

Appendix M
WIC FMNP and SFMNP FY 2022 Guidance Package



Food and
Nutrition
Service

December 7, 2021 (Updated December 21, 2022)

1320
Braddock
Place
Alexandria,
VA 22314

SUBJECT: WIC FMNP and SFMNP FY 2022 Guidance Package

TO: Regional Directors
Special Nutrition Programs
All Regions

SFMNP State Agency Directors
All SFMNP State Agencies

FMNP State Agency Directors
All FMNP State Agencies

WIC FMNP and SFMNP State Agency Directors:

The U.S. Department of Agriculture's Food and Nutrition Service (FNS) recognizes that the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Farmers' Market Nutrition Program (FMNP) and Senior Farmers' Market Nutrition Program (SFMNP) play a critical role in our Nation's nutrition assistance safety net by providing participants the ability to purchase fresh, unprepared, locally-grown fruits and vegetables from local farmers and farmers' markets. In addition, these Programs are invaluable in expanding the awareness, use of, and sales at farmers' markets in order to support local markets and domestic agriculture. We are committed to supporting the continuation and success of these important Programs.

FNS also recognizes that the majority of WIC FMNP and SFMNP State agencies contract with technology services or banking entities to print, process, and show redemption for the Programs' paper-based coupons. Many State agencies have reported that their contracts with these service providers will no longer be renewed and, without alternatives to these services, they will be unable to continue Program operations. In light of these challenges, many State agencies must consider adopting new Program models to continue services this fiscal year and beyond. This document sets forth the process for WIC FMNP and SFMNP State agencies to pursue such operational changes to their Programs, and to seek Program flexibilities, as applicable.

Each WIC FMNP and SFMNP State agency seeking to make changes to Program operations must submit a State Plan amendment to their respective FNS Regional Office for approval pursuant to 7 CFR 248.4(b) and 249.4(b), respectively. [Appendix B](#) and [Appendix C](#) detail specific State Plan amendment submission instructions.

Further, the American Rescue Plan Act (ARPA, P.L. 117-2) provides FNS with regulatory and statutory waiver authority to support flexibility and innovation in WIC FMNP. ARPA did not provide waiver authority for SFMNP. Thus, at this time, FNS can offer only WIC FMNP State

agencies the opportunity to request waivers in order to test new and innovative models of operation.

The appendices referenced below provide resources that State agencies may use when considering next steps and set forth instructions for submitting State Plan amendments that involve operational changes. State agency operational changes could include electronic solution (e-solution) proposals and/or WIC FMNP waiver requests. WIC FMNP and SFMNP State agencies are encouraged to consider both existing Program models that do not require the use of technology services or banking entities (e.g., in-house processing) and Program modernization opportunities (e.g., e-solutions).

[Appendix A: State Agency Coupon Processing Resource List](#)

This document provides a list of available coupon processing and e-solution resources based on input from the U.S. Digital Service, State agencies, Program stakeholders, and landscape research. WIC FMNP and SFMNP State agencies in need of a new system for operating their Programs are encouraged to review this document when considering potential paths forward.

[Appendix B: State Plan Amendment Submission Instructions for Operational Changes](#)

This document sets forth instructions for submitting a State Plan amendment, which is required for all WIC FMNP and SFMNP State agencies wishing to pursue an alternative to their current model of operation. Submissions that propose implementing a new e-solution must include all minimum required elements, as described in Appendix B.

[Appendix C: For WIC FMNP State Agencies Only - State Plan Amendment Submission Instructions for ARPA Waiver Requests](#)

This document sets forth instructions for WIC FMNP State agencies wishing to request a statutory or regulatory waiver under ARPA authority. WIC FMNP State agencies submitting e-solution proposals in conjunction with ARPA waiver requests must also provide the information requested in [Appendix B](#).

FNS will provide written approval or denial of a complete State Plan amendment submission within 30 days of receipt, consistent with 7 CFR 248.4(a) and 249.4(a), as applicable. FNS reserves the right to request additional information if a submission is deemed incomplete, and as needed to ensure consistency with statutory authority and Program regulations.

FNS stands ready to help evaluate and support State agencies' pursuit and implementation of the solutions they determine best meet their immediate and long-term needs to continue operations. State agencies should refer questions to the appropriate FNS Regional Office.

Regional Directors and WIC FMNP and SFMNP State Agency Directors
Page 3

Sara L Olson

Sara Olson
Director
Policy Division

Contents

Appendix A: State Agency Coupon Processing Resource List.....	5
Introduction	5
Existing, Alternative Models for Coupon Processing	5
E-Solutions Identified by USDS.....	6
Appendix B: State Plan Amendment Submission Instructions for Operational Changes.....	7
State Plan Amendment Instructions for Existing Paper-Based or Alternative Coupon Processing Models.....	7
State Plan Amendment Submission Instructions for E-Solution Proposals	7
1) Required Minimum Elements for an E-Solution Proposal	8
2) Required Plan to Meet Specific Statutory and Regulatory Provisions	8
3) Technical and Operational Considerations (Optional)	10
Appendix C: <i>For WIC FMNP State Agencies Only</i> - State Plan Amendment Submission Instructions for ARPA Waiver Requests	11

Appendix A: State Agency Coupon Processing Resource List

Updated December 21, 2022

Introduction

The U.S. Department of Agriculture's Food and Nutrition Service (FNS) is committed to ensuring that both WIC Farmers' Market Nutrition Program (FMNP) and Senior Farmers' Market Nutrition Program (SFMNP) State agencies are able to continue Program operations next season and beyond in the absence of a contract with technology services or a banking entity.

This is a list of available coupon processing and e-solution resources identified through the U.S. Digital Service (USDS), State agencies, Program stakeholders, and landscape research. The following is not an exhaustive list of solutions available, and State agencies are encouraged to contact FNS with additional solutions to be explored and potentially included as a future addendum.

FNS does not endorse any specific solution, and the list is not intended to be all-inclusive. Regardless of the Program models pursued, WIC FMNP and SFMNP State agencies must follow applicable State procurement requirements, consistent with 2 CFR Part 200, and State Plan amendment submission guidance, consistent with [Appendix B](#) and [Appendix C](#).

FNS Regional Offices and USDS are available to support State agencies that choose to pursue a new operational model, whether an e-solution or an existing Program model that does not require the use of technology services or banking entities, such as in-house processing. For general and regulatory guidance, State agencies should contact their respective Regional Office.

Existing, Alternative Models for Coupon Processing

WIC FMNP and SFMNP State agencies in need of a new model for coupon processing may choose to pursue an existing, alternative Program model, such as in-house paper-based coupon processing, bulk purchasing, or community supported agriculture (CSA).

FNS understands that some WIC FMNP State agencies may be interested in adopting alternative coupon processing models in order to continue operations in the short term, while allowing for additional time to develop longer-term solutions; however, some may currently be unable due to regulatory or statutory barriers. As a reminder, *WIC FMNP State agencies* may request waivers under the American Rescue Plan Act (P.L. 117-2, ARPA) (see [Appendix C](#) for ARPA waiver request instructions).

State agencies interested in participating in a future presentation to their colleagues on an existing, alternative model of coupon processing not listed here should contact their respective Regional Office. FNS will send announcements for upcoming State agency-led presentations via PartnerWeb. FNS will also post slides from State agencies' past and future presentations on alternative models of coupon processing to PartnerWeb at "[FMNP State Agency Led Webinars](#)" and "[SFMNP State Agency Led Webinars](#)."

E-Solutions Identified by USDS

FNS has partnered with USDS to identify and review the following e-solutions, all of which are ready for review by State agencies, including U.S. Territories and Indian Tribal Organizations.

As a reminder, WIC FMNP and SFMNP State agencies that choose to pursue an e-solution must follow the State Plan amendment instructions in [Appendix B](#) of this document.

State agencies that would like assistance with the technical review process of an e-solution prior to submitting a formal State Plan amendment to FNS should contact their Regional Offices, which will facilitate support from USDS.

Central Bank eFMNP System

Central Bank's eFMNP system pairs a web-based administrative portal with a mobile application to provide electronic benefits to WIC FMNP and SFMNP programs. This system provides a single system for State agencies to use to administer their benefits, allow farmers to conduct transactions and multiple options for participants to redeem their benefits. Participants can choose from mobile, printable QR code or card-based benefits. The solution provides next day processing of all farmer deposits, custom administrative reporting and a dedicated staff for all customer support services. There is no direct cost to farmers. The system operates independently of any management information system (MIS) and is capable of linking to an MIS.

Contact & Materials: Kari Less, kari.less@centralbank.net

FarmMarket Direct

FarmMarket Direct is a CDP, Inc.-built, browser-based, mobile friendly WIC cash value voucher/benefit (CVV/B) e-solution with concurrent projects being implemented to extend to WIC FMNP and SFMNP. The solution can be extended to work with any State agency that chooses to contract with CDP, Inc. Transactions utilize both traditional reconciliation processes and banking systems. An offline option for participants includes a physical card with a quick response (QR) code. Farmers conduct transactions via mobile device and browser and there is no direct cost to farmers. The system operates independently of any management information system (MIS) and is capable of linking to an MIS.

Contact & Materials: Scott Pralle, scotta.pralle@cdpehs.com

MarketLink

Set forth by the National Association of Farmers Market Nutrition Programs (NAFMNP), MarketLink utilizes a pair of mobile apps that transmit and accept multiple tender types of Federal Program payments, plus debit and credit cards, with the goal of maximizing participant payment flexibility and payment to farmers. SNAP, WIC CVV/B, WIC FMNP, SFMNP are all accepted and transacted utilizing both traditional reconciliation processes and banking systems. There is a printable QR code offline option for participants. Farmers conduct transactions via mobile app and pay an annual subscription. The system operates independently of any MIS and is capable of linking to an MIS.

Contact & Materials: Phil Blalock, phil@triangleassociatesinc.com

TPS S/FMNP Platform

The Transaction Processing Services (TPS) S/FMNP Platform, provided by RP Solutions, is a hybrid solution utilizing an optional mobile app for Farmers and QR encoded paper coupons for participants. Farmers are provided three redemption options including real-time market scanning via the TPS Mobile App, post-market scanning via the TPS Mobile App or Desktop Scanner, or redemption via mail. The mail option provides an offline option for Farmers. TPS provides a closed eco-system dispersing funds directly to the farmers via ACH or check. There is no direct cost to farmers. The system operates independently of any management information system (MIS) and is capable of linking to an MIS.

Contact & Materials: Cindy McCall, cindy.mccall@rpsolutions.com

SoliMarket

SoliMarket Shopper and Register is a SoliSYSTEMS-built pair of participant and farmer mobile apps performing WIC FMNP, SFMNP, and other Program transactions and in the future, extendable to other Federal Programs. It replaces manual reconciliation with an automated live, reportable ledger while housing and transacting funds within the traditional banking system. An option for participants includes a physical card with a QR code while farmers conduct transactions via mobile app/participant personal identification number (PIN). There is no direct cost to farmers. The system operates independently of any MIS and is capable of linking to an MIS.

Contact & Materials: Roque Solis, roque@solisystems.com

Appendix B: State Plan Amendment Submission Instructions for Operational Changes

The U.S. Department of Agriculture’s Food and Nutrition Service (FNS) is committed to reviewing State Plan amendments expeditiously to support WIC Farmers’ Market Nutrition Program (FMNP) and Senior Farmers’ Market Nutrition Program (SFMNP) modernization and innovation.

State Plan Amendment Instructions for Existing Paper-Based or Alternative Coupon Processing Models

State agencies pursuing operational changes that use existing paper-based or alternative coupon processing models (e.g., in-house processing, bulk purchasing) should work with their Regional Office to follow the usual State Plan amendment process.

FNS understands some WIC FMNP State agencies may be interested in adopting alternative coupon processing models in order to continue operations in the short term, while allowing for additional time to develop longer-term solutions; however, some may currently be unable due to regulatory or statutory barriers. As a reminder, *WIC FMNP State agencies* may request waivers under the American Rescue Plan Act (P.L. 117-2, ARPA) (see [Appendix C](#) for ARPA waiver request instructions).

State Plan Amendment Submission Instructions for E-Solution Proposals

For State agencies proposing to implement a new electronic solution, or e-solution, State Plan amendments must be submitted as an appendix or attachment to the State Plan and entitled “[State agency name] State Plan Amendment: E-Solution Proposal.” If applicable, State agencies should reference the following in the appendix/attachment: the section, page number, and question number of amended State Plan information. However, given the novel nature of e-solutions for these Programs, FNS understands that the State Plan Guidance in its current form may not capture all the information required in order to submit an e-solution proposal. The submitted State Plan amendment attachment/appendix will initially serve as the State agency’s e-solution project plan, but will be subject to review as a part of the State Plan approval process moving forward.

This document sets forth:

- 1) Required Minimum Elements for an E-Solution Proposal,
- 2) Required Plan to Meet Specific Regulatory Provisions, and
- 3) Technical and Operational Considerations (Optional).

Responses to the items below can be brief or extensive depending on the novelty or complexity of the e-solution being proposed. FNS recognizes that depending on the State agency’s current project phase (e.g., planning, implementation), there may be limited information to share on certain aspects of the items below.

1) Required Minimum Elements for an E-Solution Proposal

When submitting a State Plan amendment to propose implementing a new e-solution, at a minimum, a State agency is required to include the following information:

- **Summary of project**, including the model being tested or implemented, transaction processing strategy, and benefit redemption/settlement strategy;
- **Anticipated timeline**, including start date, completion date, and milestones;
- **Proposed line-item budget and funding sources** for both implementation and operations phases. For WIC FMNP only, please indicate if ARPA funding is necessary;* and
- **Brief description of how the State agency intends to meet State-specific procurement requirements**, consistent with 2 CFR Part 200, as applicable.

*Approval of proposals does not guarantee receipt of ARPA funding. FNS will communicate WIC FMNP ARPA-related funding details at a later date.

2) Required Plan to Meet Specific Statutory and Regulatory Provisions

When submitting a State Plan amendment that proposes implementation of a new e-solution, the State agency must include a description of how it plans to meet the statutory and regulatory provisions listed in the table below, as applicable.

Statutory and Regulatory Provisions	Statutory and Regulatory Citations for WIC FMNP in 7 CFR Part 248	Statutory and Regulatory Citations for SFMNP in 7 CFR Part 249	Prompting Question(s)
Coupon/Financial Instrument Requirements	248.10(f)(3) , 248.10(h)(3)	249.10(f)(3) , 249.10(h)(3) , 249.4(a)(10)	How will the e-solution be able to meet the minimum requirements for coupons/financial instruments? How will the State agency design and implement a system of review of transactions to detect errors?
Valid Dates	248.10(h)	249.10(h)	How will benefit begin and end dates be managed?

Statutory and Regulatory Provisions	Statutory and Regulatory Citations for WIC FMNP in 7 CFR Part 248	Statutory and Regulatory Citations for SFMNP in 7 CFR Part 249	Prompting Question(s)
Settlement and Reconciliation	248.10(h) corresponding to Section 17(m)(5)(E) of the Child Nutrition Act of 1966 (P.L. 111–296, CNA), as amended	249.10(h)	How will the State agency reconcile a participant’s benefit redemption with a specific farmer or farmers’ market as required by S/FMNP regulation?
Participant Confidentiality and Data Safeguarding	248.24(c)	249.24	How will the State agency safeguard applicant and participant information/records?
Eligible Foods	248.8(a) corresponding to Section 17(m)(1) and Section 17(m)(5)(E)(ii) of the CNA, as amended	249.8(a) corresponding to Section 4402(b)(1) of the Farm Security and Rural Investment Act (P.L. 107–171), as amended	How will the State agency ensure only eligible foods are purchased?
Program Costs	248.12(a)(1)(i) corresponding to Section 17(m)(5)(F)(i) of the CNA, as amended	249.12(a)(1)(i)	How will the State meet cost requirements? Of note, a State agency may use up to 17 percent of its total Federal WIC FMNP grant and 10 percent of its total Federal SFMNP grant to cover administrative costs. Any costs incurred for food and/or administration above the Federal grant level would be the State agency's responsibility.

WIC FMNP State agencies that have requested a waiver of any regulatory or statutory provisions through the authority granted under ARPA, whether those provisions are listed in the table above or not, must reference this waiver in their e-solution proposal. As a reminder, ARPA waiver authority only applies to WIC FMNP, not SFMNP. Please refer to Appendix C for details on ARPA waiver requests. On a case-by-case basis, FNS may consider waiver requests in advance

of an e-solution proposal if the waiver(s) would facilitate further development of such proposal. In such cases, the State agency must indicate its intent to submit an e-solution proposal at a later date with its waiver request.

3) Technical and Operational Considerations (Optional)

The approval or denial of new e-solution proposals is not contingent upon the information provided for the items below. However, State agencies should keep the following in mind when pursuing WIC FMNP and SFMNP e-solutions and are strongly encouraged to include descriptions of how they plan to address these considerations in their proposals. Providing information related to these items will likely enable FNS to provide appropriate technical assistance for State agencies. FNS recommends, but does not require, the State agency include reference to the following items in their State Plan amendment submission:

- Defined roles and partnerships;
- Potential for scalability and adoption by other State agencies and related Programs;
- Communications plan;
- Training plan for authorized outlets and participants;
- Procedures to ensure that participants are made aware of the purchase price of the food items and transaction total before the transaction is completed;
- Procedures to ensure that participants and vendors have the opportunity to cancel or void transactions;
- Relevant interfaces and testing strategies;
- Issues related to internet/connectivity; and
- Description of security measures for handling Program funds.

The requirements and activities, and their associated burden, outlined here are to be included under OMB Control Number 0584-0447, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Farmers' Market Nutrition Program (FMNP) Program Regulations - Reporting and Recordkeeping Burden, which expires on 8/31/24, and under OMB Control Number 0584-0541, the Senior Farmers' Market Nutrition Program (SFMNP) Program Regulations – Reporting and Recordkeeping Burden, which expires on 12/31/2022.

Appendix C: For WIC FMNP State Agencies Only - State Plan Amendment Submission Instructions for ARPA Waiver Requests

The U.S. Department of Agriculture’s Food and Nutrition Service (FNS) is supporting flexibility and innovation through the waiver authority granted under the American Rescue Plan Act (P.L. 117-2, ARPA). As a result, FNS is offering WIC Farmers’ Market Nutrition Program (FMNP) State agencies the opportunity to request appropriate regulatory and statutory waivers in order to test new and innovative models of operation. The waiver authority under ARPA applies only to WIC FMNP and does not give FNS the authority to approve waivers for SFMNP.

Effective immediately, FNS will consider new WIC FMNP waiver requests under ARPA. In order to be considered, State agencies must submit a formal written request that includes the following information:

- Brief summary of project, including the type of innovation or modernization being implemented or tested;
- A statement which reads as follows: “Consistent with American Rescue Plan Act (P.L. 117-2), this project is intended to carry out an innovation and/or Program modernization effort(s), to increase participation in and redemption of benefits in the Program.”;
- Anticipated Start Date (Month/Year) and Completion Date (Month/Year);
- The specific regulatory and/or statutory provision(s) requested to be waived. List each provision separately. For *each* regulatory and/or statutory provision requested to be waived, the State agency must provide:
 - The rationale for the requested waiver, identifying why the regulatory/statutory requirement cannot be met within the project and the specific flexibilities requested.
 - How the State agency will ensure the waived requirement, if approved, will not risk the purpose or integrity of WIC FMNP; and
- As applicable, any additional documentation the State agency deems necessary to support the waiver request.

State agencies must send all waiver requests to their respective Regional Office as part of the State Plan amendment process. State Plan amendments must be submitted as an appendix or attachment to the State Plan and entitled “[State agency name] State Plan Amendment: ARPA Waiver Request.” If applicable, State agencies must reference in their appendix/attachment the section, page number, and question number of amended State Plan information; however, FNS understands that the State Plan Guidance may not capture all the information required in order to submit a waiver request.

For WIC FMNP State agencies submitting e-solution proposals in conjunction with ARPA waiver requests, the information requested in [Appendix B](#) must be submitted concurrently to be considered complete. On a case-by-case basis, FNS may consider waiver requests in advance of an e-solution proposal if the waiver(s) would facilitate further development of such proposal. In such cases, the State agency must indicate its intent to submit an e-solution proposal at a later

date with its waiver request. Further, FNS will communicate details related to potential opportunities for funding at a later date.

ARPA waiver approval will remain in effect for the duration of the proposed project, or no more than three years after the start date, whichever occurs first. FNS currently has the authority to renew waiver requests and will issue guidance on the renewal process at a later date.

FNS is committed to reviewing these waiver requests expeditiously; however, response times will depend on the complexity and novelty of the request. FNS reserves the right to request additional information if a submission is deemed incomplete, and as needed to ensure consistency with statutory authority and Program regulations.

State agencies should reach out to their respective Regional Office with any questions about the ARPA waiver request process or for technical assistance on WIC FMNP modernization efforts.

The requirements and activities, and their associated burden, outlined here are to be included under OMB Control Number 0584-0447, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Farmers' Market Nutrition Program (FMNP) Program Regulations - Reporting and Recordkeeping Burden, which expires on 8/31/24.