRAM TRAINING

Training needs will be identified as part of the Management Evaluation process. When deficiencies are detected, the areas which require additional training become apparent. DPHHS will then provide training to enable local CSFP staff to correct the deficiencies.

DEVELOPMENT OF STATE PLAN

1. Local agencies, participants and other interested parties are invited to provide input in the development of the State Plan through written notices originating from the state agency.
2. The responses received from participants, providers and other community members will be used to improve or modify state plan operations and be used to develop goals and objectives for the forthcoming year.

COMPLAINTS

1. Depending on the nature of the complaint, i.e., food or services, the problem will be investigated by the appropriate agency and the person making the complaint will be notified in writing of the results. All persons making complaints will be notified of the fair hearing procedure so they are aware of further steps available if their complaint is not satisfactorily resolved.
2. Complaints suggesting a potential health hazard shall be reported immediately to the state agency by the local agency. Any necessary corrective action required of a local agency will be documented and follow-up checks will be made to be certain the problem is resolved.
3. The distributing agency will investigate promptly complaints received in connection with the

distribution or use of donated foods, correct any irregularity and inform the local agency (if different from the distributing agency) and the state agency. The distributing agency shall maintain on file evidence of such investigations and actions. The state reserves the right to make investigations and has the final determination as to when a complaint has been properly adjusted.

AUDITS

In compliance with federal regulations, all CSFP programs in Montana, including the Department of Public Health and Human Services, shall be audited in compliance with OMB Uniform Guidance. Audits are conducted by an independent certified public accountant firm or federal/local government auditing staff. When an audit is required the period covered is the most recent twelve months of completed operation. Local agencies are responsible for all costs associated with their required audit.

FINANCIAL MANAGEMENT

1. Funds will be made available to each of the local CSF Programs through contracts awarded to each by DPHHS. Contracts will specify that services be provided per Federal Regulation and the State Plan of Operations. Contracts also will specify the allocation of administrative funds. All payments for administrative funds will be disbursed in the form of reimbursements for administrative costs incurred by the local agency under Contract with the State of Montana, Department of Public Health and Human Services and will be recorded and monitored through the DPHHS Contract database and the Statewide Budgeting and Accounting Human Resources System (SABHRS).
2. The cost of transportation from the state warehouse to the recipient agencies will be absorbed by the state agency. The local recipient agencies will be responsible for delivery of USDA Foods from their location to recipients or other sites.
3. Capital expenditures, which include the acquisition of facilities or equipment, or enhancements to such capital assets, with a cost per unit that exceeds the dollar limitation established by USDA must be pre-approved by the FNS Regional Office.
4. Procedures for purchases of property, equipment, or services with program funds and disposing of such property or equipment by the state and local agencies will be followed as specified in 7 CFR 247.25(d). All purchases of equipment or other capital assets must be approved in advance and will be recorded by the state agency and maintained on an internal program inventory list for each agency.
5. Contractors will submit requests for reimbursement of administrative costs incurred in the operation of the CSF Program. These requests will be in the form of a completed pre-printed INVOICE for services provided under a purchase of service contract. Any claims which contain expenses which do not reflect appropriate program expenditures will be adjusted pending further justification from the Contractor.

6. The audit objective is to determine whether there is adequate fund control, an effective accountability system, and compliance with regulations. Audits shall be conducted in accordance with applicable State/Federal laws and guidelines. The audit may be an examination of the local agency's "total audit universe" in that the audit may cover all grants subject to a single audit. A copy of the audit report will be on file with the Department of Public Health and Human Services and the report will be made available to USDA and responsible officials upon request.

STATE PLAN REQUIREMENT NUMBER SEVEN - NUTRITION EDUCATION & REFERRALS

NUTRITION EDUCATION

Nutrition education shall be provided by local agencies according to the requirements of 7 CFR 247.18 to all adult participants that can be easily understood by participants and is related to their nutritional needs and household situations. It shall provide the following information and whenever possible be specific for ethnic and cultural characteristics:

1. To emphasize the nutritional value of CSFP foods, and their relationship to the overall dietary needs of the population group served; and
2. To assist participants in obtaining a positive change in food habits to include the emphasis of the importance of proper health care and the role nutrition plays in maintaining good health, resulting in improved nutritional status and in the prevention of nutrition related problems through maximum use of the supplemental and other nutritious foods. Emphasis will be given for the use of the foods by the participant to whom they are distributed and not by another person.

CSFP

Participants in the CSFP will be informed about the nutritional values, preparation, and storage of USDA Commodity foods through demonstrations conducted by the local CSFP program staff when appropriate. Recipes from USDA and other sources will be distributed at the time of certification and during issuance. Nutrition oriented posters, flyers, and handouts will be made available in program offices and can also be distributed with CSFP food packages.

EFNEP

The Expanded Food and Nutrition Education Program (EFNEP) is a program available to low-income individuals funded through the State Extension office. Upon referral, EFNEP Aides will visit participants and demonstrate uses of supplemental foods in recipes. EFNEP Aides may also be available to offer food samples and recipes to participants at distribution sites.

REFERRALS

1. CSFP are required to provide written information on at least one occasion to each applicant or participant and make referrals as appropriate regarding:
 - a. Supplemental Security Income benefits under Title XVI of the Social Security Act,
 - b. Medical assistance provided under Title XIX of the Social Security Act, including medical assistance provided to a qualified Medicaid and Medicare beneficiaries; and,

- c. Supplemental Nutrition Assistance Program.

FOOD DEMONSTRATIONS

Food demonstrations are encouraged as a method of nutrition education.

1. When food demonstrations are used they are to be conducted by the local agency solely in conjunction with nutrition education and primarily for participants.
2. Food samples prepared with CSFP foods can be offered to participants for the purpose of nutrition education. Supplemental foods cannot be used for outreach.
3. Supplemental foods cannot be provided to any outside agency for demonstration unless there is a written agreement for the provision of nutrition education by that agency. Written approval from the local agency must always be provided to the distribution site before any food is released for demonstration purposes.

NUTRITION EDUCATION EVALUATION

An evaluation procedure will be developed and maintained by each local agency and approved by the State to determine the effectiveness of nutrition education, and to provide a means for participant input.

1. Each year the local agency will survey participants to evaluate the effectiveness of nutrition education and to determine the adequacy of other program components as well.
2. The survey will be distributed to participants during a specified period each year. Results of the survey will be compiled by the local agency and a copy given to the state agency. The results will be used to plan future activities.
3. The state agency will evaluate local agency nutrition education as part of the biennial Management Evaluation Program Review process.

STATE PLAN REQUIREMENT NUMBER EIGHT – DETECTION AND PREVENTION OF DUAL PARTICIPATION IN CSFP

DUAL PARTICIPATION

State Agency Responsibilities:

1. Include on the CSFP Application form a statement advising the applicant that he or she may not receive CSFP benefits at more than one CSFP site at the same time.
2. Review CSFP Incident report forms from local agencies to screen out obvious inconsistencies. Provide training to screen out naturally occurring similarities. When a potential participant is clearly identified, send a copy of the report to the local agency for required follow-up actions.
3. Provide training/consultation to local agencies to prevent and detect dual participation.

Local Agency Responsibilities:

1. Each month generate a report identifying possible dual participants. A review of dual participation is conducted through a comparison of the name, sex and birth date of participants enrolled in CSFP at two different distribution sites. When a potential case of dual participation is identified a CSFP Incident form is completed and sent to the State Agency.
2. Participants found to be dual participating shall be terminated from participation at more than one CSFP site.
3. Whenever an individual's participation in CSFP is discontinued, the local agency must notify the individual of the discontinuance and follow the steps outlined in "Disqualification, Fair Hearings and Pursuit of Claims" listed below shall be followed.

STATE PLAN REQUIREMENT NUMBER NINE – STANDARDS FOR DISQUALIFICATIONS, FAIR HEARINGS AND PURSUIT OF CLAIMS OF PARTICIPANTS

DISQUALIFICATION

The local agency may disqualify applicants and participants from program participation for a period of up to one year if it is established that the applicant, participant, parent, or caretaker fraudulently obtained or used program benefits. Fair Hearing information shall be given to the participant at the time of disqualification.

1. Program violations that can be cause for disqualification include:
 - a. Intentionally making false statements orally or in writing in order to obtain benefits to which the individual would not otherwise be eligible;
 - b. Intentionally withholding or concealing information in order to obtain benefits to which the individual is not eligible;
 - c. Altering a Verification of Certification (VOC) card or form;
 - d. Using supplemental foods in an unauthorized manner, such as trading or selling the food;
 - e. Physical abuse, or threat of physical abuse, of program staff; or
 - f. Committing dual participation.
2. If it is determined that a serious health risk will result from disqualification from the program and the participant is currently eligible, the disqualification shall be waived. According to 7 CFR 247.20(b)
3. All eligible applicants or participant(s) shall be provided an opportunity to make a statement on his/her behalf and receive a warning for the first incident prior to disqualification. (Exception to the first warning requirement is part 4 and 5 below.) This shall be documented on an Incident form. The applicant or participant shall be asked to make a statement on the Incident Form. If the individual refuses, note this on the form.
 - a. Persons that have fraudulently applied for and obtained program benefits who would not be eligible otherwise are to be disqualified without prior warning, but are to be given 15 days' notice before benefits are terminated and also given information about their right to a fair hearing. Document the situation on an Incident form.
 - b. Persons found committing dual participation shall be terminated and given fair hearing information from one of the programs immediately (no 15 days prior notice), and may be disqualified from participation in the other program for a period not to

exceed 3 months without prior warning (15 days prior notice is required). Document the situation on an Incident form.

- c. The local agency shall permanently disqualify a participant who commits three program violations that involve fraud. For the purposes of this program, fraud includes:
 - i. Intentionally making false or misleading statement to obtain CSFP foods;
 - ii. Intentionally withholding information to obtain CSFP foods; or
 - iii. Selling CSFP foods, or exchanging them for non-food items.

FAIR HEARING PROCEDURES FOR INDIVIDUALS

The fair hearing process shall allow a CSFP applicant or participant to appeal an adverse action, which may include the denial or discontinuance of program benefits, disqualification from the program, or a claim to repay the value of USDA Foods received as a result of fraud.

Local Agency Responsibilities:

1. Informing each program applicant or participant of their rights to appeal and adverse action through the fair hearing process.
2. Provide written notification of the individual's right to a fair hearing along with notification of the adverse action. Such notification is not required at the expiration of a certification period. The original shall be sent to the individual, a copy sent to the State Agency and a copy shall be retained for Local Agency files.
3. Notifying in writing, each participant found ineligible or to notice discontinuance in the program at any time during a certification period. A copy must be kept in their files. The participant needs to be notified a minimum of 15 days prior to termination of program benefits. They must also be informed of their right to a fair hearing.
4. Notifying each participant at least 15 days before the expiration of each certification that the period is about to end. Local agencies, at the time of application or when notifying persons found ineligible of their right to a fair hearing, shall advise them of the method of requesting the hearing, and their right to be represented at the hearing by a friend, legal advisor, or other representative of their choice, and give them a summary of the hearing process.
5. Notifying in writing the person against whom the pursuit of collection of benefits improperly issued is undertaken, of the reasons for the claim, the value of the improperly issued benefits and of the right to a fair hearing.
6. Any positions or arguments on behalf of the individual may be presented personally or by a representative such as a relative, friend, legal counsel or other spokesperson.

7. Local agencies shall advise those found ineligible that they have up to 60 days from notification of adverse action to request a fair hearing from the State Department of Health and Human Services. The request for hearing is defined as any clear expression by the individual, guardian or other representative that an opportunity to present its case to a higher authority is desired.
8. If a hearing is requested within the 15-day period by participants found ineligible at any time during a certification period, benefits will be continued or reinstated until a decision is reached in accordance with 7 CFR 247.33 or the certification period expires, whichever occurs first. Applicants who are denied benefits at initial or subsequent certifications shall not receive benefits while awaiting the hearing. Local agencies should obtain legal counsel to represent the program if a hearing is requested.
9. Request for hearing shall not be dismissed or denied unless:
 - a. The request is not received within 60 days from notification of ineligibility; or
 - b. The request is withdrawn in writing by the appellant; or
 - c. The appellant or appellant's representative fails, without good cause, to appear at the scheduled hearing; or
 - d. The appellant has been denied participation by a previous hearing and cannot provide evidence that circumstances relevant to Program eligibility have changed in such a way as to justify a hearing.

State Agency Responsibilities:

1. All requested fair hearings shall be conducted by DPHHS within three weeks of the date the Department received the request for the hearing. Those requesting the hearing shall be notified in writing a minimum of ten days in advance of the time and place of the hearing and of the hearing procedure. The hearing will be conducted in accordance with 7 CFR 247.33(a). The hearing will be conducted by a fair and impartial hearing official, and the appellant shall be notified in writing of the decision of the hearing official and the reasons for it within 45 days of the receipt of the request for a fair hearing. All decisions shall comply with Federal laws and regulations, and be based on the facts found in the hearing record alone, and the parties will be notified of their right to appeal the decision to the district court within 30 days. The hearing official's decision is binding on the State Office and Local Agency, and if in favor of the appellant, program benefits shall begin for an applicant and continue for a participant within the 45-day limit.
2. If the decision is in favor of the appellant and benefits were denied or discontinued, benefits shall begin immediately.
3. If the decision concerns disqualification and is in favor of the agency, as soon as

administratively feasible, the local agency shall terminate any continued benefits, as determined by the hearing official.

4. If the decision regarding repayment of benefits by the appellant is in favor of the agency, the State or local agency shall resume its efforts to collect the claim, to include the value of benefits received during the time that the hearing was pending, as well as for any previous period, in its initiation and pursuit of a claim. even during the period of an appeal of a local-level fair hearing decision to the State Agency.
 - a. All records of the hearing shall be retained in accordance with 7 CFR 247.29 and shall be available to the appellant or representative.

PURSUIT OF CLAIMS AGAINST PARTICIPANT

The State shall ensure that a local agency initiates a claim against a participant when the value of the USDA Foods received exceeds \$100.00 to recover the value of CSFP foods improperly received or used if the local agency determines the participant, or the parent or caretaker of the participant, fraudulently received or used the USDA Foods.

Fraud includes intentionally making false or misleading statements, or intentionally withholding information, to obtain CSFP foods, or the selling or exchange of CSFP foods for non-food items.

Local Agency Responsibilities for Pursuit of Claims

1. Issue a letter demanding repayment for the value of the USDA Foods improperly received or used when the value exceeds \$100.00 and notify the state agency of the action;
2. If repayment is not made in a timely manner, take additional collection actions that are cost-effective in accordance with the standards established by the State; and
3. Maintain all records regarding claims actions taken against participants, in accordance with 7 CFR 247.29.
4. Advise the participant of the opportunity to appeal the claim through the fair hearing process, in accordance with 7 CFR 247.33(n); and
5. Disqualification of the participant according to the procedures for "Disqualification" stated above.

STATE REQUIREMENT NUMBER TEN – MEETING THE NEEDS OF THE HOMEBOUND PARTICIPANTS

Homebound participants are defined as persons who are, in the judgment of the local agency, unable to obtain monthly food packages without assistance provided by or through the local agency.

Definition of a disability is defined as a physical or mental impairment that substantially limits one or more of the major life activities of such individuals.

1. Certification. Homebound participants and persons with disabilities will be certified at their home or health clinic by CSFP staff or by other local agency staff. Volunteers can collect eligibility data, however, CSFP staff must finalize the certification.
2. Proxy. Homebound participants may designate an authorized representative (proxy) to receive their foods; or
3. Home Delivery. The food package will be delivered to homebound participants and persons with disabilities by volunteers willing to home deliver.

STATE PLAN REQUIREMENT NUMBER ELEVEN – COPIES OF ALL AGREEMENTS ENTERED INTO BY THE STATE AGENCY FOR CSFP

The State contracts annually with the twelve Local Agencies listed in State Plan Requirement Number One. Each Agreement is identical; a copy of the FFY2025 Agreements is attached as Attachment B.