

DEPARTMENT OF BENEFIT PAYMENTS

744 P Street
Sacramento, CA 95814



July 11, 1975

ALL-COUNTY LETTER NO. 75-140

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP PROGRAM - POSTAL SERVICE ISSUANCE OF FOOD COUPONS

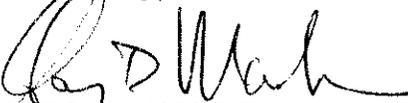
REFERENCE:

The United States Postal Service (USPS) has agreed to contract with counties currently not contracting with them for over the counter issuance on an interim basis pending final negotiation of the new National Sales Agreement between USDA and USPS. Terms for contracting will be a draft version of the National Sales Agreement, modified by Western Region Postal Service to allow counties to contract directly with USPS, to provide for USPS liability for loss of coupons and cash, and to include a \$1.10 transaction fee.

Our Food Stamp Program Management Branch and the Food and Nutrition Service, USDA, are reviewing the contract in advance in order to expedite the approval process. A copy of the USPS proposed contract for use by counties is enclosed for your information and review. As soon as this has been approved as a model interim contract, we will notify counties immediately so that they may utilize it. We do anticipate modifications to this contract prior to final State and Federal approval. This contract will be in effect until 90 days after the new National Sales Agreement, which is still being negotiated, is made effective.

We would appreciate county comments immediately so that they may be taken into consideration in the Food Stamp Program Management review. Please direct your comments to Kathy Lewis of the Food Stamp Policy Coordination Bureau (916-445-6907).

Sincerely,


GARY D. MACOMBER
Deputy Director

cc: FNS, USDA
CWDA

OBSOLETE

Superseded by

ACL # 77-15

Issued

3-17-77

FOOD STAMP SALES AGREEMENT

This Agreement entered into this _____ day of July, 1975, by and between the County of _____ hereafter referred to as the County and the United States Postal Service hereafter referred to as the Agent, Witnesseth:

PART I

The County agrees:

1. To certify the households which are eligible to purchase food stamp coupons (hereafter referred to as coupons); and to issue to such certified households Authorizations to Purchase card(s) (hereafter referred to as an ATP), and an Identification Card. The Identification Card shall contain the name and the signature of the head of the household, hereafter referred to as A Participant. The Participant may authorize a representative to utilize the ATP by entering the representative's name on the Identification Card. The representative must sign his name on the Identification Card.
2. The ATP is the document which authorizes the Agent to sell coupons to a particular individual. Each ATP shall include:
 - a. The name and address of the Participant who is the head of the household.
 - b. The amount of cash the Participant must pay to obtain coupons.
 - c. The total value of the coupons that can be issued.
 - d. The period during which the ATP is valid.
 - e. A space, preferably on the front of the ATP, for the signature of the Participant or the representative, if any. Whenever the ATP includes variable purchase options, a signature space will be provided to indicate each variable purchase option.
3. To supply the Agent with blank forms for their use as needed for reporting purposes.
4. To pay the Agent a fee of \$1.10 per transaction. Each redeemed ATP returned by the Agent under this Agreement represents a single transaction. Payment of the fee will be made within 15 days after the receipt of the

invoice and will be made independently of the adjustments required to be made under Section 5 of this Part and Section 8 of Part II.

5. To review the Food Coupon Book Reports, U.S. Department of Agriculture, Food and Nutrition Service Form 250 (hereinafter, "FNS 250") filed by the Agent under this agreement and specify any irregularities therein to the postal reporting unit within 60 calendar days of the date of receipt of the FNS 250. Upon specific request by the Agent, the County will return related ATPs to the postal reporting unit for the Agent's review for a period of 15 calendar days after their return. The County will pay any adjustment determined under this Agreement to be owing, promptly upon receipt of the Agent's invoice.
6. To arrange for the Agent to receive food coupons directly from USDA's designated supply agent. On a temporary basis in times of special need, the parties may use other sources by mutual agreement.
7. To rely upon the Agent for routine audits of the Food Coupon Program in post offices. Any necessary special investigations or audits will be done in coordination with the Agent.
8. To consult with the Agent concerning any proposed changes in practices relating to ATP design beyond the matters specified in Section 2 of this Part or relating to ATP mailings.
9. To submit for the Agent's consideration any proposed procedures not covered by this Agreement and relating to the Agent's acceptance of ATPs and issuance of coupons. All contacts between the parties relating to this section and Section 8 of this Part will be made at the Agent's Regional level.

PART II

The Agent agrees:

1. To maintain sufficient records, for a period of three years following the month of origin of the record, of coupons received, issued and on hand, to maintain an

audit trail. In cases where a USDA investigation of specific issuance sites is in progress, and upon written request from USDA to the Postal Service Records Officer, the Agent will retain the pertinent records, as specified in the request, for a period greater than three but not more than five years from the month of origin of the record.

2. To safeguard and protect coupons and cash received.
3. To provide the following service at mutually agreed upon Agent facilities between the hours of a.m. and p.m., Monday through Friday, excepting Postal Service holidays or emergencies when regular window service is not available and such other days as may be determined by prior agreement between the parties, and including such other days as may be mutually agreed upon:

Issue coupons to each person who presents and surrenders a current ATP, properly signed, and presents an Identification Card in proper form identifying the person as a Participant or an authorized representative, and who pays to the Agent the amount of cash purchase requirement, if any, specified on the ATP. ATPs must be signed or a signature specimen be executed in the presence of the issuing postal employee. In cases where the Participant or his representative is unable to sign his name, the employee will witness the "X" mark by entering his initials beside the "X".

4. To supply a list to the County of all the Agent's facilities which have been authorized to issue coupons under this Agreement.
5. To file with the County, not later than the 10th calendar day after the end of the monthly reporting period, a completed FNS 250 report from each participating postal sectional center area.
6. To transfer to the credit of the Department of Agriculture for each monthly reporting period, funds equal to the amount required to be collected in connection with the ATPs redeemed during the period, as shown on the FNS 250 filed for the period.
7. To return to the County, at agreed-upon intervals, each ATP received from a Participant.

8. To review timely reports of irregularities in the FNS 250; provide to the County a notice of correction of the FNS 250 if reported irregularities are established to the satisfaction of the Agent; and indemnify or bill the County on a semiannual basis for the net shortages or overages (including adjustments in the Agent's fee) so determined. The Agent will make up deficiencies resulting from the use of forged, counterfeit or altered ATPs only where such condition is obvious or results from the action of a postal employee.

9. To be responsible for losses of coupons as follows:

Transfer to the County the face value of coupons determined to the satisfaction of the Agent, upon proper audit, to have been:

a) received by the Agent from USDA's designated shipping agent or, as otherwise received in accordance with Section 6, Part I of the Agreement,

but:

b) not maintained in inventory;

c) not exchanged for ATPs as reported in an FNS 250 report reconciled as provided in paragraph 5 of Part I and paragraph 8 of Part II of this Agreement; and

d) not destroyed or recovered before redemption.

This provision does not cover food coupons in the possession of the Agent as mail matter. Audits shall be made as provided by paragraph 7 of Part I and paragraph 4 of Part II of this Agreement.

PART III

1. This agreement shall become effective on _____ and shall continue in force according to its terms until amended or terminated as hereinafter provided.
2. Amendments of this Agreement shall be in writing, and shall become effective on the date fixed by the parties.
3. Either party may terminate this Agreement by serving upon the other a written notice of its intention to

terminate. This Agreement shall be terminated 90 days after service of the notice, or at such later date as may be specified in the notice. In any event this Agreement shall terminate on the 90th day following the effective date of any Memorandum of Understanding between the Agent and the United States Department of Agriculture, containing the conditions under which the Agent will issue coupons, and succeeding such Memorandum concluded by the Agent and the Department on April 4, 1973.

4. Upon termination of this Agreement, a close-out audit will be performed by the parties and the remaining coupons returned to the agency designated by the U.S. Department of Agriculture.

County of _____
State of California

By _____

Dated: _____, 1975

UNITED STATES POSTAL SERVICE

By _____
Regional Postmaster General

Dated: _____, 1975