



# **Commodity Supplemental Food Program**

## **Michigan's Program Manual**

---

COMMODITY SUPPLEMENTAL FOOD PROGRAM (CSFP)  
MICHIGAN'S PROGRAM MANUAL

Prepared by:  
Michigan Department of Education  
Food Distribution Unit  
608 W. Allegan  
Lansing, Michigan 48933  
Phone: 517-241-5349  
[www.michigan.gov/mde-fdp](http://www.michigan.gov/mde-fdp)

Revised August 2022

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: [USDA Program Discrimination Complaint Form](#), 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: **mail:** U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; or **fax:** (833) 256-1665 or (202) 690-7442; or **email:** [program.intake@usda.gov](mailto:program.intake@usda.gov) This institution is an equal opportunity provider.

USDA Civil Rights Complaint Link:  
<https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>

---

# CSFP Program Manual

Page #

## Contents

<b>1.0</b>	<b>GENERAL INFORMATION</b>	<b>1</b>
1.1	Overview	1
1.2	Purpose of the Manual	1
1.3	Responsibilities	1
1.4	Caseload Allocation	1
1.5	CSFP Resources	2
<b>2.0</b>	<b>CSFP ELIGIBILITY AND CERTIFICATION</b>	<b>3</b>
2.1	CSFP Eligibility	3
2.2	Application Form	3
2.3	Age Verification	3
2.4	Income Source and Amount	4
2.5	Residency Verification	4
2.6	Certification Statement	4
2.7	Participant Rights and Responsibilities	6
2.8	Nondiscrimination Statement	6
2.9	Certification Periods	7
2.10	Notification of Benefits	7
2.11	Fair Hearing Policy	7
2.12	Dual Participation	9
2.13	No Show Policy	10
2.14	Transfer of Certification	10
2.15	Pursuing Claims against a Participant	10
2.16	Waiting Lists	11
2.17	Notice of Discontinuance	12
2.18	Notice of Disqualification	12
2.19	Certification Procedure	12
<b>3.0</b>	<b>DISTRIBUTION SITE AND DISTRIBUTION INFORMATION</b>	<b>13</b>
3.1	Distribution Information	13

---

3.2	Distribution Sites .....	13
3.3	Distribution Site Agreements and Monitoring .....	13
3.4	Distribution .....	13
3.5	Distribution Records .....	14
3.6	Electronic Record Keeping.....	14
3.7	Food Package Guidelines.....	14
3.8	Use of CSFP Foods in an Emergency.....	15
3.9	Distribution Site Procedures.....	15
<b>4.0</b>	<b>CIVIL RIGHTS.....</b>	<b>16</b>
4.1	Civil Rights Information.....	16
4.2	Civil Rights Training .....	16
4.3	Limited English Proficiency Plan.....	16
4.4	Faith Based Organizations .....	16
4.5	Nondiscrimination Statement.....	17
4.6	And Justice for All Posters .....	18
4.7	American Disability Act .....	18
4.8	Civil Rights Complaints.....	18
<b>5.0</b>	<b>ORDERING AND RECEIVING USDA FOODS.....</b>	<b>19</b>
5.1	Ordering Overview .....	19
5.2	Web Based Supply Chain Management (WBSCM).....	19
5.3	Direct Shipments .....	19
5.4	Multi-food Shipments .....	19
5.5	Receiving Foods.....	20
5.6	Damaged/Mishandled Food .....	20
5.7	Submitting Complaints in WBSCM .....	20
<b>6.0</b>	<b>STORAGE AND WAREHOUSING .....</b>	<b>21</b>
6.1	Warehousing Food .....	21
6.2	Storage facilities .....	21
6.3	Inventory Controls.....	21
6.4	Out of Condition Foods .....	21
6.5	Food Recalls.....	22
<b>7.0</b>	<b>LOSS OF FOOD .....</b>	<b>23</b>
7.1	Loss of Food Overview .....	23

---

7.2	Food Loss .....	23
<b>8.0</b>	<b>OUTREACH.....</b>	<b>24</b>
8.1	Outreach Plan .....	24
8.2	Examples of Outreach Activities .....	24
<b>9.0</b>	<b>NUTRITION PLAN .....</b>	<b>25</b>
9.1	Nutrition Plan Overview.....	25
9.2	Nutrition Education .....	25
9.3	Nutrition Education Resources .....	25
9.4	Nutrition Plan Evaluation .....	26
9.5	Health and Social Service Referrals .....	26
<b>10.0</b>	<b>FINANCIAL MANAGEMENT .....</b>	<b>27</b>
10.1	Funding Overview.....	27
10.2	CSFP Financial Review.....	27
10.3	Fiscal Responsibility.....	27
10.4	Expenditures .....	28
10.5	Meals for Volunteers .....	29
10.6	Procurement.....	30
<b>11.0</b>	<b>RECORD KEEPING AND REPORTS.....</b>	<b>31</b>
11.1	Record Retention .....	31
11.2	CSFP FNS-153 Report .....	31
11.3	Value Reports.....	31
11.4	FNS-191 .....	31
11.5	Annual Application .....	31
11.6	Payments.....	32
11.7	Reviews .....	32
<b>12.0</b>	<b>STAFF AND VOLUNTEER TRAINING .....</b>	<b>33</b>
12.1	Training Overview .....	33
12.2	Recruiting Volunteers .....	33
12.3	Staff and Volunteer Appreciation.....	33

---

## **1.0 GENERAL INFORMATION**

### **1.1 Overview**

The Commodity Supplemental Food Program (CSFP) is administered at the Federal level by the Food and Nutrition Service (FNS), an agency of the United States Department of Agriculture (USDA). Federal regulations covering CSFP may be found in 7 CFR, Part 247.

The Michigan Department of Education (MDE), Office of Health and Nutrition Services, Food Distribution Unit, has been designated by the Governor as the state agency responsible for CSFP. For purposes of this manual, MDE will be referred to as “office” or “MDE”. MDE is responsible for submitting the CSFP State Plan to USDA, as necessary. A copy of the plan is available upon request.

MDE enters into annual agreements with the Food Bank Council of Michigan, community action agencies and non-profit entities to distribute CSFP locally in all 83 counties. A directory of the agencies can be found on the MDE Food Distribution website [www.michigan.gov/mde-fdp](http://www.michigan.gov/mde-fdp). For purposes of this manual, these organizations will be referred to as “agency”.

### **1.2 Purpose of the Manual**

This manual serves as guidance to the Commodity Supplemental Food Program in Michigan. Supporting USDA and MDE administrative memos and guidance are available and shared with agencies when issued and through training.

### **1.3 Responsibilities**

MDE is responsible for the oversight of the program and to provide technical assistance in relation to the regulations and USDA guidance. The office allots funds and food to the agencies according to their household allocation. The office helps with food ordering through WBSCM and ensures that orders are placed by the USDA due dates. MDE reviews agencies compliance per schedule. MDE is responsible for developing the State CSFP Plan and creating the Program Manual. MDE conducts trainings numerous times through the year through email, virtual and in person.

It is the responsibility of the agency to have its own updated documented policies and procedures for each of the program areas. It is also the agency’s responsibility to train all appropriate staff and volunteers on certification, distribution procedures, Civil Rights, USDA inventory controls, and other program requirements. Contact MDE for technical assistance and resources, including required forms and templates of necessary policies, procedures, and forms.

### **1.4 Caseload Allocation**

MDE allocates caseload numbers to each agency. This caseload number relates to how many participants must be served within the month, how much food the agency must order and how relates to the agency’s share of administrative funding from the State.

---

## 1.5 CSFP Resources

Program information can be found at both the USDA and MDE Food Distribution websites via the links below:

**USDA Food Distribution Programs** [www.fns.usda.gov/csfp/commodity-supplemental-food-program](http://www.fns.usda.gov/csfp/commodity-supplemental-food-program)

**MDE Food Distribution Programs** [www.michigan.gov/mde-fdp](http://www.michigan.gov/mde-fdp)

**Michigan Training Videos** [www.youtube.com/playlist?list=PLQNv-MrTjyhIDnOwB-XdfpZqsgmi5-L04](http://www.youtube.com/playlist?list=PLQNv-MrTjyhIDnOwB-XdfpZqsgmi5-L04)

---

## 2.0 CSFP ELIGIBILITY AND CERTIFICATION

### 2.1 CSFP Eligibility

Eligibility determinations are conducted at local agencies by trained personnel. Staff who approve/deny CSFP applications must take the MDE CSFP Certification training found at [www.michigan.gov/mde-fdp](http://www.michigan.gov/mde-fdp). All certification data is recorded on an intake/application paper or electronic form. Eligibility is based on age, income, and residency.

### 2.2 Application Form

**Agencies must use the MDE-CSFP application unless prior approval is received.**

The following must be collected:

- Name
- Address
- Income and Source
- Household size
- Form of identification
- Ethnic/Racial Data
- Dated signature of applicant
- Approval or denial determination and date
- Dated signature of person making the determination
- Date of application
- Date of written notice of approval/denial to applicant
- The certification periods

A proxy is someone who has officially been given permission in writing to pick up CSFP food on behalf of another participant and may sign for a participant who is not able to come to the distribution. It is recommended that the proxy be pre-determined and noted on the application, but a signed note day of distribution is also acceptable.

### 2.3 Age Verification

Proof of age may be established by any of the following documentation:

- Birth certificate
- Driver's license
- Church or school records
- Civil Service award letters
- Driver's license
- Medical records



---

## 2.4 Income Source and Amount

- **Income is self-declared.** The application needs to record the source and amount of all income. No documentation is necessary by the participant. By signing the application, the applicant certifies that the information he/she has provided is accurate and valid.
- Income may be an average of prior 12 months instead of current income.
- Social Security numbers may not be collected as part of the intake process for CSFP benefits.
- Income Guidelines - household income at or below 130% of the current Federal Poverty Income Guidelines. Current income guidelines are available on the MDE Food Distribution webpage.
- Income Declaration: self-declaration of income is defined as total gross income of all household members in the economic unit; eligibility should be based on current income status
- For eligibility purposes, the following items are counted as income:
  - Wage and salaries before any deductions
  - Receipts from non-farm and farm self-employment
  - Regular payments from Social Security, strike benefits, veterans' benefits, public assistance, including Supplemental Security Income
  - Income from dividends, interest, rents, royalties from estates
- For eligibility purposes, the following items are not counted as income:
  - Capital gains
  - Any assets acquired through withdrawals from a bank account, the sale of property, house, or car
  - Tax refunds, gifts, lump-sum inheritance, one-time insurance payments or compensation for injury
  - Food or rent received in lieu of wages

CSFP regulations (Part 247.12) require local agencies to inform applicants that participants must report changes in household income or composition within 10 days after the change becomes known to the household. Failure to do so is a program violation.

## 2.5 Residency Verification

- Residence is established by recent utility bills, driver's license, state identification card, or other residency-related documentation.
- Local agencies may waive residency requirements for homeless individuals.
- There is no verification of legal status.

## 2.6 Certification Statement

The applicant must sign that he/she has read or had the following certification statement read to him/her:

This application is being completed in connection with the receipt of Federal assistance. Program officials may verify information on this form. I am aware that deliberate misrepresentation may subject me to prosecution under applicable State and Federal statutes, and that I may not receive CSFP benefits at more than one CSFP site at the same time. I understand that the information provided may be shared with other organizations to detect and prevent dual participation. I acknowledge that I have been advised of my

---

rights and obligations under the program. I certify that the information I have provided for my eligibility determination is correct to the best of my knowledge. I authorize the release of information provided on this application form to other organizations administering assistance programs for the use in determining my eligibility for participation in other public assistance programs and for program outreach purposes. Please indicate decision by placing a checkmark in the appropriate “Yes” or “No” box.

---

## 2.7 Participant Rights and Responsibilities

- The Agency will provide written notification of approval or denial of the application within 10 days of receipt of the completed application.
- If the application is denied, you have the right to appeal this decision by requesting a fair hearing within 60 days of notification.
- Improper use or receipt of CSFP benefits because of dual participation or other program violations may lead to a claim against you to recover the value of the benefits and may lead to disqualification from CSFP.
- You must report changes in contact information (i.e., home address, phone number) or household income or composition within ten (10) days after the change becomes known to the household.
- If you do not pick up commodity foods for three consecutive months, you may be considered an “inactive” CSFP participant and removed from the program. If you choose to remain a participant in CSFP, you must notify the Agency and participate within the current certification period of your original application date.
- CSFP recipients who are removed from the program for being “inactive participants” can re-apply for benefits by filling out another CSFP application. If a waiting list exists, you will go on the list according to the date it was received.
- Once a year, you will need to verify your address, income, and interest in continuing with the program.
- This application is valid for three years and a new one will need to be filled out at that time.
- The Agency will make nutrition education available to all participants and will encourage them to participate.
- The Agency will provide information on other nutrition, health, or assistance programs, and make referrals as appropriate.
- Standards for participation in this program are the same for everyone regardless of race, color, national origin, age, sex, and disability.
- You are required to show proof of identity at each distribution.

## 2.8 Nondiscrimination Statement

The applicants must be provided the current full version of the USDA nondiscrimination statement during the application process.

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: [USDA Program Discrimination Complaint Form](#), 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: **mail:** U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; or **fax:** (833) 256-1665 or (202) 690-7442; or **email:** [program.intake@usda.gov](mailto:program.intake@usda.gov) This institution is an equal opportunity provider.

USDA Civil Rights Complaint Link:  
<https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>

## 2.9 Certification Periods

Each participant will be certified at the time of approval. The Agency will determine its certification schedule. The Agency may re-certify participants on an individual basis or in batches by month. Each certification period will allow for the issuance of food to the end of the month in which eligibility expires. Participants need to be notified at least 15 days in advance of re-certification using the MDE Notice of Re-certification. The notification must be documented in the participant's file.

### Annual Re-Certification

- Every participant must be re-certified every 12 months.
- Participants must be asked:
  - Have you moved in the last 12 months?
  - Has anything changed with your income in the last 12 months?
  - Are you still interested in participating in CSFP?
- The annual re-certification must be documented in some manner and noted as such in the agency's CSFP Certification Procedure.

### Three Year Certification

- Every participant must re-apply to the program with a new application every three years.

## 2.10 Notification of Benefits

- Approved applicants must be notified of their eligibility or ineligibility for CSFP benefits, or their placement on a waiting list, within ten days from the date of application.
- The dated notice must include the application date and the eligibility determination and date.
- If the application is approved, it must include the certification period, and information on the time, location, and means of distribution.
- Denied applicants must be made aware of their right to a fair hearing.
- The fair hearing must be conducted by an impartial official who does not have any personal stake or involvement in the decision and who was not directly involved in the initial adverse action that resulted in the hearing.
- An applicant has the right to an appeal if he/she disagrees with the result of the fair hearing.

## 2.11 Fair Hearing Policy

If a participant's CSFP benefits have been denied or terminated, they have the right to appeal through a Fair Hearing process. The Fair Hearing Policy must include: the applicant/participant has 60 days from the time of denial or dismissal to request a fair hearing, applicant/participant receives notification of the fair hearing at least 10 days prior to the scheduled hearing, the applicant/participant receives a written

---

decision from the fair hearing within 45 days of the request for the hearing, and the applicant/participant may request an appeal within 10 days of receiving the fair hearing decision.

---

### Steps in the Fair Hearing Process

1. A request for a Fair Hearing may either be done verbally or in writing to the local CSFP Program Director. Requests can be mailed or delivered in person to Agency contact information.
2. The applicant/participant have 60 calendar days to request a hearing from the time the denial or discontinuance of benefits was mailed or given.
3. The applicant/participant will be contacted within 10 days after your request for a hearing is received. When applicants/participants are contacted, a date will be set for the hearing.
4. The applicant/participant will also receive an additional notice of the time and place of the hearing at least 10 days before the scheduled hearing. That notice will also include the rules of procedure for the hearing. Add Agency rules of procedure.
5. At the hearing, the applicant/participant will have the opportunity to:
  - a. Examine documents that support the decision to deny or discontinue benefits.
  - b. Submit evidence to establish facts and circumstances.
  - c. Bring their own attorney or other persons to represent and help at the hearing.
  - d. Bring witnesses.
  - e. Present arguments on their own behalf.
  - f. Question evidence, testimony, or others.
6. A written decision will be sent to both the applicant/participant and the local CSFP Program Director within 45 days after the scheduled hearing.
7. If the decision is in applicant's/participant's favor, CSFP benefits shall begin immediately.
8. If the applicant/participant does not agree with the decision, they may ask for an appeal by contacting The Michigan Department of Education at 517/241-5349.  
Applicant's/participant's appeal must be requested within 10 calendar days of the receipt of the Fair Hearing decision.
9. Both applicant/participant and the Agency must follow the final decision.

Hearings for Agency Name are officially conducted by Name of Person who conducts hearings in a fair and impartial capacity. The impartial hearing official is responsible for:

- Administering oaths and affirmations.
- Ensuring that all relevant information and evidence is considered.
- Conducting the hearing in an orderly fashion.
- Making the final decision that complies with federal law and regulations.

The Agency may deny a request for a Fair Hearing for the following reasons:

- The request for a Fair Hearing is not received within the described 60-day time limit.
- Applicant/participant or an authorized individual withdraws the request for a Fair Hearing.
- Applicant/participant fails to appear, without good cause, for the scheduled meeting.

## **2.12 Dual Participation**

Each local agency has a specified service area, based on county lines. Residency verification is included in the application process to ensure that only residents within the agency's serviced county are approved. The agency needs a process to ensure that participants only receive one package per month and/or how the agency will work with another CSFP agency to ensure that the participant is not approved or receiving additional CSFP packages. Applications will include a statement advising the applicant that he/she may not receive CSFP benefits at more than one CSFP site at the same time.

---

## **2.13 No Show Policy**

Agencies will establish a “no-show” policy stating the maximum allowable periods that persons may fail to pick-up food packages and remain enrolled in the program is three consecutive months.

The “no-show” policy shall be posted in a prominent location and each participant shall be informed of this policy during certification and recertification.

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 three 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.

Violation of the “no-show” policy shall result in discontinuance of CSFP benefits. If a participant violates the established “no-show” policy, the local agency must provide the participant with a written notification of discontinuance including the reason for discontinuance at least 15 days before the effective date of discontinuance. Documentation of the notification shall be maintained on a log, or a copy retained in the individual’s file.

Participants who are removed from the program for violation of the “no-show” policy are allowed to reapply for benefits unless they have violated the “no-show” policy twice previously. If a waiting list exists, participants reapplying after violating the “no-show” policy must be treated the same as all applicants and must be placed on the list in the order which they applied. Participants who violate the “no-show” policy a third time within a twelve-month period must be disqualified from CSFP for a period of up to one year, unless the local agency determines that disqualification would result in a serious health risk.

## **2.14 Transfer of Certification**

Agencies will help facilitate a participant who relocates during the certification period. Agencies will share applications and certification forms, or other similar documents issued by other states to other local agencies. The verification of certification is valid until the certification period expires and shall be accepted as proof of eligibility for Program benefits. If a receiving local agency has waiting lists for participation, the transferring participant shall be placed on the list ahead of all waiting applicants.

## **2.15 Pursuing Claims against a Participant**

If a participant is found to be committing dual participation, the participant or caretaker of the participant is found to have made false or misleading statements, intentionally made false or misleading statements, intentionally withheld information to obtain CSFP commodities, or has sold or exchanged CSFP commodities for non-food items, the participant will be disqualified from CSFP benefits.

The pursuit of a claim against a participant to recover the value of CSFP commodities improperly received or used is cost effective when the value exceeds \$100 or 5 months of CSFP benefits. The estimated value of the monthly CSFP benefit is \$20.

---

If the agency determines that the participant or caretaker of the participant, fraudulently received or used the commodities, the agency must document the number of months CSFP benefit was improperly received or used. If at least 5 months of benefits were improperly received or used, a claim against the participant must be pursued.

In pursuing a claim against a participant, the Agency, in conjunction with MDE, will

1. Issue a letter requesting repayment for the value of the commodities improperly received or used.
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 MDE.
3. Maintain all records regarding claims actions taken against participants.
4. Letters demanding repayment for the value of the commodities improperly received or used will advise the participant of the opportunity to appeal the claim through the fair hearing process and provide a copy of the Fair Hearing Process.
5. The agency will also disqualify the participant from CSFP for a period of up to one year, unless the local agency determines and documents that disqualification would result in a serious health risk.

## **2.16 Waiting Lists**

MDE assigns caseload to each agency, who in turn allots caseloads to each certification site. When applications exceed the assigned caseload level the agency shall assure the certification site implements a waiting list. Only certified applicant's will be place on the waiting list.

Applicants on the waiting list will be served on a first come first serve basis when caseload slots become available. Examples of when slots may become available are:

- The certification period is not extended for an elderly participant.
- Current participant moves from the area, moves to a nursing home, or voluntarily stops participating in the program.
- Participant is discontinued or disqualified.
- Site received additional caseload slots.
- Upon the death of a current participant.

When waiting lists are required, available caseload authorizations must be offered to the first individual listed. Reasonable efforts must be made to contact individuals in the order they were placed on the list until all available caseload authorizations are filled. When undistributed food packages remain after distribution, the packages shall be offered to the first applicants on the waiting list. Recipients of such packages must be advised that there is no guarantee of a food package the following month.

When there are waiting applicants, at least 15 days before the expiration of a certification period, participants not eligible for certification extension must be notified in writing that eligibility for the Program is about to expire. Notification of appeal rights is not required at the expiration of a certification period, per 7 CFR 247.33(a).



---

Sites must establish a monthly distribution period ending prior to the end of the distribution month. All participants must be notified of the distribution period and of the “No Show” policy when boxes are not picked up during the monthly distribution period.

When there are “No Shows” or when boxes remain undistributed after the monthly distribution period, sites must contact individuals on the waiting list starting with the first person on the list as indicated above to fulfill the assigned monthly caseload.

Local Agencies should contact MDE before placing potential clients on a waiting list, as additional slots may be available. MDE has a responsibility to ensure that the State’s assigned caseload is fully maximized. Therefore, caseload to local Agencies may be reassigned to increase the ability to 100% caseload distribution statewide.

## **2.17 Notice of Discontinuance**

If a participant is no longer eligible for CSFP benefits during the certification period, the Agency must provide the participant written notification of discontinuance at least 15 days before the effective date of discontinuance.

The notification of discontinuance must include:

- The effective date of discontinuance
- The reason for the participant's discontinuance
- The individual’s right to appeal through a fair hearing process
- The USDA nondiscrimination statement

## **2.18 Notice of Disqualification**

If a participant is disqualified from CSFP the Agency must provide the individual written notification of disqualification from CSFP at least 15 days before the effective date of disqualification.

The notification must include:

- The effective date
- The period of disqualification
- The reason for the disqualification
- The individual’s right to appeal through a fair hearing process
- The USDA nondiscrimination statement

## **2.19 Certification Procedure**

The agency must have a written CSFP eligibility certification procedure.

It must include:

- How and where the applications will be taken
- Agency responsibility for approving applications
- Notification timelines and methods
- Recertification timelines and how these will be documented
- Dual Participation
- Pursuing Claims against a participant
- No Show Policy

- 
- Fair Hearing Policy
  - How participants will be checked at distribution

### **3.0 DISTRIBUTION SITE AND DISTRIBUTION INFORMATION**

#### **3.1 Distribution Information**

- The CSFP works to improve the health of people at least sixty (60) years of age by supplementing their diets with nutritious USDA commodity foods.
- CSFP food packages are not meant to provide all food sources required for complete dietary needs during a month, but rather are meant to provide good sources of nutrients typically lacking in the diets of the target population.

#### **3.2 Distribution Sites**

- Agencies must select distribution sites based upon the needs of the area, reasonable hours of operation, proximity to other distribution sites, ability to follow policies and procedures, and the ability to distribute, and if necessary, store USDA Foods.
- Sites distributing donated foods must keep proof of 501(c) tax exempt status on file.
- Distribution sites where the agency does not oversee distribution need to be annually reviewed to ensure they are in good standing with their tax-exempt status and do not appear on the IRS Automatic Revocation of Exemption List.
- Agencies may choose to oversee distribution at selected sites or may delegate responsibilities to the site.
- Distribution sites must ensure that hours of operation are clearly posted, all required Civil Rights guidance is followed, all CSFP food is accounted for through inventory records, and participants' information is recorded properly.
- Staff and volunteers are encouraged to refer any homeless or disabled person to local resources which may assist the individual with obtaining identification or other needed services.

#### **3.3 Distribution Site Agreements and Monitoring**

- The agency must have an agreement with each distribution site that encompasses agency and site expectations with regards to program regulations and requirements.
- Agencies must use the MDE Site Distribution Agreement unless prior approval is received.
- The agreements are permanent but may be terminated due to Program violations.
- The agency must review each distribution sites at least once every two years to ensure compliance.
- MDE provides monitoring templates, but the agency may use its own if it contains elements of the Program.

#### **3.4 Distribution**

- Food may be pre-packed or made available to participants through a client choice procedure (shopping-style), participants may pick up food at the site, drive-thru or have it home delivered.

- 
- With client choice, participants choose food that best suit their household. With client choice, the participant must still receive all the required items in each food category. The choice would be about variety in the food category. For example, in the fruit/juice category, the participant may choose between apple juice, tomato juice, canned mixed fruit, canned peaches. They may take the food they will eat, but they need to take four items.
  - All sites need to have written procedures regarding their responsibilities of CSFP distribution.
  - Under no circumstances are recipients required to make payments in money, materials, or services for receipt of CSFP nor can they be solicited for voluntary contributions during the distribution of CSFP.

### **3.5 Distribution Records**

- Persons receiving CSFP must present some form of ID.
- A log/roster must be available at each distribution site to record:
  - Name of person receiving USDA Foods
  - Documented means the participant has received a food package for the month
- A proxy is someone who has officially been given permission in writing to pick up CSFP food on behalf of another participant. A proxy may verify for a participant who is not able to come to the distribution.
- A proxy may be pre-determined or may present identification and a signed note or proxy form from the participant.
- The agency/site must be able to produce records to show which participants received food from which site which specific day.
- All records must be kept secure and confidential.
- All records pertaining to CSFP must be kept for three years plus the current year.

### **3.6 Electronic Record Keeping**

MDE allows for electronic record keeping, including the collection of distribution records and participant signatures, provided that the Agency can assure MDE that the same degree of confidence regarding accuracy of eligibility determinations results from the electronic system as from the traditional, paper-based system. Any electronic system must provide for records to be made available to Federal and State agencies conducting reviews required by Federal regulations.

### **3.7 Food Package Guidelines**

The CSFP food packages do not provide a complete diet, but rather are good sources of the nutrients typically lacking in the diets of the target population, i.e., calcium, iron, protein, and vitamins A and C. For a list of combinations and specific amounts go to <https://www.fns.usda.gov/csfp/csfp-food-package-toolkit>

The CSFP food package must contain the following:

- Beef, beef stew, chili, poultry and/or fish
- Vegetables, soup and/or dehydrated potatoes
- Dry cereal, farina, rolled oats and/or grits
- Cheese

- 
- Pasta and/or brown/white rice
  - Peanut butter, canned beans and/or dry lentils
  - Juice, fruit and/or raisins
  - Ultra-High Temperature (UHT) milk and/or nonfat dry milk

### **3.8 Use of CSFP Foods in an Emergency**

CSFP requirements are not to be waived or modified by the site in the event of an emergency such as a natural disaster. Any variations from normal distribution must come from the Federal level and will be communicated to the Agency through MDE.

### **3.9 Distribution Site Procedures**

Written procedures must be maintained for all sites and include how and when the food is delivered to the site, what security measures there are to prevent damage or theft to the food, what happens to leftover food and what procedures there are if there are more participants than available food.

Procedures must be updated as guidance and situations change. Staff and volunteers must be trained on the procedures, and they must be followed.

---

## **4.0 CIVIL RIGHTS**

### **4.1 Civil Rights Information**

CSFP is open to all eligible persons regardless of race, color, national origin, sex (including sexual orientation and gender identity), or disability. By legislation, only those over the age of 60 may qualify. These are non-political rights. Agencies must ensure that all eligible populations have access to information about the Program and distribution.

### **4.2 Civil Rights Training**

Civil Rights training must be completed and documented annually by all staff or volunteers involved in all levels of the CSFP distribution or who interact with program participants. Forms of documentation include staff/volunteer signatures, completion of training documents, online certificates, meeting agenda and sign in sheets, and/or signed civil rights checklists. Training is available on the MDE website [www.michigan.gov/mde-fdp](http://www.michigan.gov/mde-fdp).

### **4.3 Limited English Proficiency Plan**

Individuals whose primary language is not English and/or who have a limited ability to read, speak, write, or understand English can be limited English proficient, or "LEP." These individuals must be provided translative services with respect to a type or service, benefit, or encounter.

The agency must ensure that they are prepared for LEP participants at certification and distribution. Identifying LEP Persons and their language can be done through "I Speak Cards". These can be easily made available at the agency and sites. There are several online and phone translative services that the agency can use as well. Additional resources may be found at post-secondary schools, community centers or other social agencies.

Children will not be used to interpret program information but may be used to help with food choices. This means that children may not be used to interpret eligibility but may be used to help parents decide between canned beans or peanut butter for the family.

Agencies must also review census records or other local demographic records to make sure that all eligible populations are receiving information about the Program and distribution.

### **4.4 Faith Based Organizations**

- Faith Based Organizations (FBO) may not be denied being a distribution site based on its religious affiliation.

- 
- FBOs cannot discriminate against participants based on their religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice
  - FBOs must separate in time and/or location any privately funded explicitly religious activities from CSFP-related activities.
  - FBOs do not have to remove or put away any religious material or icons. However, they must not include any of these with CSFP.
  - FBOs must visibly post a Notice of Beneficiary Rights according to USDA Memo FD-138 Written Notice and Referral Requirements for Beneficiaries Receiving CSFP and CSFP Benefits from Religious Organizations.
  - MDE will provide a Notice for agencies to use.

#### 4.5 Nondiscrimination Statement

- The USDA nondiscrimination statement is written in a long version and a short version.
- The long version may be found at [www.michigan.gov/fdp](http://www.michigan.gov/fdp)
- The long version, or the complete version must be on the agency's website with the USDA Food Programs.
- The long version must be presented to the participant at certification and distribution.
- The nondiscrimination statement must be included on all materials that are produced about the program for public information, public education, or public distribution, i.e., flyers, distribution dates, newsletters.
- The short version may be used on outreach where it is not possible to include the long version.
- The short version is – This institution is an equal opportunity provider.

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: [USDA Program Discrimination Complaint Form](#), 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: **mail:** U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; or **fax:** (833) 256-1665 or (202) 690-7442; or **email:** [program.intake@usda.gov](mailto:program.intake@usda.gov) This institution is an equal opportunity provider.

---

USDA Civil Rights Complaint Link:  
<https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>

#### **4.6 And Justice for All Posters**

- A current And Justice for All poster must be prominently displayed at all sites during certification and CSFP distribution.
- Posters are available free of charge from USDA or by request to MDE.
- For vehicles making door-to-door drop deliveries at homes, complexes, and businesses, the poster does not need to be displayed.
- Drive-up services should display the poster on the building or an area where it can be seen by drive-up participants.

#### **4.7 American Disability Act**

- Sites must make appropriate accommodations for all participants.
- This includes assistance for mobility, hearing, sight, and other adaptations.
- Service animals must be allowed to accompany a participant into the site.
- Proxies must be accepted at all sites.
- More ADA information can be found at: [Americans with Disabilities Act of 1990, as amended.](#)

#### **4.8 Civil Rights Complaints**

Civil Rights complaints are to be filed at: [USDA, Office of the Assistant Secretary for Civil Rights, Discrimination Complaint Filing](#) or at any USDA office or by calling 866-632-9992 to request the complaint form.

---

## 5.0 ORDERING AND RECEIVING USDA FOODS

### 5.1 Ordering Overview

- Each year USDA allocates caseloads to MDE, who in turn allocate those to the agencies.
- MDE will help to coordinate the ordering CSFP foods with the agencies.
- Staff who order CSFP foods must take the MDE CSFP Food Inventory Training found at [www.Michigan.gov/mde-fdp](http://www.Michigan.gov/mde-fdp)

### 5.2 Web Based Supply Chain Management (WBSCM)

- Food is ordered through the WBSCM system.
- WBSCM provides information on what USDA Foods are available, delivery periods, and order deadlines.
- Individuals authorized to place orders must have a secure login and password for WBSCM.
- There must be two people per agency trained in WBSCM ordering and receipting.
- On-line guidance to place orders for USDA Foods is available on the WBSCM website.
- MDE may also be contacted to assist with CSFP ordering and WBSCM training.

### 5.3 Direct Shipments

- Direct shipments are deliveries of a single USDA Food item from one vendor.
- Direct shipped items are generally ordered on a quarterly basis.
- Agencies must accept, at minimum, a quarter of a truckload for a delivery. A direct shipment truck will stop at a maximum of three locations. MDE can assist in coordinating trucks into the State.
- Delivery appointments for direct shipments are made at least 24 hours in advance by a dispatcher for the trucking firm.
- Before scheduling a delivery, warehouse staff must verify that the USDA Food is being delivered to the correct location with a WBSCM generated Advanced Shipment Notification (ASN).
- Warehouse staff need to verify the shipment with the monthly order status report before accepting the delivery appointment.

### 5.4 Multi-food Shipments

- This type of delivery method is geared toward agencies having smaller caseloads and minimal warehouse space.
- It also allows agencies to supplement low inventory, if necessary, to fill the food package requirements.
- Multi-food shipments are available when less than a quarter of truckload for one food group is needed.
- An agency may order a variety of food items monthly.
- Once the food is received, transfers of USDA Foods from one Agency to another must be requested in writing to MDE. MDE must be notified of any inter-agency transfers as part of the inventory process.
- All food from multi-food deliveries must be accepted. It cannot go back to the warehouse.
- Discrepancies of good quantity can be submitted to WBSCM via the Help Desk.



---

## 5.5 Receiving Foods

- Each load must be examined for damage, evidence of poor handling, insect/rodent infestation and amount received.
- All shipments must be carefully checked.
- The shipment must be receipted in WBSCM within 2 calendar days after delivery.
- If there is an issue with the order or bad product, for most items, once you have started unloading the truck you should finish unloading it and then submit any complaints or good quantity to WBSCM through the Help Desk.
- If your agency is the last drop on a direct shipment and there is an overage (additional food on the truck beyond your order) call MDE before you sign the Bill of Lading or accept the order. MDE will provide guidance. **Do not unload a truck unless you are certain that the delivery belongs to your Agency.**

## 5.6 Damaged/Mishandled Food

Product damage discovered during delivery should be reported in WBSCM. Product damage hidden until pallets are dismantled or discovered as cases of food are opened must be reported to MDE. The Agency may be directed to complete and return an MDE Complaint Form. The complaint form will be used to report USDA Foods that are damaged, out-of-condition, or have a quality problem. It is important to be specific and thorough as possible and provide pictures of the damaged product.

Incidental product damage during pre-packing and/or distribution can be avoided and must be an on-going concern to all Agencies. Food loss due to carelessness expends valuable resources and may require replacement or repayment for lost product. Pre-packing lines must be set up in a secure manner that prevents product damage. Agencies must impress on volunteers and staff the importance of handling the USDA Foods with care. The staff assigned to unloading trucks and moving inventory in the warehouse need to handle USDA Foods responsibly.

## 5.7 Submitting Complaints in WBSCM

Complaints need to include:

- Sales order number or Multi-food request number
- Vendor and Product number
- Description of the issue
- Digital photos if applicable
- Injury or illnesses if occurred
- Quantity of potential items
- Can report direct delivery items and multi-food delivery items

---

## 6.0 STORAGE AND WAREHOUSING

### 6.1 Warehousing Food

- Warehouses must be licensed by the Michigan Department of Agriculture and Rural Development.
- Storage facilities that handle, store, and distribute donated foods must obtain all required Federal, State, and/or local health inspections and/or approvals and these must remain current.
- Current Occupational Safety and Health Administration (OSHA) standards must be followed for all warehouse activities as applicable.
- Warehouses must be secured with reliable lock systems. Electronic alarm systems are preferable.
- All food storage facilities must follow the guidance provided in the FNS Handbook 501; Chapter VII Warehousing and Inventory Control.
- Agencies must have a food safety plan.
- Agencies must have a food defense plan.
- Agencies must have a food recall procedure.

### 6.2 Storage facilities

Storage facilities must:

- Be sanitary and free from rodent, bird, insect, and animal infestation.
- Have safeguards against theft, spoilage, and other loss.
- Maintain foods at proper storage temperatures.
- Have reliable thermometers to ensure that proper temperatures are maintained. Temperature logs must be maintained on coolers and freezers.
- Have proper ventilation.
- Stack and space USDA foods in a manner that allows easy identification.

### 6.3 Inventory Controls

- Agencies must follow First In First Out (FIFO) principles to ensure USDA Foods are distributed well before the expiration or ‘best if used by’ dates. When planning the monthly distribution menu, use the item in each USDA Food group with the oldest pack date first; pack date takes priority over date received.
- Warehouses must complete a physical inventory of all USDA Food at the end of each month.
- The agency must not keep more than three months’ worth of inventory on hand.

### 6.4 Out of Condition Foods

Signs of Out of Condition Foods

- Canned Foods: leaking, bulging top, bottom, or side seams, rusty or pitted interior, discolored interior, mushy content, and foul-smelling contents.
- Bagged or Boxed Foods: the package is torn exposing the food, insect infestation internally or externally, adulteration of the package inside or outside from rodents, caking or hardening of the contents.

- 
- Spoilage.

If the unfit commodity is such that it is an immediate health or welfare hazard, the agency must report the situation immediately to MDE.

## **6.5 Food Recalls**

When a food alert is received from the USDA, MDE will notify all agencies within 24 hours. USDA may place a commodity on hold due to inspection problems, packaging problems, or contamination.

When placed on hold, all agencies must not distribute that commodity until notified by USDA/MDE that it has been released or ordered destroyed. A claim can be assessed against any agency for destroying or using the commodity without prior approval.

---

## 7.0 LOSS OF FOOD

### 7.1 Loss of Food Overview

- MDE is responsible to recoup any loss of USDA food value per FNS 410-1 Rev. 2, 7 CFR 247, 250, 251.
- MDE has an established process for reporting food loss claims.
- MDE has a comprehensive procedure to determine claims and claims actions for loss of USDA Foods. This procedure is emailed to agencies on an annual basis at the start of the fiscal year.
- For losses over \$500 a reporting period or consistent higher value losses, MDE will work with the agency to replace the food or for the agency to remit payment.

### 7.2 Food Loss

Agencies must report food loss when:

- CSFP foods are no longer fit for human consumption due to spoilage, contamination, infestation, or damage, or from an investigation that deems them no longer fit for human consumption.
- CSFP 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.
- CSFP foods are stolen, willfully misapplied, obtained by fraud, or improperly distributed, or are not otherwise available for distribution to eligible recipients.

---

## 8.0 OUTREACH

### 8.1 Outreach Plan

- Every attempt should be made to provide information about CSFP to all segments of the eligible population.
- The agency must use census data or other community demographic measures to ensure significant populations are being informed of the program availability and its requirements.
- General information about the program has been translated into Arabic, Chinese, Spanish, Russian, and Vietnamese. Materials are available upon request from MDE.
- Referrals should be solicited from other service agencies which also are in contact with low-income families and individuals.
- Information sent out about CSFP, and site distribution should include CSFP, the agency name, site address, distribution dates and times, contact information and (at least) the short version of the nondiscrimination statement.
- Information must include the USDA nondiscrimination statement.
- Agencies must provide outreach for the program.
- Sites must also have their own outreach and include specifics of the program.

### 8.2 Examples of Outreach Activities

- Posters and flyers placed in public transportation, social service outlets, doctors' offices, clinics, childcare centers, senior housing units, hospitals, churches, and unemployment offices.
- Staff presentations at community-based health fairs and workshops sponsored by medical clinics, religious groups, community service agencies, senior housing units, and grassroots organizations.
- Program pamphlets with information on certification and distribution sites. The pamphlet should contain the agency's address, telephone number, and hours of operation. Other useful information would include eligibility requirements, methods of food package pick-up available to participants, and types and quantities of available food.
- Automated phone call system – ROBOCALLS - to announce upcoming distribution information.
- Email systems, social media, text messaging programs

---

## 9.0 NUTRITION PLAN

### 9.1 Nutrition Plan Overview

- The goal of nutrition education is to enable participants to obtain better nutrition status through increased understanding of basic nutrition principles and through effective use of food products.
- The agency must make nutrition education available to all participants.
- Nutrition information must be easily understood by participants and be relevant to their nutritional needs and household situations.
- Nutrition information should consider specific ethnic and cultural characteristics whenever possible.

### 9.2 Nutrition Education

MDE will provide monthly nutrition education pieces for the agencies to use. These will include:

- The nutritional value of CSFP foods and their relationship to the overall dietary needs of the population groups served.
- Suggested nutritious ways to use CSFP foods.
- Information pertaining to special nutritional needs of participants and how these needs may be met.
- Information pertaining to the importance of health care, and the role nutrition plays in maintaining good health.
- Direction regarding the importance of the use of the foods by the participant, and not by another person.

### 9.3 Nutrition Education Resources

MDE will work with health, nutrition, and educational partners, such as Commodity Organizations and Michigan State University Extension to develop materials and presentations meaningful to the participants.

MDE will provide resources for and encourage agencies to offer on-site demonstrations and tastings when and where possible, as well as additional materials.

MDE will highlight and promote the availability of local, State and Federal nutrition resources when possible.

If an agency chooses not to use MDE's nutrition material, it may use its own but must have prior MDE-approval.

The agencies are responsible to make the nutrition education pieces available to all participants. This can be done through printed material, links to MDE's nutrition education material or the agency's approved nutrition education on a website.

---

## **9.4 Nutrition Plan Evaluation**

MDE has established an evaluation procedure directed by an MDE dietician to include participant input. The MDE dietician will work with the Food Distribution Unit to create a survey for the agencies. The agencies must conduct the survey to at least 10 participants annually during the month of May and submit the results to MDE by June 30<sup>th</sup>. This will allow MDE time to evaluate the results and create new materials for the upcoming fiscal year.

## **9.5 Health and Social Service Referrals**

CSFP Agencies are required to provide participants with written information on, and make referrals as appropriate for, the Supplemental Nutrition Assistance Program (SNAP) and Social Security Programs.

---

## 10.0 FINANCIAL MANAGEMENT

### 10.1 Funding Overview

- Administrative funding is given to agencies based on an assigned caseload number.
- The value of a caseload is determined by the full funding amount the State receives.
- MDE will provide the estimated budget for the agencies at the beginning of the fiscal year.

### 10.2 CSFP Financial Review

- A review of the agency's CSFP-related financial activities is included in the regularly scheduled Agency Review.
- The Agency must track all CSFP revenues and expenditures separate from all other transactions. Examples include having a separate account for CSFP, identifying all CSFP transactions with a separate fund code, and/or using a separate ledger or subledger. Detailed General Ledgers can be created by having this separate financial tracking.
- MDE will verify these costs between the General Ledger and amounts drawn from NexSys.
- MDE will review detailed supporting documentation, such as invoices, payroll registers, and timesheets.
- MDE will review expenditures to ensure that they are reasonable, allowable, necessary for the program, and allocated properly.

### 10.3 Fiscal Responsibility

- Agencies are required to follow the Uniform Grant Guidance, Federal Cost Principles at 2 CFR Part 200, Subpart E – Cost Principles.
- The Agency must have written internal control procedures in place to ensure that only allowable costs are charged to CSFP funds.
- If applicable the Agency must have a Cost Allocation Plan that clearly outlines how the Agency will handle general administration and general expenses that benefit multiple programs. If an expense has been allocated between programs as a shared cost, the Agency must keep documentation that includes clear evidence of how the cost was determined and allocated. It should show the total cost, and how much is being allocated to each program.
- If indirect costs were charged, MDE will review the calculation and methodology to ensure that overcharging indirect costs has not occurred.
- If an Agency overcharges indirect costs, they will be required to restore the overcharged amount back to the CSFP fund.
- Agencies who have not received a negotiated indirect cost rate with another Federal agency/entity can use the de minimis rate of 10% (maximum) to calculate their maximum allowable indirect costs. MDE does not provide negotiated indirect cost rates to Agencies. Apply the de minimis rate of 10% to the modified direct cost base. The modified direct cost base is calculated by taking total food program expenditures, excluding: all food costs and all items for resale, capital outlay, prior period adjustments, costs that benefit multiple programs that were directly charged, and purchased service amounts greater than \$25,000. To be clear, this means that Agencies can include the first \$25,000 for each purchase service vendor in the modified direct cost base. MDE has an [Indirect Cost Calculations Template](#) that is beneficial in calculating indirect costs. The template can also be found at



---

[www.michigan.gov/mde-fast](http://www.michigan.gov/mde-fast). Agencies would use the tab titled “Non-Public Indirect Calculation.”

- Agencies operating the CSFP program must include the following in their Purchasing Policies:
  - Procurement procedures that meet the Federal requirements of Micro-Purchasing (\$10,000 threshold)
  - Procurement procedures that meet the Federal requirements for Informal Procurement (\$10,000 to \$250,000 threshold)
  - Procurement procedures that meet the Federal requirements for Formal Procurement (over \$250,000)
  - Guidelines that prohibit employees from participating in awarding purchases or contracts supported by Federal funds if a conflict of interest is involved
  - Guidelines on including positive efforts to utilize small business, minority-owned firms, and women’s business enterprises, whenever possible
- If the Agency has spent \$750,000 or more in CSFP funds they will be required to undergo a Single Audit. MDE will ask if the Agency had a Single Audit for CSFP funds since the last Agency Review. If so, the Agency must ensure that they procured the auditing firm using the proper procurement process. MDE will ask the Agency if there were any issues related to CSFP found in the Single Audit. If so, MDE will evaluate any issues/findings that were related to CSFP.
- An Agency must carry adequate insurance to cover the full replacement value of all USDA food inventory. MDE will request a copy of the insurance policy to view its adequacy.
- If equipment is purchased with CSFP funds it must be used in the CSFP program for which it was intended. If equipment is purchased and shared between programs, the cost to CSFP must be prorated.

## 10.4 Expenditures

### Allowable Expenditures

Direct costs that are clearly identifiable with CSFP are considered allowable costs. The following are examples of allowable expenses charged to CSFP fund:

- Building Rental – office or USDA Food storage rental facilities
- Accounting – establishing and maintaining an accounting system and the cost of an independent audit
- Determining the eligibility of program applicants
- Equipment – equipment necessary to perform donated food distribution (please see Procurement section for pre-approval process)
- Materials and office supplies including but not limited to postage and printing
- Insurance Expenses – insurance coverage for CSFP foods
- Compensation for Personnel – Salaries and fringe benefits for employees directly involved with CSFP; can be direct or prorated based on duties
- Costs associated with determinations of eligibility, verification, and documentation
- Costs of recordkeeping, auditing, and other administrative procedures required for program participation

- 
- Program Outreach – advertising public outreach of distribution sites, locations, and schedules
  - Ordering, transporting, sorting, and distributing foods
  - Transportation – freight, cartage, or delivery directly associated to the handling of donated food
  - Training and Education – CSFP in-service training and meetings of agency personnel and volunteers
  - Travel – program related travel for volunteers and staff
  - Processing – administrative funds can be used to process CSFP foods, i.e., dry beans to canned beans
  - Utilities - the cost of utilities, pest control, and janitorial services used specifically for CSFP, or Agency can be charged as an indirect cost

## **Unallowable Expenditures**

The following are examples of unallowable expenses charged to the CSFP fund.

- Costs that benefit non-CSFP program operations
- Actual losses which could have been covered by permissible insurance (through an approved self-insurance program or by other means)
- The cost of alteration of facilities not required specifically for the program
- Entertainment costs
- Fines and penalties
- Idle facilities and idle capacity
- Any transfers out of the CSFP fund other than for indirect costs
- Infrastructure costs
- Contingency fees
- Land Acquisition
- Security Cameras
- Air Conditioning

## **10.5 Meals for Volunteers**

The cost of meals served to volunteers on site is an allowable CSFP expense, if it satisfies the criteria found in the Uniform Guidance at 2 CFR Part 200, Subpart E – Cost Principles. Agencies must ensure that the costs are:

- Reasonable (i.e., reflect the cost of an average lunch); and
- Adequately documented – An eligible recipient agency must maintain the following information on file to support its charges for this cost item:
  - Each volunteer’s name
  - Hours each volunteer worked
  - Receipts, invoices, or other evidence of the cost of providing lunches to volunteers
  - The volunteer’s signature for each lunch received.

---

## 10.6 Procurement

Agencies are required to follow the MDE procurement process, and the procurement policies found in 2 CFR part 200.318 – General Procurement Standards and 2 CFR 200.320 – Method of Procurement, and USDA regulations 2 CFR parts 400 and 415.

- Agencies must have a purchasing policy that includes Bidding procedures that meet Federal requirements (for example, micro purchasing, \$250,000 threshold, etc.) and guidelines that prohibit employees from participating in awarding purchases or contracts supported by Federal funds if a conflict of interest is involved.
- Micro-purchasing may be used for purchases of \$10,000 or lower but cannot be used in place of applicable procurement methods that may achieve a more economical approach. The Agency must share business with qualified local vendors, follow the requirement that a purchase over the \$10,000 limit may not be broken down into multiple smaller purchases, and the Agency must consider the total cost when pursuing the micro-purchase method.
- The agency must perform an annual check of all vendors/contractors to ensure they have not been debarred or suspended according to the Excluded Party List System.
- According to 2 CFR 200.313(d) all physical items purchased with CSFP funding must be tagged and reported to MDE. Property records must be maintained that include the following:
  - a description of the property
  - a serial number or other identification number
  - source of funding for the property (including the FAIN)
  - who holds the title
  - the acquisition date
  - the cost of the property
  - the percentage of Federal participation in the project costs
  - the location, use and condition of the property
  - any disposition data including the date of disposal and sale price of the property

A physical inventory must be reconciled at least once every two years and maintenance procedures must be developed to keep the property in good condition.

---

## **RECORD KEEPING AND REPORTS**

### **11.1 Record Retention**

All records pertaining to CSFP must be retained for a period of three (3) years from the end of the fiscal year to which they pertain plus the current year, or until all open audits or investigations are closed and permission to destroy is received.

All reports must be submitted to MDE by the assigned due dates.

### **11.2 CSFP FNS-153 Report**

Agencies are required to report USDA Food activities reflecting the food received and distributed during the month using the USDA FNS-153 format.

Reports from agencies are due to MDE by the tenth day of the month following the end of the reporting month.

Agencies submit information about:

- Quantities of food received
- Amounts distributed
- Actual physical inventory count at the end of the reporting period.
- Number of caseloads distributed
- Food loss and disposal information is also collected

The agency FNS-153 report is submitted through the MDE CSFP report web-based collection site. Agency access and full instructions on its use is available directly through MDE.

### **11.3 Value Reports**

- Agencies collect the value of the food they received as part of Federal grants awarded.
- Values of the food received are provided by MDE.

### **11.4 FNS-191**

USDA requires State agencies to annually submit data on the racial/ethnic categories of persons receiving CSFP. Local Agencies can collect the requested information on the client's application. Racial/ethnic data is reported for only those participants who received a food package in April. The forms for reporting data are provided by USDA. The completed form is due to MDE by June 1st annually. MDE reviews and submits all collected information to USDA by July 31<sup>st</sup>.

### **11.5 Annual Application**

- The Application-Agreement between the agency and MDE is renewed each fiscal year electronically through NexSys.

---

## **11.6 Payments**

- Advance payments will be made to agencies through MDE payment systems.
- Estimated budgets will be required prior to the beginning of the fiscal year.
- Final expenditure reports will be collected at the end of the fiscal year.

## **11.7 Reviews**

- MDE conducts a review of each Agency's program at least once every two years.
- The review includes distribution on-site visits, warehouse inspection and a program and financial management evaluation.
- Agencies are required to correct deficiencies through corrective action within a reasonable amount of time.
- All review items are processed through the Grants Electronic Management System – GEMS.
- Subdistributing agency reviews will be conducted on an annual basis per fiscal year. This is a physical inventory review of CSFP foods.

---

## 12.0 STAFF AND VOLUNTEER TRAINING

### 12.1 Training Overview

- All staff and volunteers must be trained in the specific areas of their assigned CSFP tasks.
- Pre-packers should be trained on who the products are for, the importance of including the items for nutrition, and the necessity for careful product handling.
- Site distribution volunteers must be friendly and treat clients with dignity and respect.
- Intake volunteers must only be the most experienced and trusted volunteers. Confidentiality must be maintained.
- Civil Rights training must be conducted annually for all staff and volunteers. See Civil Rights training section for full details.
- Training must be documented with subjects they are trained on, dates and signatures that they received the training.
- MDE offers training courses at [www.michigan.gov/mde-fdp](http://www.michigan.gov/mde-fdp).

### 12.2 Recruiting Volunteers

Volunteers are an essential part to distributing CSFP foods. Outreach activities may be performed to recruit volunteers. There are a variety of sources where recruiting may be successful, including, but not limited to:

- Corporate/business volunteers
- Client volunteers
- The Salvation Army
- Juvenile detention centers
- Word-of-mouth
- High school or college student groups
- Churches
- Community groups such as the Lions Club and Kiwanis
- County Sheriff's Department - they may refer individuals with community service obligations to the Agency

### 12.3 Staff and Volunteer Appreciation

- CSFP staff and volunteers may not receive CSFP foods unless they are eligible.
- The following are allowable acts of appreciation:
  - Present award certificates
  - Thank them after every distribution
  - Send written thank you letter to their organization
  - Put posters up at the sites stating the community's appreciation of their help.