



Food and  
Nutrition  
Service

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SEP 11 2014

SUBJECT: Performance Bonus (Section 4021) Questions and Answers –  
Agricultural Act of 2014

TO: Regional Directors  
All Regions  
Supplemental Nutrition Assistance Program

Attached are questions and answers pertaining to Section 4021 of the Agricultural Act of 2014. The questions cover the use of performance bonus money for Farmers' Markets bonus bucks and the use of bonus money for contractor fees. Please distribute to your State agencies immediately.

Please feel free to contact Patrick Lucrezio at 703-305-2498 if you have any questions.

Ronald Ward  
Director  
Program Accountability and Administration Division

Attachment

**Are States no longer allowed to use high performance bonuses to pay for “market match” or “bonus bucks” programs at farmer’s markets?**

Response: Section 4021 of the Agricultural Act of 2014 authorizes performance bonus payments only for Supplemental Nutrition Assistance Program (SNAP) costs, including investments in technology, improvements in administration and distribution, and actions to prevent fraud, waste and abuse. States may not use their high performance bonuses to pay for incentive payments, sometimes referred to as “market match” or “bonus bucks” programs, at farmers’ markets. Bonus bucks programs provide a benefit to SNAP households by providing a household with an additional amount of money (benefit) to purchase fruits and vegetables at a farmers’ market. The use of bonus monies to increase the benefit to households is not compatible with the intent of this section of the Agricultural Act to use funds only to carry out the program established under the Food and Nutrition Act of 2008. Of course, States that wish to support farmers’ markets may continue to do so through a variety of means, including the use of incentive payments that utilize other funding sources for those incentives. Examples of other sources would include other State funds, foundation money, or possible grant awards from the Food Insecurity Nutrition Incentive Grants Program that was included in Section 4405 of the Agricultural Act of 2014.

**Will this rule eliminate the States being able to share their performance bonuses with SNAP consulting contractors?**

Response: Performance bonus payments can be used for contractors as long as the expenses: 1) are specifically related to carrying out SNAP, including investments in technology for SNAP, improving SNAP administration and distribution, and actions to prevent fraud, waste and abuse in SNAP; and 2) represent an acceptable fee-for-service payment. Contingency fee contracts such as those addressed by this question are subject to review and approval by the Food and Nutrition Service Regional Office prior to the use of any performance bonus awards to pay contractors. Further guidance regarding this area will be forthcoming from the Agency.