USDA

United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

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SUBJECT: FMNP Final Policy Memorandum # 2001-1
Questions from the National Association of Farmers' Market Nutrition Programs (NAFMNP) State Plan Session

TO: Regional Directors
Supplemental Food Programs
All Regions

This final policy memorandum provides clarification on several questions raised during the State Plan Guidance session at the NAFMNP meeting in October 2000. The questions and answers are as follows:

Interest Earned on Rebates

Question: Can interest earned on WIC rebates be used as an allowable match source for the FMNP?

Answer: Yes, the interest earned on WIC rebate money is considered program income. Program income is an allowable match source for the FMNP. However, the rebate money is WIC Program income. As such, it falls under the WIC rules governing program income. This means that it can be used to meet the FMNP match requirement only if the WIC State agency determines that such funds are not needed for WIC Program purposes.

Other questions about allowable match sources will be addressed under a separate FMNP policy memorandum.

Coupons Used in Compliance Buys

Question: Are the coupons used in compliance buys food costs or administrative costs?

Answer: FMNP coupons used in compliance purchases can be either food or administrative costs. Since the level of funds is usually small, it may be costly and difficult to transfer the costs from food to administrative funds. Thus, the costs of effecting and documenting the transfer to administrative funds may exceed the value of

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the coupons. It may be more efficient to let the funds remain food costs. Food items obtained in compliance purchases should be donated to charitable organizations.

Patricia N. Daniels

PATRICIA N. DANIELS
Director
Supplemental Food Programs Division