§281.4 Determining Indian tribal organization capability.

(a) Determining capability of ITO. If the ITO wishes to administer its own SNAP on the reservation FNS shall determine the ITO’s potential capability for administering SNAP in accordance with the criteria listed in §281.4(b). FNS shall begin to evaluate the ITO’s capability for all aspects of SNAP administration, allowing for fulfillment of that potential through necessary training and technical assistance, not later than the date of the issuance of the formal warning to the State agency.

(b) ITO responsibility. (1) The ITO must satisfy FNS that it is capable (if provided with any needed training and technical assistance) of administering SNAP effectively and efficiently, and of complying with all provisions of the Food and Nutrition Act of 2008, as amended, and the regulations of this chapter, including provisions governing quality control procedures, fraud determinations, and establishment and collection of claims for both Indian and any non-Indian participants. The ITO shall provide FNS with the following information:

(i) Operation of government programs. The ITO shall provide FNS a list of all government programs that the ITO administers and has recently administered. FNS may ask the ITO to provide the names of appropriate officials of the government organizations having jurisdiction over these programs so FNS can obtain all relevant audits, GAO reports, program evaluations and any other documents pertaining to the effectiveness and efficiency of tribal administration of these programs. The ITO shall also provide FNS a list of its recent contractual responsibilities, if any, for SNAP under §281.2(b).

(ii) Fiscal capabilities. The ITO shall provide FNS documentation of its bookkeeping and accounting procedures, including procedures in use for fiscal accountability under part 277 and for other government programs that the ITO administers.

(iii) Projected certification and issuance facilities. The ITO shall provide FNS with a description of the location of projected certification and issuance facilities.

(iv) Fraud hearings and claims. The ITO shall provide FNS with a description of how it will pursue fraud hearings and claims against Indian and non-Indian participants.
(v) **Staffing.** The ITO shall provide FNS with sufficient information to determine that personnel who will be used in the certification process will be employed under standards equivalent to current standards for a Merit System of Personnel Administration or any standards later prescribed by the Office of Personnel Management under section 208 of the Intergovernmental Personnel Act of 1970.

(vi) **Civil rights assurance.** The ITO shall provide FNS an assurance that the ITO shall comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88–352), the Age Discrimination Act of 1975 (Pub. L. 94–135), the Rehabilitation Act of 1973 (Pub. L. 99–112), section 504, and section 11(c) of the Food and Nutrition Act of 2008 and all pertinent regulations or directives to the effect that no person in the United States shall, on the grounds of sex, race, color, age, political belief, religion, handicap, or national origin, be denied benefits or otherwise be subject to discrimination under SNAP. Where appropriate, FNS shall consider the adequacy of measures taken by the ITO to ensure that there shall be no discrimination.

(2) Prior to the determination of ITO capability, FNS shall consult with other sources such as the Bureau of Indian Affairs (BIA) to obtain any information relevant to the capability determination.

(3) If it is determined by FNS, after consultation with other sources such as the BIA, that the ITO is not capable of operating an efficient and effective SNAP, the agency of the State government shall continue to operate the Program on the reservation in accordance with §281.3.

(c) **Training and technical assistance.** Upon determining that the State agency has failed to properly administer SNAP and that the ITO is potentially capable of operating an effective and efficient SNAP, FNS shall determine, based on information provided by the ITO and other sources such as BIA, the training and technical assistance which is necessary to assure efficient and effective program administration. FNS will assure that appropriate training and technical assistance is provided as expeditiously as possible prior to the ITO’s assumption of the administration of SNAP.

(d) **Assumption of duties.** When FNS is satisfied that the ITO has successfully completed (c) of this section, FNS shall designate the ITO as a State agency, contingent on the following:

(1) **State plans.** The ITO shall prepare and submit to FNS a Plan of Operation as provided in §272.2. In completing the Plan of Operation the ITO shall affirm that it will comply with the Civil Rights assurances detailed in (b)(1)(vi) of this section.

(2) **Proposed budget.** As part of the Plan of Operation, the ITO shall annually submit to FNS a proposed statement which shall provide a summary of program information and amounts budgeted to carry out the various program functions. This information shall be submitted to FNS for approval prior to the commitment of any Federal funds for administrative costs for that year. FNS shall provide the ITO any technical assistance which is necessary to prepare this information.

(3) **Termination and transition arrangement.** An effective termination and transition arrangement shall be established as required in §281.8.

§281.5 **Responsibilities of an Indian tribal organization designated as State agency.**

An ITO administering SNAP on a reservation shall adhere to the Food and Nutrition Act of 2008, all subsequent amendments, and all regulations issued pursuant to that law in the same manner as any other State agency. The ITO may contract certain administrative functions to private organizations as provided in parts 274 and 277. The ITO may not, however, contract responsibility for certification activities such as interviews or eligibility determinations. The ITO shall retain full responsibility for program administration.

§281.6 **Liabilities and sanctions.**

An ITO administering SNAP on a reservation is subject to the same liabilities and Federal sanctions as is any other State agency. FNS shall monitor administration of the Program and conduct reviews through the Performance Reporting System described in