

FINANCIAL POLICIES AND PROCEDURES FOR FARMERS MARKETS AND FARM STANDS

The Farm to Family Program (F2F) is administered by the Economic Services Division (ESD) of the Vermont Department for Children and Families. ESD wants program operations to be as smooth and affordable as possible for everyone and welcomes suggestions regarding these policies and procedures.

1. Coupon and Financial Management

- a) Farm to Family makes payments only to farmers' markets, farm stands or their sponsoring organizations, not to individuals. The payments are not income for the market or farm stand. They are reimbursements for payments made to F2F enrolled vendors and farm stands for F2F coupons accepted.
- b) The address used for F2F payments must remain active and unchanged from May through December 31 to assure that all F2F payments and documents are deliverable and timely. The U.S Postal Service does not forward mail sent by the State Treasurer.
- c) The VT Finance Department (Finance) requires every participating market and farm stand to have a Federal Employer Identification Number (EIN). ESD sends a special F2F assurance form each April, where on the market or farm stand declares its EIN and certifies that the entity assigned the EIN, is in good standing with the VT Tax Department. State law allows the Tax Department to withhold payments if the EIN belongs to an entity that, according to the tax Department, has a tax issue and did not respond to their notice about the problem or arrange with them to resolve the matter. A market that is not in good standing with the VT Tax Department is still required to pay its vendors promptly for F2F coupons redeemed at the market.
- d) Finance requires ESD to get a W9 "Request for Taxpayer Identification Number and Certification" yearly from any market or farm stand participating in the F2F Program.
- e) **A market may only redeem coupons for vendors enrolled in the current-year F2F. They are identified solely from (1) the annual list of pre-enrolled vendors in the June market packet from ESD or (2) by the market getting a completed Single-Market Vendor Participation Agreement valid for that year and sending that Agreement to ESD.** The vendor must write the vendor number from the current-year F2F agreement on each coupon before giving coupons to the market for payment. **All vendor agreements and vendor numbers are valid for just one summer/fall season.**
- f) Markets are expected to collect coupons on a regular basis and pay vendors for them within a week. Markets should discourage vendors from holding onto coupons because large payments may create cash flow problems for the market and administrative problems for F2F.
- g) Where a market lacks sufficient funds to pay a vendor immediately for coupons, the market should accept the coupons and, after counting the coupons and verifying they are all valid and bear correct vendor numbers. Provide the vendor a signed receipt identifying the vendor number, date, and total dollar value of the coupons. ESD provides "batch slip" forms to serve this purpose if needed. The market is required to pay that "IOU" amount to the vendor within four weeks.
- h) To be reimbursed for F2F coupons, the market or farm stand sends batches of redeemed coupons to ESD with a "Tally" form itemizing total coupon value by vendor or farm stand number. Markets must enclose a copy of any newly-signed Single-Market Vendor Participation Agreement. The Tally is a formal document that functions as an invoice billing the State for a program payment. Therefore, each

Tally form needs to be complete, legible and checked for accuracy before submittal. Current State policy is to issue authorized payments no more than 30 days from the invoice date.

- i) ESD needs a steady flow of coupons from markets and farm stands to manage the coupon processing workload. The frequency ESD should receive coupon batches depends on the redemption volume:

If this applies to the market or farm stand: Mail coupon batches **at least** this often:

| | |
|---|-----------|
| Annual coupon sales \$0- \$5,999 | Monthly |
| Annual coupon sales \$6,000 - \$10,000+ | Bi-weekly |

Do not send a batch totaling less than \$50 unless it is the only batch for a calendar month.

Immediately submit coupons when the value reaches \$500. Larger batches tend to be error-prone, and errors delay payments and increase workload. ESD provides postage-paid F2F coupon submission envelopes.

- j) Split a \$1000+ batch of coupons between two envelopes. Treat each envelope as a separate batch and include its own Tally form.
- k) The State should reimburse a market or farm stand for a coupon batch within 30 days after ESD receives it. ESD will process a batch within a week of its receipt and, barring errors or omissions, authorize a payment to the market for the amount entered on the Tally. A copy of the approved Tally form will be mailed to you. Payment may be delayed if there is a tally error (e.g., invalid vendor number, missing vendor agreement, or the value of valid coupons enclosed does not match the amount entered on the tally). Holidays may delay payments by a day or two.
- l) **Invalid coupons are returned to the market or farm stand unpaid.** This applies to coupons that expired in a prior year, are for a non-pre-enrolled vendor for whom the market did not send ESD this year's Single-Market Participation Agreement or bear a farm stand or vendor number not valid for the current year. (ESD has agreements for the current-year pre-enrolled vendors listed in the packet the market gets in June.)
- m) Direct-deposit is available to markets who have a bank account. This expedites the payment process but increases administrative responsibilities for ESD and the market. The direct deposit option is not offered to market whose address or bank account may change from year to year.
- n) The market must document all coupon payments in some way. Regardless of method chosen, the market records need to at least identify the vendor number, amount paid and payment date. ESD makes an optional redemption log form available for this purpose. If F2F vendor payments are made in cash, the record must include the vendor's signature to confirm receipt of the payment. These records are subject to inspection by authorized personnel from ESD and the U.S. Dept. of Agriculture.
- o) If the market's F2F coordinator is also a participating vendor, the market must make any coupon redemption payments to that vendor by check rather than in cash.
- p) As stated on the coupon, the last day vendors may submit coupons to the market for payment is five days after the market closes for the season or November 5, whichever is sooner. **The market manager must be sure all participating vendors remember this deadline and be accessible so vendors can redeem their coupons by deadline. Markets and farm stands must send their last batch of coupons to ESD fifteen (15) days after the market or farm stand closing date or by**

November 10. The State will not reimburse a market or farm stand for any coupons that are delivered or mailed to ESD later than November 10.

2. **End-of-Season Account Closeout Process**

On the final coupon batch sent to ESD for a season, the market or farm stand must check the "last batch" space on the Tally form after confirming that no vendors still have coupons to submit for payment.

Market or farm stand managers or their F2F coordinators should contact the Farm to Family program manager at ESD, using the contact information below, right away any time they have questions about:

- F2F deadlines
- coupon tally or payment
- F2F policies or procedures

Farm to Family Program Coordinators:

Phone: 802 – 241-0955

Email: AHS.DCFFarmtoFamily@vermont.gov

Address: *Vermont Department for Children and Families*

Economic Services Division

ATTN: 3SquaresVT Farm to Family

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