

DEPARTMENT OF AGRICULTURE**Food and Consumer Service****7 CFR Parts 250, 251, and 253**

RIN 0584-AB27

**Food Distribution Programs—
Reduction of the Paperwork Burden**AGENCY: Food and Consumer Service,
USDA.

ACTION: Final rule.

SUMMARY: This final rule amends provisions of the Food Distribution Program, Emergency Food Assistance Program (TEFAP), and Food Distribution Program for Households on Indian Reservations (FDPIR) regulations to reduce the paperwork burden associated with the administration of food distribution programs at the State and local level. This action was initiated by the Child Nutrition and WIC Reauthorization Act of 1989, which amended the National School Lunch Act to require the Secretary to endeavor to reduce the paperwork burden for agencies participating in nutrition assistance programs. This final rule contains provisions which extend the maximum effective periods for agreements between Federal, distributing, and recipient agencies, contracts of distributing and subdistributing agencies with storage facilities, contracts between recipient agencies and food service management companies, and State plans of operation; remove the requirement that commodity acceptability information be submitted for the following program categories: charitable institutions, nonprofit summer camps, the Summer Food Service Program for Children, and the Emergency Food Assistance Program; relax monitoring requirements for distributing agencies with regard to charitable institutions and nonprofit summer camps, and the food service management companies under contract with them; and, amend regulatory language to reflect modified information collection requirements.

EFFECTIVE DATE: This final rule is effective November 17, 1997.

FOR FURTHER INFORMATION CONTACT: Lillie Ragan, Assistant Branch Chief, Household Programs Branch, Food Distribution Division, Food and Consumer Service, U.S. Department of Agriculture, Park Office Center, Room 502, 3101 Park Center Drive, Alexandria, VA 22302-1594, or telephone (703) 305-2662.

SUPPLEMENTARY INFORMATION:**Executive Order 12866**

This final rule has been determined to be not significant for purposes of Executive Order 12866, and, therefore, has not been reviewed by the Office of Management and Budget (OMB).

Regulatory Flexibility Act

This action has been reviewed with regard to the requirements of the Regulatory Flexibility Act of 1980 (5 U.S.C. 601-612). The Administrator of the Food and Consumer Service (FCS) has certified that this action will not have a significant economic impact on a substantial number of small entities. The procedures in this rulemaking will primarily affect FCS Regional Offices, and the distributing and recipient agencies that administer food distribution programs. Private enterprises that enter into agreements for the storage of donated food or meal service management will also be affected. While some of these entities constitute small entities, a substantial number will not be affected. Further, any economic impact will not be significant.

Executive Order 12372

These programs are listed in the Catalog of Federal Domestic Assistance under 10.550, 10.568, and 10.569, respectively, and are subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials (7 CFR part 3015, Subpart V and final rule-related notices published at 48 FR 29114, June 24, 1983 and 49 FR 22676, May 31, 1984).

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), changes in the information collection burden that would result from the adoption of the proposals contained in the proposed rule published in the **Federal Register** on March 14, 1997 (62 FR 12108) were submitted for public comment. As discussed below, no comments were received. Current reporting and recordkeeping requirements were approved by the Office of Management and Budget under Control Numbers 0584-0293 and 0584-0067.

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations, or policies which conflict with its

provisions or which would otherwise impede its full implementation. This rule is not intended to have retroactive effect unless so specified in the **EFFECTIVE DATE** section of the preamble. There are no administrative procedures which must be exhausted prior to any judicial challenge to the provisions of this rule or the application of its provisions.

Background

In response to the mandates of the Child Nutrition and WIC Reauthorization Act of 1989 (Pub. L. 101-147), a notice was published in the **Federal Register** (55 FR 13156) on April 9, 1990, soliciting comments on ways to reduce the paperwork burden for food distribution programs. In response to comments received, the Department implemented several changes to reduce the paperwork burden and streamline operations, including simplifying the process of reporting and acting on commodity complaints, and eliminating or revising reports submitted by distributing agencies. To respond to comments touching upon procedures and reports established by Federal regulations, and to incorporate the input provided in subsequent discussions with State program administrators and representatives of commodity distribution associations, the Department published a proposed rule in the **Federal Register** (62 FR 12108) on March 14, 1997. The proposed rule provided a 60-day comment period.

Analysis of Comments Received

The Department received a total of 10 comment letters, including four from distributing agencies, three from school food authorities, two from commercial distributors, and one from a national commodity distribution association. A total of 32 separate comments were contained in the letters. While all commenters supported the provisions contained in the proposed rule, a few suggested clarifications of regulatory language or meaning. A description of the comments received, and revisions made in response to the comments, are discussed in detail below.

Information Collection Burden

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), the Food and Consumer Service submitted for public comment the changes in the information collection burden that would result from the adoption of the provisions contained in the proposed rule published in the **Federal Register** on March 14, 1997 (62 FR 12108). Comments were solicited on: (a) Whether the proposed collection of

information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. No comments were received relative to the changes in the information collection burden resulting from the proposed regulatory revisions. Therefore, the revised burden hours will be submitted to the Office of Management and Budget for approval as proposed.

Distributing Agency Agreements With the Department

The proposed rule would amend sections 250.12(a) and 251.2(c) to make agreements between the Department and distributing agencies permanent, with amendments to be made at the request of FCS. Three of the ten respondents supported this proposal. However, one commenter suggested that the language on amendments to agreements between the Department and distributing agencies be modified to indicate that distributing agencies may also propose to amend the agreement, which would be subject to the Department's approval. The Department agrees that the regulatory language should be modified to allow for this contingency; hence, this final rule adopts the proposed changes to sections 250.12(a) and 251.2(c) with the following modification: “* * * with amendments initiated by distributing agencies, or submitted by them at the Department's request, all of which shall be subject to approval by the Department.”

Distributing Agency Agreements With Recipient Agencies

The proposed rule would also amend sections 250.12(c)(1) and 251.2(c) to make agreements between distributing and recipient agencies permanent, with amendments to be made as necessary. The three respondents which commented on this provision supported the proposal. Therefore, this final rule adopts the permanent agreement amendments proposed for sections 250.12(c) and 251.2(c) without change.

The proposed rule did not propose to amend the duration of agreements

between distributing agencies and (1) subdistributing agencies that are not also recipient agencies, (2) carriers, and (3) other entities to which distributing agencies deliver donated foods, which would remain one year, with an option for two additional one-year periods. While no comments suggested amending the duration of these agreements, one comment suggested adding a definition of “subdistributing agency” for the purpose of clarifying which agencies are subject to the stated agreement period. Since section 250.3 already contains a definition of subdistributing agency which accurately describes the types of functions an organization must perform in order to be considered a subdistributing agency, the final rule amends section 250.12(c)(2) to reference the definition set forth in section 250.3, as well as incorporating the other proposed changes.

Storage Facility Contracts

Section 250.14(d) would be amended by the proposed rule to extend the duration of contracts of distributing and subdistributing agencies with storage facilities to a maximum of five years, including option years. While the five respondents which commented on this provision supported the proposal, one commenter suggested that the extended contract period should also apply to facilities that both store and deliver commodities since they would benefit from longer contracts in the same manner as facilities engaged only in storage. The Department did not intend to exclude such facilities under the proposed rule. Therefore, in order to clarify the Department's intent, section 250.3 is revised under this final rule to add a definition of storage facilities which specifically includes facilities that both store and deliver commodities, as well as those that only store commodities. The final rule extends the duration of contracts of distributing and subdistributing agencies with storage facilities, as defined in section 250.3, to a maximum of five years, including option years, as proposed. However, it should be noted that “carriers”—those entities which perform only a delivery function—are still limited to one-year contracts, with options for two additional one-year periods, as stipulated in section 250.12(c)(2), as amended by this final rule.

Food Service Management Company Contracts

The proposed rule would amend section 250.12(d) to extend the duration of contracts between food service management companies and charitable institutions, nutrition programs for the

elderly, and nonprofit summer camps for children to one year, with an option for four additional one-year periods. The three respondents which commented on this provision supported the proposal. Therefore, this provision is retained in this final rule as proposed.

Commodity Acceptability Report Requirements

The proposed rule would amend section 250.13(k)(2) to exclude the Summer Food Service Program (SFSP), summer camps, the Emergency Food Assistance Program, and charitable institutions from those recipient agencies for which distributing agencies are required to submit commodity acceptability information. The proposed rule would also amend section 250.13(k)(3) to delete reference to the annual submission by November 30th of commodity acceptability reports for summer camps and SFSP (for which reports would not be required), and clarify that distributing agencies must submit commodity acceptability reports (for those programs for which reports would be required, as stipulated in section 250.13(k)(2)) to FCS Regional Offices by April 30th each year. Additionally, the rule proposed to make a technical change to section 250.24(d)(1) by removing the word “semi-annual” to reflect the current requirement contained in section 3(f)(2) of Pub. L. 100-237, as amended by section 1773(d) of Pub. L. 101-624, which mandates the annual collection of commodity acceptability information. Since the comments received support these provisions, proposed revisions to sections 250.13(k)(2), 250.13(k)(3), and 250.24(d)(1) are retained in this final rule.

Inventory Report Requirements

The proposed rule would amend section 250.17(a) to require semiannual, instead of monthly, submissions of form FCS-155, the Inventory Management Register, and describes the function of this form, which is to report information on excessive commodity inventories. The proposed rule would also allow FCS to require more frequent reporting, if necessary to maintain program accountability, or less frequent reporting, if sufficient to meet program needs. The language of section 251.10(d) would be modified by the proposed rule to refer to the revised inventory reporting requirements in section 250.17(a), and to require submission of household participation data for TEFAP utilizing form FCS-155 at the same frequency that inventory information is reported. Under the proposed rule, this section would also be revised to delete

reference to a list of individual food orders received for each food item delivered (the function of the FCS-155A, which has been determined to be unnecessary). The three respondents which commented on these provisions supported the proposed revisions. Thus, the proposed amendments to sections 250.17 and 251.10 relative to the submission of FCS Form FCS-155 are retained in this final rule.

Monitoring Review Requirements

The proposed rule would revise section 250.19(b) to require State agencies to conduct on-site reviews of charitable institutions, nonprofit summer camps for children, and the food service management companies under contract with them, at a minimum: (1) Whenever the State agency identifies actual or probable deficiencies in program administration through audits, investigations of complaints, reports submitted by recipient agencies, or any other information available to the State agency, which, at the discretion of the State agency, warrants an on-site review; or, (2) at the request of FCS. The comments received supported this proposal. Hence, the revisions to this section are retained in this final rule as proposed.

FDPIR State Plan

Section 253.5(a), as amended by the proposed rule, would make the FDPIR State plan permanent, with amendments added as changes in State agency administration or management of the program, as described in the plan, are made, or at the request of FCS. Commenters supported this proposal. Therefore, the proposed revision to section 253.5(a) remains unchanged in this final rule.

TEFAP State Plan

One comment was received proposing that the TEFAP State plan be made permanent. However, as stated in the preamble of the proposed rule, section 871(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193, amended section 202A of the Emergency Food Assistance Act of 1983, Pub. L. 98-8, to require State agencies to submit a TEFAP State plan every four years, with amendments submitted as necessary. This requirement, which will be codified in a future rule, became effective with the enactment of Pub. L. 104-193 on August 22, 1996. Given the requirements contained in the legislation, the Department does not have the authority to make TEFAP State plans permanent.

Application for Federal Assistance

The proposed rule would amend section 253.9(c) to reflect the current form, i.e., SF-424, which Indian Tribal Organizations (ITOs) must submit to receive Federal administrative funds on an annual basis instead of form AD-623. This section would also be amended to delete the statement encouraging ITOs which act as State agencies to first submit applications for Federal administrative funds through the State clearinghouse since the Department does not believe that this statement is in the spirit of the "Government-to-Government Relations with Native American Tribal Governments" Presidential directive which was issued on April 29, 1994 and published in the **Federal Register** on May 4, 1994 (59 FR 22951). No comments were received concerning these provisions. Therefore, the proposed revisions to section 253.9(c) are retained in this final rule.

Technical Changes

A number of technical changes to regulatory provisions were proposed in the proposed rule. Since no comments were received on any of these changes, they are included in this final rule without modification.

List of Subjects

7 CFR Part 250

Aged, Agricultural commodities, Business and industry, Food assistance programs, Food donations, Food processing, Grant programs—social programs, Indians, Infants and children, Price support programs, Reporting and recordkeeping requirements, School breakfast and lunch programs, Surplus agricultural commodities.

7 CFR Part 251

Aged, Agricultural commodities, Business and industry, Food assistance programs, Food donations, Grant programs—social programs, Indians, Infants and children, Price support programs, Reporting and recordkeeping requirements, School breakfast and lunch programs, Surplus agricultural commodities.

7 CFR Part 253

Administrative practice and procedure, Food assistance programs, Grant programs, Social programs, Indians, Reporting and recordkeeping requirements, Surplus agricultural commodities.

Accordingly, 7 CFR parts 250, 251, and 253 are amended as follows:

PART 250—DONATION OF FOODS FOR USE IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS AND AREAS UNDER ITS JURISDICTION

1. The authority citation for Part 250 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 612c, 612c note, 1431, 1431b, 1431e, 1431 note, 1446a-1, 1859, 2014, 2025; 15 U.S.C. 713c; 22 U.S.C. 1922; 42 U.S.C. 1751, 1755, 1758, 1760, 1761, 1762a, 1766, 3030a, 5179, 5180.

2. Section 250.3 is amended by adding a definition of *Storage facility*, in alphabetical order, to read as follows:

§ 250.3 Definitions.

* * * * *

Storage facility means an operation that provides warehousing services, or provides both warehousing and delivery services.

* * * * *

§§ 250.3, 250.40, 250.41, 250.42, 250.48, 250.49 [Amended]

3. In § 250.3, in the definition of *Food service management company*, and in §§ 250.40(a)(4), 250.41(a)(3), 250.42(a), 250.48(a)(1), and 250.49(a), the citation "250.12(c)" is removed wherever it appears, and the citation "250.12(d)" is added in its place.

4. In § 250.12:

a. The third and fourth sentences of paragraph (a) are revised;

b. The undesignated text following paragraph (b)(4) is removed;

c. Paragraphs (c), (d), and (e) are redesignated as paragraphs (d), (e), and (f), and a new paragraph (c) is added; and

d. Newly redesignated paragraphs (d) and (e) are revised.

The revisions and addition read as follows:

§ 250.12 Agreements and contracts.

(a) *Agreements with Department.*

* * * The agreements shall be considered permanent, with amendments initiated by distributing agencies, or submitted by them at the Department's request, all of which shall be subject to approval by the Department. In addition, agreements between the Department and State Agencies on Aging that elect to receive cash in lieu of commodities shall also be considered permanent, with amendments initiated by these agencies, or submitted by them at the Department's request, all of which amendments shall be subject to approval by the Department.

* * * * *

(c) *Duration of distributing agency agreements.*—(1) Recipient agencies.

Distributing agency agreements with recipient agencies shall be considered permanent, with amendments to be made as necessary. Distributing agencies shall ensure that recipient agencies provide, on a timely basis, by amendment to the agreement, any changed information, including, but not limited to, any changes resulting from amendments to Federal regulatory requirements and policy and changes in site locations, and number of meals or needy persons to be served.

(2) *Subdistributing agencies, carriers, and other entities.* Distributing agency agreements with subdistributing agencies (as defined in § 250.3) that are not recipient agencies, carriers, and other entities shall be in effect for not longer than one year, and shall provide that they may be extended at the option of both parties for two additional one-year periods. The party contracting with the distributing agency shall update all pertinent information and demonstrate that all donated food received during the period of the previous agreement has been accounted for, before an agreement is extended.

(3) *Termination of agreements.* Agreements may be terminated for cause by either party upon 30 days notice.

(d) *Food service management company contracts.* Food service management companies may be employed to conduct the food service operations of nonprofit summer camps for children, charitable institutions, nutrition programs for the elderly, schools, nonresidential child care institutions, and service institutions. When a food service management company is employed to provide such services, the recipient agency shall enter into a written contract with the food service management company. The contract shall expressly provide that any donated foods received by the recipient agency and made available to the food service management company shall be utilized solely for the purpose of providing benefits for the employing agency's food service operation, and it shall be the responsibility of the recipient agency to demonstrate that the full value of all donated foods is used solely for the benefit of the recipient agency. All food service management companies shall be subject to review by the distributing agency for compliance with contractual requirements, in accordance with § 250.19(b)(1). In the case of nonprofit summer camps for children, charitable institutions, and nutrition programs for the elderly, the contract shall be in effect for no longer than one year, and may provide that it be extended at the option of both parties for not more than four additional one-

year periods. Contracts shall provide that they may be terminated for cause by either party upon 30 days notice. Prior to extension of the contract, the nonprofit summer camp for children, charitable institution, or nutrition program for the elderly shall update all pertinent information and demonstrate that all donated food received during the previous contract period has been accounted for.

(e) *Storage facility contracts.* When contracting for storage facilities, distributing agencies and subdistributing agencies shall enter into a written contract, in accordance with § 250.14(d).

* * * * *

5. In § 250.13:

a. Paragraph (k)(2) is amended by removing the words "the Summer Food Service Program", "charitable institutions, summer camps," and "and the Emergency Food Assistance Program", and by adding the word "and" before the words "the Food Distribution Program on Indian Reservations"; and

b. Paragraph (k)(3) is revised to read as follows:

§ 250.13 Distribution and control of donated foods.

* * * * *

(k) * * *

(3) *Timeframes for submission.*

Distributing agencies shall submit commodity acceptability reports to the appropriate FCSRO by April 30th of each year on form FCS-663.

6. In § 250.14:

a. The introductory text of paragraph (d) is amended by removing the first three sentences, and adding two new sentences in their place;

b. Paragraph (d)(1) is amended by removing the reference to "paragraph (a)" and adding in its place a reference to "paragraph (b)"; and

c. Paragraph (e) is amended by removing the citation "§ 250.14(b)" in the first sentence, and adding in its place a reference to "paragraph (c) of this section"; and by removing the reference to "paragraph (e)" in the fourth sentence, and adding in its place a reference to "paragraph (f)".

The additions read as follows:

§ 250.14 Warehousing, distribution and storage of donated foods.

* * * * *

(d) *Contracts.* When contracting for storage facilities, distributing agencies and subdistributing agencies shall enter into written contracts to be effective for no longer than five years, including option years extending a contract. Before the exercise of option years, the

storage facility shall update all pertinent information and demonstrate that all donated foods received during the previous contract period have been accounted for. * * *

* * * * *

7. Section 250.17 is amended by revising paragraph (a) to read as follows:

§ 250.17 Reports.

(a) *Inventory reports and receipt of donated foods.* Distributing agencies shall complete and submit to the FCSRO semiannual reports regarding excessive inventories (as defined in § 250.14(f)) of donated foods, utilizing form FCS-155, the Inventory Management Register, except that distributing agencies shall submit monthly inventory information on form FCS-152, for the Food Distribution Program on Indian Reservations, and on form FCS-153, for the Commodity Supplemental Food Program. FCS may require the use of other reporting formats. FCS may also require that form FCS-155 be submitted more frequently than semiannually if necessary to maintain program accountability, and that any inventory report be submitted less frequently if sufficient to meet program needs. Reports shall be submitted not later than 30 calendar days after the last month in the reporting period as established by FCS.

* * * * *

8. In § 250.19:

a. Paragraph (b)(1)(i) is revised;

b. Paragraphs (b)(1)(ii), (b)(1)(iii), and (b)(1)(iv) are redesignated as paragraphs (b)(1)(iii), (b)(1)(iv), and (b)(1)(v), respectively;

c. A new paragraph (b)(1)(ii) is added; and

d. Newly redesignated paragraph (b)(1)(v) is revised.

The revisions and addition read as follows:

§ 250.19 Reviews.

* * * * *

(b) *Responsibilities of distributing agencies.*

(1) * * *

(i) An on-site review of all nutrition programs for the elderly under agreement in accordance with § 250.12(b), at least once every four years, with not fewer than 25 percent of these programs being reviewed each year. These reviews shall also include on-site reviews of the storage facilities of sites receiving donated foods to ensure compliance with § 250.14(b);

(ii) An on-site review of all charitable institutions and nonprofit summer camps for children under agreement in accordance with § 250.12(b), and the food service management companies

under contract with these recipient agencies in accordance with § 250.12(d), at a minimum, whenever the distributing agency identifies actual or probable deficiencies in program administration, including compliance with civil rights provisions, through audits, investigations of complaints, reports submitted by recipient agencies, or any other information available to the State agency which, at the discretion of the State agency, warrants an on-site review, or at the request of FCS;

* * * * *

(v) A biennial review of all food service management companies under contract with recipient agencies in accordance with § 250.12(d), except that:

(A) Food service management companies under contract with charitable institutions and nonprofit summer camps for children shall be reviewed in accordance with paragraph (b)(1)(ii) of this section; and,

(B) Food service management companies under contract with schools participating in the National School Lunch Program or commodity schools under part 210 of this chapter, or with schools participating in the School Breakfast Program under part 220 of this chapter, shall be reviewed in accordance with the provisions set forth in parts 210 and 220.

* * * * *

§ 250.24 [Amended]

9. In § 250.24, paragraph (d)(1) is amended by removing the word "semi-annual".

PART 251—THE EMERGENCY FOOD ASSISTANCE PROGRAM

1. The authority citation for part 251 is revised to read as follows:

Authority: 7 U.S.C. 7501–7516.

2. Section 251.2 is amended by revising paragraph (c) to read as follows:

§ 251.2 Administration.

* * * * *

(c) Each State agency that distributes donated foods to emergency feeding organizations or receives payments for storage and distribution costs in accordance with § 251.8 shall perform those functions pursuant to an agreement entered into with the Department. This agreement shall be considered permanent, with amendments initiated by distributing agencies, or submitted by them at the Department's request, all of which shall be subject to approval by the Department. Such State agencies shall

enter into a written agreement with eligible emergency feeding organizations. This agreement shall provide that emergency feeding organizations agree to operate the program in accordance with the requirements of this part, and, as applicable, part 250 of this chapter. The agreement shall be considered permanent, with amendments to be made as necessary. State agencies shall ensure that emergency feeding organizations provide, on a timely basis, by amendment to the agreement, any information on changes in program administration, including, but not limited to, any changes resulting from amendments to Federal regulations or policy.

3. In § 251.10:

a. Paragraph (a)(1) is amended by removing the citation "§ 250.6(r)", and adding in its place the citation "§ 250.16";

b. Paragraph (d)(2) is revised to read as follows; and

c. Paragraph (d)(3) is removed.

§ 251.10 Miscellaneous provisions.

* * * * *

(d) *Reports.* * * *

(2) Each State agency shall complete and submit to the FCSRO reports to ensure that excessive inventories of donated foods are not maintained, in accordance with the requirements of § 250.17(a) of this chapter. Such reports shall also include the total number of households served in the State since the previous report submittal, based upon current information received from emergency feeding organizations.

* * * * *

PART 253—ADMINISTRATION OF THE FOOD DISTRIBUTION PROGRAM FOR HOUSEHOLDS ON INDIAN RESERVATIONS

1. The authority citation for part 253 continues to read as follows:

Authority: 91 Stat. 958 (7 U.S.C. 2011–2027), unless otherwise noted.

2. Section 253.5 is amended by removing the first two sentences of the introductory text of paragraph (a)(1) and adding, in their place, three new sentences to read as follows:

§ 253.5 State agency requirements.

(a) *Plan of operation.* (1) The State agency that assumes responsibility for the Food Distribution Program shall submit a plan of operation for approval by FCS. Approval of the plan shall be a prerequisite to the donation of commodities available for use by households under § 253.9. The

approved plan shall be considered permanent, with amendments to be added as changes in State agency administration or management of the program, as described in the plan, are made, or at the request of FCS. * * *

* * * * *

3. Section 253.9 is amended by revising paragraph (c)(1) to read as follows:

§ 253.9 Administrative funds for State agencies.

* * * * *

(c) *Application for funds.* (1) Any State agency administering a Food Distribution Program that desires to receive administrative funds under this section shall submit form SF-424, "Application for Federal Assistance," to the appropriate FCS Regional Office at least three months prior to the beginning of a Federal fiscal year. The application shall include budget information, reflecting by category of expenditure the State agency's best estimate of the total amount to be expended in the administration of the program during the fiscal year. FCS may require that detailed information be submitted by the State agency to support or explain the total estimated amounts shown for each budget cost category. As required by 7 CFR part 3015, Subpart V, agencies of State government shall submit the application for Federal assistance to the State clearinghouse before submitting it to the FCSRO. ITOs shall not be subject to this requirement.

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Dated: October 2, 1997.

Yvette S. Jackson,

Acting Administrator.

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1220

Soybean Promotion and Research; Rules and Regulations

CFR Correction

In title 7 of the Code of Federal Regulations, parts 1200 to 1499, revised as of January 1, 1997, on page 130, § 1220.315 should be removed.

BILLING CODE 1505-01-D