



November 28, 2023

Marga Ortiz  
Chief, Retailer Policy Branch  
Retailer Policy Division, Supplemental Nutrition Assistance Program  
1320 Braddock Place, Alexandria, Virginia 22314

*Submitted via regulations.gov.*

**Docket:** FNS-2023-0054

**Federal Register Number:** 2023-21415

**Date Submitted:** November 28, 2023

**RE: Agency Information Collection Activities; Proposals, Submissions, and Approvals:  
Supplemental Nutrition Assistance Program Retailer Applications**

Dear Chief Ortiz,

National Co-op Grocers (NCG) submits these comments in response to the Food and Nutrition Service's (FNS) request for information, docket number FNS-2023-0054. NCG appreciates the opportunity to provide information to FNS and the Office of Management and Budget (OMB) regarding the **unnecessary burden experienced by retail food co-ops seeking SNAP authorization and reauthorization due the incompatibility of FNS forms and processes with the cooperative business structure.**

NCG is a business services cooperative for consumer-owned retail food co-ops located throughout the United States. Every consumer-owned retail food co-op that exists today was organized by people with a shared vision to improve their community's access to food, typically driven by a need for fresh, healthy food. NCG represents 160 food co-ops operating over 230 stores in 39 states with combined annual sales of \$2.5 billion.

As full-service grocers, food co-ops are already eligible to become SNAP retailers, and our co-ops appreciate the opportunity to serve SNAP shoppers in their communities. Currently, 97 percent of NCG food co-ops are SNAP authorized retailers. Additionally, over 25 percent report participation in a federally funded Gus Schumacher Nutrition Incentive Program (GusNIP) and several of our co-ops have received federal Healthy Food Financing Initiative (HFFI) funding. NCG invests additional resources to assist co-ops operating in USDA Low Income Low Access (LILA) communities. We are committed to improving food access and overcoming food apartheid in all of the communities, urban and rural, that we serve.

Although most of our stores are already SNAP authorized, food co-ops report barriers to reauthorization due to FNS staff confusion about the co-op's business structure, often stemming from the co-op's initial authorization. This confusion disrupts co-ops' ability to serve their SNAP shoppers and participate in USDA programs that require SNAP participation like GusNIP and HFFI.



We value the role that FNS plays in ending hunger through the administration of federal nutrition programs. We appreciate the incredibly important work FNS staff carry out every day to serve families and individuals in need, and we recognize the complexity of your work. On behalf of our food co-ops, their SNAP shoppers and our communities, thank you for considering our perspective and recommendations as follows.

## Summary

---

Enclosed in these comments, we recommend specific, redline revisions to six form fields, plus associated instructions, that will provide a pathway for food co-op applicants to provide information that is accurate and consistent with their business structure on FNS forms (see pages 6 – 12). We also offer narratives from retail food co-ops to illustrate how current forms and processes create unnecessary burdens for food co-op businesses and harm SNAP shoppers (pages 13 - 16). We would like to begin by addressing the topic areas identified by FNS in the Federal Register notice:

**(a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;**

We are not qualified to speak to whether collection of certain information is necessary for the proper performance of FNS functions; however, the information requested of retail food co-ops often does not 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 that were used;**

FNS estimates that the average hours per response across all applications for revised information collection will be 0.54, which is 32.1 minutes.

While FNS estimates are within the range of minutes and hours, our co-ops regularly report misunderstandings and inefficiencies during the reauthorization process that require weeks, months and even years of their time and attention to resolve, resulting from the form's incompatibility with the cooperative business structure. See Appendix for examples.

**(c) ways to enhance the quality, utility, and clarity of the information to be collected;**

Cooperatives have continued to engage with FNS officials at all levels including leadership about ways to enhance the quality, utility and clarity of the information collected. See pages 6 – 12 for detailed recommendations.

**(d) ways to minimize the burden of the collection of information on those who are to respond, including use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

See page 5 for our recommendations to minimize the burden. Additionally, we request that any revisions made to forms FNS-252 and FNS-252-R based on our recommendations be carried through to all application methods, including electronic, mechanical or other technological innovations.



## A. Does the information collected have practical utility?

---

**No.** Because FNS forms are not inclusive of the cooperative business structure, the forms create ongoing and persistent misunderstandings among FNS and co-op staff.

The cooperative business model is a distinct business structure with both state and federal recognition. USDA recognizes the legitimacy and benefits of the cooperative business model, fosters cooperative development, provides [resources about co-ops](#) and convenes an [Interagency Working Group on Cooperative Development](#). Additionally, many state laws provide a legal structure for businesses to incorporate as cooperatives.

Cooperatives exist across all sectors of our economy and have contributed to the U.S. economy for more than a century. Today one in three Americans is a member-owner of at least one cooperative business – in addition to food co-ops, examples include credit unions, electric cooperatives, and familiar brands like REI. Cooperatives are businesses with staying power: within our network of NCG food co-ops, the vast majority have been in business for at least 10 years, and more than 75 percent have been in business for at least 30 years.

As cooperatives, NCG food co-ops are owned by thousands of their local community members. A defining feature of the cooperative business model is one member, one vote. Each co-op member purchases an equity share, which makes them an owner of the business with one vote in equal proportion to all other member-owners of the co-op. This one-time equity share purchase is a relatively modest amount, typically in the range of \$75 - \$200. Any member-owner can run for the co-op's Board of Directors and each member-owner has the right to vote for Board Directors to govern their co-op, with elections typically taking place annually. A member-owner can resign their membership and have their equity share refunded at any time, for example if the member-owner moves to another community.

The democratically elected Board of Directors provides oversight of the business, typically through the policy governance model, which means the Board has the authority to hire and fire the general manager (GM) or CEO of the business and holds the GM/CEO accountable to Articles, Bylaws and other policy documents established by the co-op. According to this model, Board Directors do not involve themselves with the operations of the business and are not considered owners any more so than a co-op's other members. A general manager or CEO (or any co-op employee) may or may not be a member-owner, depending on whether they have purchased an equity share, at their own discretion.

**We observe these points of confusion pertaining to the SNAP re/authorization forms and process:**

- Food co-ops are typically owned by thousands of their community members.
- Board or management turnover is not a change in ownership of the business.
- If a board director or GM/CEO leaves the co-op, FNS's contact of record may no longer be associated with the co-op.
- Although some food co-ops may be incorporated as non-profits, most food co-ops are not non-profits.



## **B. Is FNS's estimate of the burden accurate?**

---

**No.** FNS's estimate does not account for misunderstandings and inefficiencies that result from a form that does not recognize the cooperative business model. Food co-op managers consistently report that they cannot reach an FNS or SNAP Retailer Service Center staff person who understands the cooperative model. It can take weeks or months of persistent calling to reach someone willing to talk to the store management, especially if there is confusion about ownership.

We have become aware of many instances in which FNS or SNAP Retailer Service Center staff have suggested a workaround that allows a food co-op to become authorized or reauthorized; however these workarounds require food co-op managers to record inaccurate information with FNS, perpetuating confusion in future reauthorization cycles. Typically, well meaning FNS or Service Center staff will suggest that a food co-op manager inaccurately mark themselves as "owner" or indicate that a co-op without 501c3 status is "non-profit" in order to complete the reauthorization process, despite the limitations of the form.

At this point, a co-op manager often elevates the issue by contacting NCG or their Congressional representatives in order to reach FNS leadership. On these occasions, FNS leadership has responded graciously and expeditiously to resolve the issue and complete the food co-op's authorization or reauthorization process. We are grateful to FNS leadership for this flexibility; however, it shows that the root cause is not a problem of status or eligibility on the food co-op's part, but is instead a problem of reaching someone who recognizes the cooperative model and has the authority to override the limitations of the form.

All of this results in a process for co-ops that takes weeks, months and even years to complete. See Appendix for specific examples. We strongly recommend changes to the authorization and reauthorization processes that will provide food co-ops with a straightforward pathway that is appropriate for their business structure, on par with the process provided for other retailers.

Most importantly given FNS and food co-ops' shared missions, this confusion has frequently led to unwarranted delays and denials of food co-ops' SNAP retailer authorization and reauthorization – meaning SNAP shoppers cards' will be denied at check out. Ultimately, the lack of a dedicated pathway for co-ops to accurately provide information to FNS has inadvertently created barriers to food co-ops' ability to serve their SNAP shoppers, and has created inefficient workflow for food co-ops, and likely for FNS and Service Center staff as well.

## **C. Are there ways to enhance quality, utility and clarity?**

---

**Yes.** On pages 6 – 12, we recommend specific, redline revisions to six form fields, plus associated instructions, on FNS forms that will provide a pathway for food co-op applicants to provide information that is accurate and consistent with their business structure. Our recommended revisions refer to form FNS-252, and should be extrapolated to form FNS-252-R and all electronic forms. A key to the revisions:

- *Black, italicized text* has been copy/pasted verbatim from form FNS-252
- *Red, italicized text* is our recommended revision.



## **D. Are there ways to minimize the burden on those who respond?**

**Yes.** Because the current forms have been collecting inaccurate information for decades, there exists a backlog of inaccurate information in FNS records that must be remedied going forward.

**In summary, we respectfully request that FNS take the following steps:**

- Revise form FNS-252 to ensure that food co-ops are able to complete the form accurately.
  - See our recommended revisions on pages 6 - 12 of this document.
- Ensure that revisions to FNS-252 are carried over to form FNS-252-R for reauthorization, as well as online versions of these forms.
- Create standard operating procedures ensuring that FNS and SNAP Retailer Service Center staff are aware of the following:
  - *Forms have been updated to provide a pathway that allows food co-ops to enter information in a manner that is consistent with their business structure.*
  - *Due to prior versions of the form not allowing co-ops to enter their information accurately, there is a backlog of food co-ops with inaccurate information on file.*
  - *Affected food co-ops should be provided with customer service that assists them in correcting any inaccurate information concerning contact information, the business structure and ownership.*
  - *Reapplications, delays in reauthorization, fines or other punitive actions are not appropriate in these cases.*
- At least annually and for all new employees, conduct trainings that ensure FNS and SNAP Retailer Service Center staff understand how to appropriately process food co-ops' authorization and reauthorization requests. This includes auditing and updating instructions, forms and websites to be inclusive of food co-ops and ensuring FNS and SNAP Retailer Service Center staff are familiar with the cooperative business model.

Thank you for your time and attention on this. We understand FNS's work is important and challenging, and we appreciate your assistance not only with our requests, but also all you do every day to serve families and individuals in need.

Sincerely,

A handwritten signature in black ink that reads "Allie Mentzer". The signature is written in a cursive, flowing style.

Allie Mentzer  
Senior Director of Advocacy and Sustainability  
National Co-op Grocers



## Form Field #1

### Problem

The person completing the form may be an authorized representative and not be an owner. This is the case with cooperatives, which are owned by many individuals. Since this is the first question on the form, it may reduce confusion if the copy did not assume that the person completing the form is the owner.

### Proposed revision to question #1

*When did or when will the store open for business under ~~your~~ current ownership (MM/DD/YYYY):*

### Proposed revision to instruction #1

*Question 1 - Store Opening Date: Enter the date that the store opened for business or will open for business under your ownership. If you are an authorized representative but not the owner of the store, enter the date the store opened for business or will open for business under the current ownership. Food co-ops should enter the date the store opened at this location. You can enter a future opening date. Your store may be visited following the submission of your application. As a result, you are responsible for ensuring that your firm can meet eligibility requirements for participation in the Supplemental Nutrition Assistance Program from the day your application is submitted.*

### Note

If the form field cannot be updated in the near term due to the need for companion changes to the Retailer Management System, revising the instructions (or creating an alternate instruction form for co-ops) in the meantime may help reduce confusion among co-op applicants until the form itself can be updated.





## Form Field #10

### Problem

The definition provided in the instructions is inaccurate. As mentioned above, food co-ops generally are not non-profits. While buying clubs still exist and some food co-ops have non-profit status, most modern retail food co-ops are incorporated as cooperatives under state law and operate as storefronts that are open to the public, do not have non-profit status and may be owned by consumers, workers and/or producers.

The term "food buying cooperative" is outdated and may not be readily understood. Colloquially, retail food cooperatives are known as "food co-ops." Recommend updating the language to "food co-op" or "food cooperative."

### Proposed revisions to question #10

*Is your business any one of the following: a delivery route; food ~~buying~~ cooperative; farmers' market; farm stand/stall/u-pick; military commissary/exchange; or a specialty food store that primarily sells one food type such as meat/poultry, seafood, bread, or fruits/vegetables?*

- ☐ Meat/Poultry Market
- ☐ Bakery
- ☐ Military Commissary/Exchange
- ☐ Farmers' Market
- ☐ Food ~~Buying Cooperative~~ Co-op
- ☐ Seafood Market
- ☐ Produce Market
- ☐ Delivery Route
- ☐ Direct Marketing Farmer (Farm Stand/Stall/U-Pick)

### Proposed revisions to instruction #10

*Question 10 - Special Store Type: Check Produce Market if you primarily sell fruit/vegetable items purchased from others, rather than raised yourself. Check Farmers Market if you represent a multi-stall market, where farmers sell their own agricultural products (fruits/vegetables/meats/bread, etc.) directly to the public. Check Direct Marketing Farmer (Farm Stand/Stall/U-Pick) if you produce and sell your own agricultural products at a road side stand, a stall at a market, and/or have a "pick-your-own" operation on your farm. Check Food ~~Buying Cooperative~~ Co-op if you are ~~incorporated as a cooperative under state law or are an private-nonprofit~~ association of consumers, producers and/or workers whose members pool their resources to buy food ~~as a retail store or buying club~~.*

*Do not use this Form FNS-252 if you are applying as a restaurant. Restaurants must use Form FNS-252-2, Application for Meal Services.*

### Note

Revising the instructions (or creating an alternate instruction form for co-ops) may help reduce confusion among co-op applicants until the form itself can be updated.



## Form Field #11

### Problem

A cooperative is a distinct ownership model, and food co-ops are generally able to incorporate as cooperatives according to state law. A co-op applying for SNAP retailer re/authorization cannot accurately describe itself unless “cooperative” is added to the list of options for this question.

Although most co-ops are not nonprofits, it may be confusing for those co-ops that are non-profits to have to choose only one box, so we are recommending a parenthetical clarifying that a co-op may be either.

### Proposed revision to question #11

*Type of Ownership (check only one box):*

- ☐ Privately-Held Corporation
- ☐ Publicly-Owned Corporation
- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Government-Owned
- ☐ Nonprofit Organization
- ☐ Cooperative (for profit or non-profit)

### Proposed revision to instruction #11

None

### Note

The omission of “cooperative” in this form field is likely a primary contributor to the confusion we’ve seen for co-op applicants and those who review the applications. This form field should be prioritized for updating in the Retailer Management System. If a revision cannot be made in the near term to the form field itself (adding “cooperative” to the response options), then instructions could be added that help reduce misunderstandings, such as:

*If your ownership type is cooperative, skip this question and indicate that the business is cooperatively owned in field number 30 of this form.*





## Form Field #12

### Problem

Unlike sole proprietorships and partnerships, the person completing the form will be one of many owners or may not be an owner at all. “Cooperative” should be added to the question and instructions, otherwise the form would suggest to a co-op applicant that they, like sole proprietorships and partnerships, should skip to question 13, missing the chance to provide FNS with a contact.

As mentioned above, board elections and employee turnover do not signal a change in ownership and should not trigger the need for reapplication. As described in the Appendix, food co-ops report that FNS staff refuse assistance to food co-ops when a new contact person does not match the “owner” on file. Providing co-ops with an opportunity to provide a contact person who can communicate with FNS on behalf of the ownership should help remedy this.

### Proposed revision to question #12

*Corporation or Government Agency Information: If privately held corporation, nonprofit organization, **cooperative** or limited liability company, enter the name and address of your corporation as on record with the state. If government-owned, enter the name and address of the responsible government agency. If publicly-owned corporation, enter the name and address of the parent corporate office. All others, skip question 13.*

[12a and 12b – no revisions]

*12c If publicly-owned, **cooperatively-owned** or government-owned, enter a contact person*

*Contact Person Name: Telephone Number: Email Address:*

### Proposed revision to instruction #12

*Question 12 - Corporation or Government Agency Information: For privately-held corporations, nonprofit organizations, **cooperatives** and limited liability companies, enter the name and address that is on record with the state. For publicly-owned corporations (also referred to as publicly traded corporations), enter the parent corporation name and address. For government-owned stores, enter the name and address of the responsible government agency. For publicly-owned corporations, **cooperatives** or government-owned stores enter the name, telephone number and email address of the contact person or the person responsible for the Supplemental Nutrition Assistance Program license.*

### Note

The omission of cooperatives in this question is likely a primary contributor to the confusion we’ve seen for co-op applicants and those who review the applications. This question should be prioritized for updating in the Retailer Management System.

We recommend that FNS correspond with co-ops using both the email provided and the mailing address provided to avoid missed communications.

See also our recommendations for “Instructions: Apply by Mail” on page 10 of this document.



## Form Field #14

### Problem

Food co-op applicants should not complete question 14. As described above, food co-op owners typically number in the thousands making it impractical to record the information requested. Board members serve on a voluntary basis and have an equity stake in the business equal to any other owner. Similarly to a publicly-owned corporation, a board election does not equate to a change in ownership. A person hired to serve as a general manager or CEO may or may not be a member-owner of the co-op.

For the purposes of this question, food co-ops should be treated similarly to publicly-owned corporations and government stores.

### Proposed revision to question #14

*Owner/Officer Information: Enter the name and home address of **all** officers, owners, partners, and members. **If this is a publicly-owned corporation, cooperative or government-owned store, skip to question 15.** See instructions for more information about this question.*

### Proposed revision to instruction #14

*Question 14 - Owner/Officer Information: Do not complete this question if you indicated the ownership type is publicly owned corporation (i.e., publicly traded corporation), **cooperative** or government owned store in question 11. For all other ownership types, you must provide information for all owners, members, partners, primary shareholders and officers of corporations, including entities with Nonprofit status. For each Owner, Partner, Officer, Member, Shareholder: Enter the first name, middle name, and last name of each person exactly as it appears on their social security card. Enter the home address, social security number (or ITIN as an alternative to SSNs), and date of birth for each person. Email Address: Enter the email address for all owners/officers here (optional). If there are more than four primary owners, make a copy of page 2 and enter the additional person(s) information.*

### Note

The omission of “cooperative” in this form field is likely a primary contributor to the confusion we’ve seen for co-op applicants and those who review the applications. This form field should be prioritized for updating in the Retailer Management System.

Revising the instructions (or creating an alternate instruction form for co-ops) may help reduce confusion among co-op applicants until the form itself can be updated.



## Form Field #15

### Problem

As described above, food co-op owners are private citizens who purchase a modest equity share to support the business. It would be inappropriate for a co-op to collect the personal information required in question #15.

Additionally, food co-op owners typically number in the thousands making it impractical to record the information requested.

### Proposed revision to question #15

*Answer the questions for **all** officers, owners, partners, members, and/or managers. **Cooperatives should answer for all officers and/or managers but need not answer on behalf of the general membership.***

### Note

If the form field cannot be updated in the near term due to the need for companion changes to the Retailer Management System, revising the instructions (or creating an alternate instruction form for co-ops) in the meantime may help reduce confusion among co-op applicants until the form itself can be updated. In this case, the proposed revision to the question could instead be added to the instructions:

***Cooperatives should answer for all officers and/or managers but need not answer on behalf of the general membership.***

Question 15f is especially problematic for co-op officers: *If Yes, has the officer, owner, partner and/or member reported this store ownership to their SNAP caseworker?*

As described above, an officer of the co-op is a co-op owner in the sense that the individual has made a modest one-time equity purchase equal to that of all other members. Our concern is that a SNAP caseworker may mistakenly believe co-op ownership to be an asset, complicating or even jeopardizing the individual's ability to receive benefits. We request that FNS and SNAP Retailer Service Center staff accept a "no" response from co-op officers with an explanation provided in Field 15g to the effect that they are a member-owner of a cooperatively owned store.

Because officers of the co-op using the policy governance model are not involved with daily operations, receiving SNAP assistance does not create a conflict of interest.



## Instructions: Reminders

### Problem

As described in the section pertaining to form field 14, cooperatives should skip question 14.

### Proposed revision Reminders (page 7)

**Reminders** You must answer all of the questions on the application form, with the following exceptions:

- Question 3.
- If the store is owned by a sole proprietorship or partnership, skip question 12.
- If the store is owned by a privately held corporation or LLC skip question 12c.
- If the store is owned by a public corporation, **cooperative** or government agency skip question 14.

## Instructions: Apply by Mail

### Problem

As described above, food co-ops are typically owned by thousands of their community members making it impractical and inappropriate to require each member-owner to individually sign a certification and signature statement.

Instead, we recommend that an authorized representative of the cooperative (the contact person identified in 12c) may sign on behalf of the co-op's ownership. We suggest that the co-op be instructed to submit a Board resolution stating that whomever occupies the general manager or CEO role at the co-op at any given time is authorized by the co-op's Board of Directors to act on behalf of the co-op's ownership. Doing so would allow continuity of communication even when a GM/CEO departs the co-op and should provide a relatively durable solution because Board resolutions are binding in perpetuity unless the Board takes action to rescind them.

### Proposed revision to Instructions: Apply by Mail (page 7)

**Apply by Mail:** Complete Form FNS-252, attach the required documents, sign and date the application, and mail it to the SNAP Retailer Service Center. **If there are multiple owners, then each owner must individually sign a certification and signature statement (page 6 of the application) and these documents must be submitted with the application, unless the store is a cooperative as defined in question 10.** Food co-ops should submit a Board resolution communicating that the co-op's general manager or CEO (without naming a specific individual) is authorized by the co-op's Board of Directors to be the contact person, sign the certification and signature statement, and act on behalf of co-op's ownership. The SNAP Retailer Service Center address is listed on the cover letter that was mailed to you with the application. You can also find the SNAP Retailer Service Center address at: <https://www.fns.usda.gov/snap/RSC>.



## Appendix: Co-op Narratives

---

What follows is a collection of accounts from food co-ops about barriers they have encountered during the reauthorization process.

### Michigan food co-op

The co-op has been a SNAP authorized retailer for over 20 years, and also participates in a GusNIP-funded Double Up Food Bucks SNAP incentive program.

In November 2020, the co-op submitted its paperwork to apply for SNAP authorization for another 5 year period. As part of that process, FNS staff visited the store in April 2021. On May 6, 2021, the co-op received notice from FNS staff that their SNAP license was going to be revoked due to turnover on their board of directors, which FNS erroneously interpreted as a change in ownership of more than 50 percent. Despite the site visit and direct contact with FNS staff, the co-op was not made aware of FNS's questions about ownership until May 6 when their license was revoked.

Revocation of the co-op's license was immediate. By the following morning, the co-op was no longer able to serve its SNAP shoppers. In subsequent phone conversations with FNS staff, the co-op was advised to reapply and select "non-profit," which is inconsistent with the co-op's federal tax status. USDA's own resources acknowledge cooperative ownership structure as distinct from non-profit: [Understanding Cooperatives: Legal Foundations of a Cooperative](#).

*Part of the issue on the application is that there is a spot in basic information to choose co-op grocery, but under ownership type none of the options there really work. They are non-profit, publicly traded, privately-held, sole proprietorship, and some others. Since it had been five years, we had 3 new board members listed which meant that there was more than 50% change in ownership according to SNAP. I explained that we have 2600 owners that elect a board and the board can change up to 1/3 or more every year. [FNS staff] insisted that if we're a co-op, we should be a non-profit. I explained our status in the State of Michigan and our federal tax status and she suggested that we look for a non-profit to sponsor our license. I requested to speak with another person to see if I could explain the situation so that they might understand. The disruption in our SNAP authorization prevented the co-op from being able to distribute new Double Up Food Bucks coupons, a program we've been participating in for years.*

At this point, the co-op reached out to NCG, and we were able to connect them with FNS leadership, who quickly resolved the issue and reinstated the co-op's SNAP license in 2021.

On November 27, 2023, the same general manager who shepherded the co-op through the process above called the SNAP Retailer Service Center to notify them that she will be leaving the co-op at the end of the year and to update the co-op's contact information. The Service Center staff person told her that the co-op would need to reapply, even though the general manager's departure does not constitute a change in ownership. Once again, the co-op's ability to serve SNAP shoppers will be in jeopardy while the confusion is sorted out.



## New York food co-op #1

This co-op operates three stores in New York. As the co-op grew, SNAP licenses for each of these stores was obtained at different points in time, under different board leadership. FNS erroneously equated board elections to trigger their requirement that a SNAP authorized retailer must reauthorize when there is a change in ownership. Because the FNS numbers for each of the three stores are all associated, any issue with a license renewal at one location impacts the other locations as well.

In November 2019, the co-op received a notice from FNS that one of its stores would lose its SNAP license due to the co-op's failure to renew its SNAP authorization. The general manager immediately called FNS to resolve the issue and discovered that the contact information for the co-op's FNS account was associated with someone who was no longer with the co-op. FNS told the general manager that because he did not have the credentials originally used to set up the co-op's account, he could not be assisted and the co-op was therefore de facto ineligible to reapply.

After weeks of regularly calling FNS to resolve the issue, the co-op's general manager reached out to Senator Gillibrand's office for assistance. Senator Gillibrand's office helped the general manager reach an FNS agent who could cancel the FNS account associated with the person who was no longer with the co-op, allowing the co-op to become reinstated as a SNAP authorized retailer in October 2020 – nearly a year during which the co-op was unable to serve SNAP shoppers in its community.

The co-op estimates losses of at least \$40,000 in SNAP sales. Worse, the sudden and prolonged loss of its ability to offer SNAP damaged the co-op's reputation as a business that cares about community.

***We spent significant time responding to angry shoppers who did not believe our story.***

## New York food co-op #2

This co-op operates two stores in New York. The co-op's original store was already SNAP authorized when, in 2021, the co-op sought SNAP authorization for its second store, which it was opening in a [USDA-designated Low Income, Low Access](#) (LILA) neighborhood. FNS staff advised a questionable workaround which involved the general manager making himself the principal on the application form, which he was able to do only because he had the application for the original store which listed the social security numbers for all of the principals matching FNS's records for the original store. All of the principals listed are no longer with the co-op, and potentially deceased given the date of the original application. Because FNS forms do not include an option for cooperative businesses, there was no way to indicate that the store is owned by its members or an opportunity to update contact information for the co-op.

After hitting several road blocks in two months attempting to achieve SNAP authorization for a grocery store opening in a LILA community, the general manager reached out to Rep. John Katko and Senator Gillibrand's office for assistance. Rep. Katko conducted a Congressional inquiry and within three days the new store was authorized to accept SNAP.

***In comparison, our competitor Wegman's has it easy because the form has a completely different fast tracked approval process for [non-cooperative] chains with 5 – 9 stores.***





## New York food co-op #3

This co-op operates two stores in New York. In February 2021, the co-op filed a SNAP reauthorization for one location, and the store achieved reauthorization in July 2021. In October 2021, the store filed for SNAP reauthorization for its second location and received a confirmation of its reauthorization the following day. Although FNS reauthorized both locations, this co-op's experience illustrates a deeper, ongoing problem.

The co-op has attempted to work within FNS's system by calling to notify the agency each year when new board members are elected, but as of 2023 is in limbo because the FNS contact information on file is outdated.

*The [SNAP reauthorization] application does not make it clear who the person is that can call and talk about the account. The language throughout the reauthorization application does not align with the cooperative structure. We are fortunate to have our authorizations but the information in them is not correct and we aren't able to update without reapplication. I am not the contact person on the account for some reason and [FNS staff] won't tell me who it is.*

## Georgia food co-op

The food co-op has served SNAP shoppers for many years, including participation in Georgia's Fresh for Less program. In 2022, the recently hired general manager was notified that a customer attempted to pay with EBT, and the transaction didn't work. The general manager quickly confirmed that the problem was not technology related, and then immediately contacted the Georgia SNAP office, which informed the general manager that the co-op's FNS number had been withdrawn. The general manager searched her records and could find no email or letters inviting the co-op to reauthorize. The co-op reached out to Senator Warnock's office for assistance.

*Nobody at FNS will talk to me. They insist we must reapply as a new store.*

## Indiana food co-op

The food co-op engaged in the usual reauthorization process in 2022 and received a letter from FNS stating: *Your non-profit business documentation isn't in the record. Please submit a copy of your 501(c)(3) from the IRS or your non-profit status issued by the state.*

*I explained that we operate as a cooperative, we are incorporated as a mutual benefit non-profit, but we are not a 501(c)(3).*

The co-op reports that after providing a copy of the co-op's Articles of Incorporation, their reauthorization was processed, the issue was resolved quickly and that FNS staff provided good service. However, this example shows that if FNS forms were updated to clarify that co-ops are not necessarily 501(c)3s, it could make the process more efficient for both co-op and FNS staff.





## Minnesota food co-op

The food co-op engaged in the usual reauthorization process in 2022, and the general manager was asked to provide copies of his personal ID and social security number to renew.

*I always feel a little uncomfortable providing my social security information on behalf of the co-op. Our rep at the administration was friendly and helpful. She said she'd been working for the administration for 20 years and dealt with many co-ops and no one except me had any issue with it. Just the same though, I am not the co-op. I would think our tax ID number would and should be sufficient.*

Following submission of the general manager's SSN, the co-op's SNAP authorization was renewed and the co-op didn't see any interruption of service. However, as noted above, the general manager is not the co-op. As described in the section pertaining to question 14, we recommend that food co-ops be instructed to skip question 14, which requires the applicant to provide their SSN. Instead, food co-ops should be instructed to provide contact information in form field 12c.

This example also demonstrates that food co-ops have often been advised to indicate that the applicant is the store owner, contributing to a historical backlog of inaccurate FNS records on file.

# PUBLIC SUBMISSION

**As of:** 12/4/23, 11:45 AM  
**Received:** November 28, 2023  
**Status:** Posted  
**Posted:** November 30, 2023  
**Category:** Retailer  
**Tracking No.** lpj-6os1-51tb  
**Comments Due:** November 28, 2023  
**Submission Type:** Web

**Docket:** FNS-2023-0054

Agency Information Collection Activities: SNAP Retailer Applications

**Comment On:** FNS-2023-0054-0001

Agency Information Collection Activities; Proposals, Submissions, and Approvals: Supplemental Nutrition Assistance Program Retailer Applications

**Document:** FNS-2023-0054-0004

Comment on FR Doc # 2023-21415

---

## Submitter Information

**Email:** allie.mentzer@ncg.coop

**Organization:** National Co+op Grocers

---

## General Comment

Please see detailed comments attached. In brief, National Co+op Grocers (NCG) recommends revisions to SNAP authorization and reauthorization forms that will provide food co-ops with a straightforward pathway that is appropriate for their business structure, on par with the process provided for other retailers. Although 97% of NCG food co-ops are already SNAP authorized, food co-ops consistently report barriers to reauthorization due to FNS and SNAP Retailer Service Center staff confusion about the co-op's business structure. This confusion has frequently led to unwarranted delays and denials of food co-ops' SNAP retailer authorization and reauthorization. Ultimately, the lack of a dedicated pathway for co-ops to accurately provide information to FNS has inadvertently created barriers to food co-ops' ability to serve their SNAP shoppers, a backlog of inaccurate information, and an inefficient workflow for food co-ops, and likely for FNS and Service Center staff as well. Enclosed we recommend specific changes to six form fields and associated instructions that will minimize the burden of information collection and support our ability to serve our communities. Thank you!

---

## Attachments

NCG\_comments\_on\_OMB\_SNAP\_Retailer\_Applications\_FNS\_2023\_0054\_November\_2023.docx