agencies are responsible for administering the program at the State level. The State agency may select local agencies to administer the program in local areas of the State. The State agency must provide guidance to local agencies on all aspects of program operations. The State agency may also select subdistributing agencies (e.g., another State agency, a local governmental agency, or a nonprofit organization) to distribute or store commodities, or to perform other program functions on behalf of the State agency. Local or subdistributing agencies may also select other agencies to perform specific program functions (e.g., food distribution or storage), with the State agency’s approval. Although the State agency may select other organizations to perform specific activities, the State agency is ultimately responsible for all aspects of program administration.

(b) Are there specific functions that the State agency cannot delegate to another agency? Yes. The State agency may not delegate the performance of the following functions to another agency:

(1) Establishing eligibility requirements, in accordance with the options provided to the State agency under §247.9; or

(2) Establishing a management review system and conducting reviews of local agencies, in accordance with §247.34.

(c) What Federal requirements must State, subdistributing, and local agencies follow in administering CSFP? State, subdistributing, and local agencies must administer the program in accordance with the provisions of this part, and with the provisions contained in part 250 of this chapter, unless they are inconsistent with the provisions of this part.

§ 247.4 Agreements.

(a) What agreements are necessary for agencies to administer CSFP? The following agreements are necessary for agencies to administer CSFP:

(1) Agreements between FNS and State agencies. Each State agency must enter into an agreement with FNS (Form FNS–74, the Federal-State Agreement) prior to receiving commodities or administrative funds;

(2) Agreements between State agencies and local or subdistributing agencies. The State agency must enter into written agreements with local or subdistributing agencies prior to making commodities or administrative funds available to them. The agreements must contain the information specified in paragraph (b) of this section. Agreements between State and local agencies must also contain the information specified in paragraph (c) of this section. Copies of all agreements must be kept on file by the parties to the agreements; and

(3) Agreements between local and subdistributing agencies and other agencies. The State agency must ensure that local and subdistributing agencies enter into written agreements with other agencies prior to making commodities or administrative funds available to these other agencies. The agreements must contain the information specified in paragraph (b) of this section. Copies of all agreements must be kept on file by the parties to the agreements.

(b) What are the required contents of agreements? All agreements described under paragraphs (a)(2) and (a)(3) of this section must contain the following:

(1) An assurance that each agency will administer the program in accordance with the provisions of this part and with the provisions of part 250 of this chapter, unless they are inconsistent with the provisions of this part;

(2) An assurance that each agency will maintain accurate and complete records for a period of three years from the close of the fiscal year to which they pertain, or longer if the records are related to unresolved claims actions, audits, or investigations;

(3) A statement that each agency receiving commodities for distribution is responsible for any loss resulting from improper distribution, or improper storage, care, or handling of commodities;

(4) A statement that each agency receiving program funds is responsible for any misuse of program funds;

(5) A description of the specific functions that the State, subdistributing, or local agency is delegating to another agency; and
(6) A statement specifying:
   (i) That either party may terminate
       the agreement by written notice to the
       other; and
   (ii) The minimum number of days of
       advance notice that must be given.
       (The advance notification period must
       be at least 30 days.)

(c) What other assurances or information
must be included in agreements between
State and local agencies? In addition
to the requirements under paragraph (b)
of this section, agreements between State
and local agencies must contain the following:
   (1) An assurance that the local agency
       will provide, or cause to be provided,
       nutrition education to participants, as
       required in §247.18;
   (2) An assurance that the local agency
       will provide information to participants
       on other health, nutrition, and
       public assistance programs, and make
       referrals as appropriate, as required in
       §247.14;
   (3) An assurance that the local agency
       will distribute commodities in ac-
       cordance with the approved food pack-
       age guide rate;
   (4) An assurance that the local agency
       will take steps to prevent and detect
dual participation, as required in
       §247.19;
   (5) The names and addresses of all
       certification, distribution, and storage
       sites under the jurisdiction of the local
       agency; and
   (6) An assurance that the local agency
       will not subject any person to dis-
       crimination under the program on the
       grounds of race, color, national origin,
age, sex, or disability.

(d) What is the duration of required
agreements? Agreements between FNS
and State agencies are considered per-
manent, but may be amended at the
initiation of State agencies or at the
request of FNS. All amendments must
be approved by FNS. The State agency
establishes the duration of agreements
it signs with local agencies or sub-
distributing agencies. The State agency
may establish, or permit the local or subdistributing agency to establish,
the duration of agreements between
local or subdistributing agencies and
other agencies. However, State and
local agencies must comply with the
requirements in §250.12(c) of this chap-
ter when entering agreements with
other entities.

§ 247.5 State and local agency responsi-
bilities.

State and local agencies are responsible
for administering the program in
accordance with the provisions of this
part, and with the provisions of part
250 of this chapter, as applicable. Al-
though the State agency may delegate
some responsibilities to another agen-
cy, the State agency is ultimately re-
sponsible for all aspects of program ad-
ministration. The following is an out-
line of the major responsibilities of
State and local agencies; it is not in-
tended to be all-inclusive.

(a) What are the major responsibilities
shared by State and local agencies? The
major responsibilities shared by State
and local agencies include:
   (1) Entering into required agree-
       ments;
   (2) Ordering commodities for dis-
      tribution;
   (3) Storing and distributing commod-
       ities;
   (4) Establishing procedures for re-
       solving complaints about commodities;
   (5) Complying with civil rights re-
       quirements;
   (6) Maintaining accurate and com-
       plete records; and
   (7) Conducting program outreach.

(b) What are the major State agency re-
   sponsibilities? The major responsibil-
   ities of State agencies include:
   (1) Completing and submitting the
       State Plan;
   (2) Selecting local agencies to admin-
       ister the program in local areas of the
       State;
   (3) Determining caseload needs, and
       submitting caseload requests to FNS;
   (4) Assigning caseload, and allocating
       administrative funds, to local agencies;
   (5) Establishing eligibility require-
       ments, in accordance with the options
       provided to the State agency under
       §247.9. (This function may not be dele-
       gated to another agency.);
   (6) Establishing nutritional risk cri-
       teria and a residency requirement for
       participants, if such criteria are to be
       used;