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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

July 14, 2025

Richard A. Ball  
Commissioner  
Department of Agriculture and Markets  
10B Airline Drive  
Albany, NY 12235

James V. McDonald, M.D., M.P.H.  
Commissioner  
Department of Health  
Corning Tower Building  
Empire State Plaza  
Albany, NY 12237

Re: Oversight of the Nourish  
New York Program  
Report 2024-F-27

Dear Commissioner Ball and Dr. McDonald:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Agriculture and Markets and the Department of Health to implement the recommendations contained in our initial audit report, *Oversight of the Nourish New York Program* (Report [2022-S-33](#)).

**Background, Scope, and Objective**

The Nourish New York (Nourish NY) initiative was established in May 2020 during the COVID-19 pandemic (pandemic) in response to disrupted food supply chains, and was intended to expand the State's food supply network and markets for New York farm products while also providing greater access to local, nourishing food options in food-insecure areas. Food insecurity—an inability to acquire adequate food for one or more household members due to a lack of resources—remains a reality for many New York residents. Nourish NY supplies surplus agricultural products (e.g., milk, apples, cheese, yogurt, squash) to populations who need them through the State's network of food relief organizations (i.e., regional food banks, food pantries, soup kitchens, and community-based organizations, hereafter collectively referred to as contractors) that provide food for free to people experiencing food insecurity. Agricultural products purchased under Nourish NY must be grown, produced, or harvested in the State, and if further processed, the final product must contain at least 51%, by weight or volume, of agricultural products that are grown, produced, or harvested in the State. New York farmers, producers, and processors (hereafter collectively referred to as vendors) offer products at competitive wholesale prices to contractors that then distribute the food to those in need.

In November 2021, Nourish NY was made permanent under Article 27 of the Agriculture and Markets Law (Law), which also outlines the requirements for the agencies that jointly administer it: the Department of Agriculture and Markets (AGM) and the Department of Health (DOH). AGM and DOH entered into a Memorandum of Understanding that further specifies each agency's responsibilities as related to Nourish NY:

AGM:

- Conduct outreach statewide to vendors;
- Assist food relief organizations in searching for specific food products;
- Maintain a farm product list to assist food relief organizations in finding products; and
- Verify that purchases made with Nourish NY funds meet the program's requirements (i.e., that products are sourced from New York vendors, as required under the Law).

DOH:

- Develop contracts with food relief organizations;
- Develop contract allocations based on available funding;
- Review and approve all claims for payment;
- Communicate and address concerns related to contracts; and
- Serve as the primary contact for food relief organizations while providing oversight of the program.

Additionally, DOH is required to review and report annually (on or before December 1) to the Executive and Legislature on the unmet need for cold storage equipment among regional food banks, food pantries, and other emergency food organizations. Cold storage helps prevent food from spoiling, and a lack of it can limit the capabilities of organizations to provide fresh food products such as fruits and vegetables. The first report was due on December 1, 2022.

Starting in fiscal year 2023-24, funding was contracted using the Hunger Prevention and Nutrition Assistance Program (HPNAP) procurement process, via the submission of vouchers that must include invoices or receipts and the appropriate Nourish NY forms. To ensure that products purchased under Nourish NY are New York sourced and eligible, contractors are required to submit a Product Formulation Statement (Product Statement) detailing information such as New York sources for processed products to ensure they meet the requirements for the program. If contractors make purchases from a distributor—an agent that supplies products from multiple vendors—Distributor Product Verification Forms (Distributor Forms) are used to certify that the products were purchased from New York State farms. Distributor Forms identify the vendor and location the product was sourced from as well as the product type, quantity, and purchase price expected. DOH is responsible for handling reimbursement for actual purchases made but relies on AGM to verify the products' eligibility when contractors submit a request for reimbursement. AGM uses both Distributor Forms and Product Statements, along with other documentation such as invoices, to make eligibility determinations.

After contractors enter into a Nourish NY contract, DOH sends them a Workbook that includes a Budget Statement and Report of Expenditures (BSROE) for the contractors to detail the actual monthly food purchases they make by award round. Contractors are required to maintain documentation such as original invoices or receipts, canceled checks, bank

statements, and payroll journals. The contractors submit their Workbooks to a secured shared electronic repository (SharePoint). DOH reviews the BSROE to determine if contract terms are met. Upon completion of DOH's review, AGM is notified that all documentation is in SharePoint for its review. Both agencies must complete their reviews for payments to be approved.

The objective of our initial audit, issued on September 21, 2023, was to determine if AGM and DOH were ensuring Nourish NY provided adequate access to the program for farmers and connected citizens across the State to surplus agricultural products. The audit covered Nourish NY spending from May 2020 through March 2022 and considered AGM and DOH actions related to the program through May 2023. Our initial audit found several areas where AGM and DOH could strengthen controls to ensure only eligible products and expenses are funded by Nourish NY. Specifically, AGM and DOH's processes and the documentation provided by food relief organizations made it difficult to determine whether expenses were eligible for Nourish NY funding—generally because they lacked sufficient detail. Further, information used by DOH and AGM was not effectively being used together to determine if products purchased with Nourish NY funds were eligible New York food products. We also found DOH provided little guidance to food relief organizations establishing what constitutes an allowable administrative cost and conducted minimal review to determine if administrative expenses claimed were allowable and, therefore, used to support Nourish NY. Additionally, DOH adopted HPNAP's requirements and applied them to Nourish NY—specifically, those regarding which New York food products were eligible for purchase under the program. Consequently, this limited the eligibility of certain agricultural products from the Nourish NY program and possibly the participation of certain vendors. We also found that AGM could have done more to promote participation by vendors and that DOH had not submitted the cold storage report to the Executive and Legislature, leaving them without information to assess the cold storage needs of food relief organizations statewide.

The objective of our follow-up was to assess the extent of implementation, as of February 2025, of the five recommendations included in our initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

AGM and DOH officials have made significant progress in addressing the issues we identified in the initial audit. Of the initial audit report's five audit recommendations, four have been implemented and one has been partially implemented.

### **Follow-Up Observations**

#### **To AGM:**

#### **Recommendation 1**

*Develop processes and procedures to improve data collection and reliability for information maintained on vendor participation and use the data to build the program's effectiveness and promote enhanced participation.*

Status – Implemented

Agency Action – AGM and DOH have implemented a streamlined reporting system for contractors to process claims for payments. Instead of contractors reporting separately to AGM and DOH, they now report purchasing only once through a voucher system that is utilized by both agencies for verification, thus improving data collection and information maintained on vendor participation.

AGM has performed several actions to help increase participation in Nourish NY. AGM reached out to participants in other AGM programs, such as New York State Grown & Certified, and directly provided them with information on Nourish NY. Also, in February 2024, AGM held a Producer Showcase for eligible Grown & Certified participants to present their products to Nourish NY contractors. There were 50 contractors represented at the showcase, including those that already participate and 11 prospective contractors. Additionally, AGM developed new promotional materials for Nourish NY and distributes them at trade shows and other events. AGM has also had meetings upon request with businesses that are interested in learning more about the program and how they can participate.

**To DOH:**

### **Recommendation 2**

*Communicate guidance to food relief organizations on eligibility requirements for purchases made under Nourish NY, including but not limited to administrative and non-New York food purchases.*

Status – Implemented

Agency Action – DOH updated the HPNAP Policies and Procedures Manual to include specific guidance on eligible purchases made under the Nourish NY program. This guidance details the eligibility requirements for New York State-sourced food purchases and allowable administrative costs, including non-New York food purchases. DOH implemented the use of Nourish NY Contractor Bulletins, which are followed up with an informational email sent to Nourish NY contractors, to ensure timely and comprehensive dissemination of important resources, policy updates, and programmatic announcements. Since the initial audit, four bulletins have been issued reminding contractors of Nourish NY program requirements. Issued in September 2023, Bulletin #1 restated the eligibility requirement that 85% or more of Nourish NY funding must be used to purchase New York State-sourced food products. Additionally, DOH and AGM created comprehensive training for all Nourish NY food relief organizations and their contract managers that includes guidance on budgeting, eligibility, and reporting requirements. Also, DOH communicates with contractors after voucher submissions if any follow-up is necessary.

### **Recommendation 3**

*Issue the overdue report on the unmet need for cold storage equipment to the Executive and Legislature and maintain a timely schedule hereafter.*

Status – Partially Implemented

Agency Action – The 2022 Cold Storage Report, which was due to the Executive and Legislature in December 2022, was issued in May 2023. The 2023 Cold Storage Report, which was due to the Executive and Legislature in December 2023, was issued in January 2025. However, the 2024 Cold Storage report, which would have been due in December 2024, had not been issued. The 2024 report has been drafted and is going through the various stages of review and approval before it can be issued. While DOH indicated it has established a schedule of internal status checks to ensure the draft

report approvals are obtained and that the report is provided to the Executive and Legislature, DOH is not maintaining a timely schedule. Cold storage is essential to the successful delivery and distribution of fresh, high-quality food among food-insecure populations because it allows food relief organizations to store food products that would generally spoil quickly (e.g., apples, squash, cherries, meats) for longer durations. Without timely issuance of the cold storage report, the Executive and the Legislature do not have information available to them to assess the cold storage needs of food relief organizations statewide.

**To AGM and DOH:**

**Recommendation 4**

*Improve monitoring of Nourish NY, which may include but not be limited to enhancing documentation requirements, and review processes to ensure purchases are from eligible sources.*

Status – Implemented

Agency Action – Prior to issuing our initial audit in September 2023, AGM began collaborating with DOH to ensure a multilevel approach for reviewing documentation. Specifically, the contractor submits the voucher, Workbook, and documentation to support the purchases (e.g., invoices) to DOH. DOH then notifies AGM by email that the claim for payment and required documentation has been uploaded to SharePoint. AGM reviews the invoices and other supporting documentation to verify the purchased food came from New York State. For example, if the food came from a distributor, AGM reviews the Distributor Form to verify the food was sourced from New York and ensures the Product Statement agrees. In the event the payment involves processed goods, AGM verifies that 51% of the ingredients in the product were sourced in New York State, using Cornell's NY Food Products Database for verification. If fiscal data is missing from the contractors' vouchers, DOH reaches out to them to obtain what is needed; if eligibility support is missing, AGM reaches out to them.

To help contractors navigate the program, AGM has created an in-depth program handbook that provides guidance on the required supporting documents. AGM also provided guidance regarding how to fill out the New York foods section of their Workbooks. Other information, such as the types of foods now offered under Nourish NY, is also available to contractors. Additionally, AGM started holding a monthly open office hour where contractors with questions can connect with AGM staff about a selected topic. AGM staff also have begun to host quarterly calls with some of the program's larger businesses so they can connect with AGM staff to address their specific needs, such as the proper completion of paperwork like the Distributor Form and Product Statement.

We reviewed six contractors' monthly submissions for September 2024. We found that all six contained the contractors' financial submission to DOH and that AGM reviewed and approved the necessary eligibility documentation.

### **Recommendation 5**

*Collaborate to develop and document criteria for Nourish NY purchases that most effectively balance the needs of its various stakeholders and communicate the criteria to food relief organizations and vendors.*

Status – Implemented

Agency Action – After our audit, AGM and DOH held weekly meetings to discuss needs, improvements, updates, and action items for Nourish NY. DOH updated the HPNAP Policies and Procedures Manual to include specific guidance for eligible Nourish NY purchases that details the eligibility requirements for State-sourced food purchases, administrative costs, and non-New York-sourced food purchases. The Nourish NY guidelines have expanded the listing of eligible food sources to include products that were previously omitted, such as maple syrup, honey, and whole milk. AGM and DOH have collaborated to develop and issue joint contract bulletins, which are designed to communicate Nourish NY guidance regarding food sources, expense eligibility, administrative costs, and non-New York food purchases to contractors. There have been four bulletins since our initial audit. In July 2023, DOH and AGM held training for Nourish NY food relief organizations that included a review of the Nourish NY criteria. DOH and AGM continue to work together to balance the needs of vendors, contractors, and food recipients.

Major contributors to this report were Melissa Davie and Kathleen Garceau.

AGM and DOH officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of both AGM and DOH for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Amanda Eveleth  
Audit Manager

cc: Shelly Taleporos, Department of Agriculture and Markets  
Melissa Fiore, Department of Health