

## **40603 Adverse Action Affecting Vendor or Local Agency Participation**

Section 40603@ Adverse Action Affecting Vendor or Local Agency Participation

### **(a)**

Adverse action affecting vendor participation means a civil money penalty, denial of authorization, disqualification from the Program, or Departmental termination of the vendor agreement. The following shall not constitute an adverse action: (1) Expiration of an agreement with a vendor. (2) Departmental termination from the Program of a vendor that has received a final determination by the USDA of termination from the Food Stamp Program. (3) A claim for reimbursement from a vendor.

#### **(1)**

Expiration of an agreement with a vendor.

#### **(2)**

Departmental termination from the Program of a vendor that has received a final determination by the USDA of termination from the Food Stamp Program.

#### **(3)**

A claim for reimbursement from a vendor.

### **(b)**

Adverse action affecting local agency participation means denial of an agency's application to participate, disqualification of an agency during the course of a contract agreement, or issuance of a written demand for repayment of costs

determined to be unallowable pursuant to a fiscal audit. Expiration of a contract with a local agency shall not constitute an adverse action.