

Emergency Food and Shelter National Board Program

PHASE 29
Responsibilities and Requirements



FEMA



American
Red Cross



Catholic
Charities
USA.

Working to Reduce Poverty in America.



The Jewish Federations
of North America



NATIONAL COUNCIL
OF THE CHURCHES
OF CHRIST in the USA



United
Way



A QUICK REFERENCE GUIDE TO THE EMERGENCY FOOD AND SHELTER PROGRAM

Note: *This page outlines some key operating principles of the Emergency Food and Shelter Program (EFSP). THE ENTIRE MANUAL MUST BE STUDIED PRIOR TO MAKING ANY GRANT AWARDS OR PROVIDING ANY SERVICES.*

- The EFSP is a restricted federal grant. This manual details eligible program costs on pages 33-44 and pages 47-48. Expenditures outside these guidelines are strictly prohibited.
- Program expenditures are limited to food, meals, shelter (either in a mass sheltering facility or a motel/hotel), rent/mortgage assistance, and utility assistance. Details regarding these services are on pages 33-44 and page 48.
- **ALL EXPENDITURES MUST BE PAID FOR BY LRO CHECK, LRO DEBIT CARD, ELECTRONIC PAYMENT FROM THE LRO'S BANK ACCOUNT, LRO CREDIT CARD (vendor issued [i.e., Sam's Club] or third party [i.e., American Express, Master Card, Visa]) PAYABLE DIRECTLY TO THE VENDOR (e.g., grocery store, food bank, landlord, utility company, etc.).** See pages 23-24 and 34 for more information.
- **NO CASH PAYMENTS ARE ALLOWED WITH EFSP FUNDS. THE NATIONAL BOARD WILL NOT CONSIDER ANY EXCEPTION TO THIS GUIDELINE IN PHASE 29. (Note: If vendor only accepts cash, EFSP funds may not be used for purchases from that vendor.)**
- Vendors may not be paid until an acceptable vendor-originated invoice has been submitted for payment (e.g., itemized receipt, motel bill, or voucher for eligible expenditure, landlord letter or utility bill). **Billing statements that are not itemized or statements showing just invoice numbers are not sufficient documentation.**
- Prepayment for goods or services or placing funds on account is not eligible. See pages 46 for more information.
- Local Boards do not have the authority to expand National Board guidelines without written approval from the National Board. Matters of interpretation where the Local Board or LRO is uncertain should be referred to National Board staff.
- Members of Local Boards must not vote on funding decisions concerning their respective agencies. See page 8 for more information.
- LROs must submit second payment requests to their Local Board chair no later than September 15, 2011. Local Board chairs must submit the second payment requests to the National Board by September 30, 2011. The deadline to reallocate Phase 29 funds to existing LROs is October 15, 2011. Correspondingly, *the deadline to resolve Phase 28 or prior phase compliance exceptions in order to receive any funds held for Phase 29 is September 30, 2011.* **PLEASE NOTE THESE DATES ARE SUBJECT TO CHANGE.**

The National Board will issue first payments by electronic funds transfer (EFT) to LROs funded in previous phases. The National Board will issue checks to newly funded LROs (those not funded prior to the EFT requirement) for the first payment only and will provide EFT sign-up forms to LROs receiving first payments by check.

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This manual contains changes from previous manuals issued to guide implementation of the Emergency Food and Shelter Program. This manual must be carefully studied prior to administering the program, giving any information to the public, or making any grant award. Matters of interpretation must be referred to the National Board staff.

This manual is intended for use by Local Boards and Local Recipient Organizations administering and providing services under the Emergency Food and Shelter National Board Program. This manual is not intended for individuals seeking services.

Catalog of Federal Domestic Assistance (CFDA) No. 97.024

For information on other Federal programs to help homeless people, including programs funded under the McKinney-Vento Homeless Assistance Act, contact the U.S. Interagency Council on Homelessness, 409 Third Street, SW, Suite 310, Washington, DC 20024, (202) 708-4663.

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PREAMBLE

The Emergency Food and Shelter Program (EFSP) was created in 1983 to supplement and expand the work of local social service agencies, both nonprofit and governmental, in an effort to help people with **economic** emergencies (not disaster-related [i.e., fires of any kind, floods, tornadoes, etc.] emergencies). Therefore, EFSP funds are not to be used to provide emergency assistance for circumstances that are the **immediate** result of a disaster situation. EFSP funds may be used to provide economic assistance in the long term, even if the current circumstances may have been impacted by an earlier disaster occurrence. The EFSP funding is open to all organizations helping hungry and homeless people. EFSP funds must be used to supplement feeding, sheltering (including transitional sheltering) and rent/mortgage and utility assistance efforts only.

EFSP is governed by a National Board that selects jurisdictions for funding. Local Boards are convened in those qualifying jurisdictions to determine the highest need and best use of funds and to select Local Recipient Organizations (LROs) that will provide emergency food and shelter services. Each year, needs are to be assessed in an effort to respond to changes in the community.

HISTORY

The Emergency Food and Shelter Program was established on March 24, 1983, with the signing of the “Jobs Stimulus Bill,” Public Law 98-8. That legislation created a National Board, chaired by the Federal Emergency Management Agency (FEMA) that consisted of representatives of the American Red Cross, Catholic Charities USA, National Council of the Churches of Christ in the USA, The Jewish Federations of North America, The Salvation Army, and United Way Worldwide.

The EFSP was authorized under the Stewart B. McKinney Homeless Assistance Act (P.L. 100-77 signed into law on July 24, 1987, since renamed the McKinney-Vento Homeless Assistance Act and subsequently reauthorized under P.L. 100-628, signed into law on November 7, 1988). Since 1983 the EFSP will have distributed \$3.724 billion to over 14,000 human service agencies in more than 2,500 communities across the country.

The original authorizing legislation (PL 100-77) specifically calls for “sensitivity to the transition from temporary shelter to permanent homes and attention to the specialized needs of homeless individuals with mental and physical disabilities and illness and to facilitate access for homeless individuals to other sources of services and benefits.”

Also in accordance with the legislation, the National Board encourages Local Boards, the decision-making local bodies, to place special emphasis on identification of and assistance to the elderly, families with children, Native Americans and veterans. In addition, the authorization as revised (PL 102-550) in 1992 requires that a homeless or formerly homeless person serve on the Local Boards.

NATIONAL BOARD RESPONSIBILITIES

National Board will:

1. Select jurisdictions of highest need for food and shelter assistance and determine amount to be distributed to each. The National Board's formula is based upon average unemployment statistics from the U.S. Department of Labor for the most current 12-month period available and poverty statistics from the 2000 census. Poverty and unemployment were selected as the best indicators of need available nationwide at the city or county level. The National Board adopted these combined criteria (i.e., unemployment and poverty) in order to more effectively target funds for high-need areas and to allocate these funds rapidly and fairly.
2. Develop the operational manual and establish criteria for expenditure of funds and distributing funds.
3. In jurisdictions that received previous awards, notify the jurisdiction that new funds are available. In areas newly selected for funding, notify the local United Way, or other National Board organization to request that a Local Board be formed. The National Board will notify qualifying jurisdictions of award eligibility within 60 days following allocation by the Federal Emergency Management Agency (FEMA).
4. Provide copies of award notification materials to National Board member affiliates and other interested parties.
5. Secure board plan, certification forms and board roster from Local Boards. Secure interim and Final Reports from Local Boards. Ensure Local Boards and Local Recipient Organizations (LROs) comply with established guidelines.
6. Distribute funds to selected LROs.
7. Review and grant requests for program exceptions submitted by Local Boards.
8. Establish an equitable system to accomplish the reallocation of unclaimed or unused funds including hearing special requests from State Set-Aside Communities and Local Boards.
9. Ensure that funds are properly accounted for and that funds due are collected.
10. Provide consultation and technical assistance regarding the program.
11. Compile reports from data received from the Local Boards and submit a detailed accounting of use for all program monies in the form of a report to FEMA.
12. Conduct compliance reviews of food and shelter expenditures made under this program for specified LROs. The National Board, DHS/FEMA, the National Board's public accounting firm, or the Office of the Inspector General may also conduct an audit of these funds. The National Board is also responsible for monitoring LRO compliance with Circular A-133 of the Office of Management and Budget Item 7 (page 30).

National Board Administration and Secretariat

The National Board has selected United Way Worldwide as the Secretariat and Fiscal Agent to perform the necessary administrative duties for the Board. An administrative allowance of one percent of the total award may be used for National Board administration.

Grant Payment Process

United Way Worldwide has been designated as the Fiscal Agent for the National Board and as such will process all Local Board plans and make payments directly to LROs recommended by Local Boards for funding.

The National Board will not issue any payments to a jurisdiction until the previous phase's final report has been received in its entirety. No payments will be issued to any LRO with any known or unresolved compliance problems in any jurisdiction in which they have previously received funds including the previous phase's final report, if reviewed.

Method of Payment

All awards will be paid in two equal installments. Except for the first check to newly funded LROs, **the National Board will make all payments by electronic funds transfer (EFT) only.** If an LRO has received funds subsequent to October 1998 (Phase 17), they are not considered new for payment purposes; therefore they must have **EFT** in place to receive payments. This authorization form is available on the website to each new LRO upon receipt of their first payment notice and may also be printed from the EFSP website or you may **contact the National Board staff for the preprinted authorization form.**

First Payments

The National Board will issue first payments by EFT to eligible LROs funded in the previous phase. The National Board will issue checks to newly funded eligible LROs (those not funded prior to the EFT requirement established in October 1998) for the first payment only.

Awards totaling \$100,000 or more will only be paid upon submission of the Certification Regarding Lobbying. See Annex 11 (page 71).

Second Payments

Second payments will be made to eligible LROs once the jurisdiction's compliance review of the previous phase is completed and any compliance problems resolved in any jurisdiction in which an LRO has received funds. Compliance resolution after the end of the funded phase does not guarantee that any remaining award will be forthcoming. Notice of second payments will be made to Local Boards and LROs only upon the submission of each LRO's Interim Report/Second Payment Request form. See page 16 for further details. This form is available on the EFSP website only after an LRO has received their first payment.

The Local Board chair will submit second payment requests via the website and will authorize by signing and submitting the Interim

Report/Second Payment Request Form once assured the LRO is implementing the program as intended and according to EFSP guidelines or other requirements established by the Local Board. Second payment requests must be submitted via the website by each funded LRO and a signed copy provided to the Local Board. The request must also be signed by an authorized Local Board signer prior to submission to the National Board. **The National Board will advise Local Boards and LROs of the deadline to request all second payments under Phase 29.** Second payments will be held until all compliance exceptions (if any) are satisfied by the LRO. LROs with unresolved compliance exceptions **may not be paid.**

Subsequent Payments

If an LRO receives additional EFSP funds after the second payment has been made (e.g., through a national reallocation), the National Board will issue a subsequent payment to the LRO.

State Set-Aside Payments

State Set-Aside funding will be included either in part with the first and second payment or in whole with the second payment.

Client Eligibility

The EFSP is a needs based program, for which clients must qualify.

The National Board does not set client eligibility criteria. Local Boards may choose to set such criteria. If the Local Board does not set eligibility criteria, the LRO may use its existing criteria or set criteria for assistance under this award. Any criteria used must provide for assistance to needy individuals without discrimination (age, race, sex, religion, national origin, disability, economic status or sexual orientation), sensitivity to the transition from temporary shelter to permanent homes and attention to the specialized needs of homeless individuals with mental and physical disabilities and illness and to facilitate access for homeless individuals to other sources of services and benefits. In providing assistance under the EFSP, verification of proof of citizenship or qualified alien status of any applicant for assistance is not required. **Note: Funds allocated to a jurisdiction can only be used for permanent residents and transients within that jurisdiction.**

FEMA RESPONSIBILITIES

The Federal Emergency Management Agency (FEMA) will:

1. Constitute a National Board consisting of individuals affiliated with American Red Cross; Catholic Charities USA; National Council of Churches of Christ in the USA; The Jewish Federations of North America; The Salvation Army; United Way Worldwide; and the Federal Emergency Management Agency (FEMA).
2. Chair the National Board, using parliamentary procedures and consensus by the National Board as the mode of operation.
3. Provide policy guidance, monitoring and oversight, Federal coordination and staff assistance to the National Board.
4. Award the grant to the National Board.
5. Assist the Secretariat and Fiscal Agent in implementing the National Board Program.
6. Report to Congress on the year's program activities independently and through the U.S. Interagency Council on Homelessness Annual Report.
7. Through the DHS Office of the Inspector General (OIG), and FEMA Office of the Chief Financial Officer (OCFO), monitor the National Board's annual audit of the program.
8. Monitor the overall administration and management of the grant expenditures.
9. Obtain reports from the Secretariat and Fiscal Agent, which provide detailed accounting of all program monies.

STATE SET-ASIDE COMMITTEE RESPONSIBILITIES

The **State Set-Aside (SSA)** Committee process under the Emergency Food and Shelter Program allows greater flexibility in selection of jurisdictions to target pockets of homelessness or poverty. The SSA Committee should consider jurisdictions which have documented measures of need that are not adequately reflected in unemployment or poverty data, areas experiencing drastic economic changes such as plant closings, and areas with high levels of unemployment or poverty which do not meet the minimum level of unemployment to qualify under the National Board's formula.

Basis of State Award

Funds allocated to SSA Committees will be based on a ratio calculated as follows: each state's average number of unemployed in non-funded jurisdictions divided by the average number of unemployed in non-funded jurisdictions nationwide equals each state's percentage of the total amount available for SSA awards. **There will be no SSA award should all jurisdictions in a state qualify for funding except to satisfy a minimum award per state.**

Deadline

The National Board will provide SSA Committees with a specific deadline for the submission of award materials. The deadline is approximately 25 working days after award notification.

Selection of SSA Jurisdictions

SSA Committees in each state will submit high need jurisdictions and award amounts to the National Board. **SSA Committees must give priority to and consider the special circumstances of jurisdictions that did not meet criteria for direct funding, including those that qualified in the most recent funding phase or other prior phases.** SSA Committees may wish to provide these jurisdictions with an allocation so that the abrupt change in funding status is not too disruptive to local services.

SSA Committees may consider qualifying jurisdictions with extreme need for additional funding. SSA Committees wishing to provide additional funding to qualifying jurisdictions **must** submit a request to the National Board.

The National Board recommends that SSA Committees consider current state and/or local data in their decision making; however, the National Board does not mandate any particular formula.

These committees are free to act independently in developing their funding formula and in selecting jurisdictions for funding; however, each SSA Committee funding formula is subject to review by the National Board. SSA Committees must provide the National Board with selection criteria and the formula used to determine jurisdictions to receive funds according to the required process.

The minimum SSA award that may be made to a jurisdiction is \$2,800.

Composition

The National Board will notify the chair or contact of the previous SSA Committee of the award amount available. In a state where there are state-level affiliates of the voluntary organizations represented on the National Board, they **must** be invited to serve on the SSA Committee. If no single state affiliate exists, appropriate representatives should be invited. The Governor or his/her representative will replace the FEMA member.

Committees are encouraged to expand participation by inviting or notifying other private nonprofit organizations on the state level. The National Board encourages SSA Committees to include Native Americans, minorities, and other appropriate representatives on the committee. Members of the SSA Committee shall elect a chair each phase.

Participation of Special Emphasis Groups

Additionally, SSA Committees should involve and include the needs of the special emphasis groups identified in the legislation (e.g., elderly, families with children, Native Americans, veterans, and mentally and physically disabled) in convening their committees and selecting areas for funding.

SSA Committee Function

SSA Committees must develop a formula that considers needs and resource gaps in services, to select high-need jurisdictions to determine award amounts (*minimum \$2,800*) within the state. When selecting jurisdictions with demonstrated need, the National Board encourages the consideration of jurisdictions incorporating or adjoining Native American reservations. The SSA Committee will notify the National Board, as required, of its selections and the appropriate contact person for any selected jurisdiction without a previously established Local Board or contact. The National Board will then notify these jurisdictions directly of their awards.

If the selected jurisdictions do not claim awards, SSA Committees may recommend other jurisdictions to receive the unclaimed funds.

Administrative Allowance

The SSA Committee may use an administrative allowance of one-half of one percent ($\frac{1}{2}\%$) of the total SSA award for its administrative costs.

LOCAL BOARD RESPONSIBILITIES

Each award phase is new; therefore, the Local Board is a new entity in every phase. The convener of the Local Board must ask each National Board agency to designate or re-designate a representative every program year. Other invited agencies must also designate or re-designate a representative each year. Each agency represented on the Local Board should have an alternate from their agency to attend meetings when the designated board member is unable to attend. If there is more than one representative from an agency/organization present, only one vote is allowed for the agency/organization. To ensure funding, the Local Board chair or staff must submit via the website, and return all required current, updated forms as follows to the National Board by the specified deadline:

- Local Board Plan, including LRO information via the website with designation of dollar amounts [whole dollars only of \$500 or more] awarded;
- Signed Local Board Certification Form,
- Local Board Roster and,
- Certification Regarding Lobbying forms, as needed.

All LRO Certification forms are to be retained on file with the Local Board. Do not send to the National Board unless requested.

The National Board assigns each jurisdiction a unique ID number under this program as well as numbers for each LRO either new in this phase or previously funded. **When contacting the National Board for assistance regarding this program, please reference your Local Board's ID and LRO ID numbers, if needed.**

Composition/ Roster

Each jurisdiction designated by the National Board to receive funds will constitute a Local Board. Local representatives of the National Board member agencies (see page iv for those organizations) must be invited to serve on the Local Board. **An agency's own governing board cannot replace or act as the Local Board.**

The highest ranking county government official or his/her designee will replace the National Board's FEMA member.

National Board Affiliates

Each Local Board will provide a roster of current members with their plan. The roster must reflect the status of National Board member agencies. If a National Board member agency does not serve the jurisdiction, this must be noted on the Local Board roster. The National Board requires complete business contact information for all Local Board members. Required information for all Local Board members consists of:

- the name of the agency they are representing;
- the Board member's name;
- the address including zip + 4;
- the telephone number
- the fax number; and,
- a valid email address

If an agency is invited but chooses not to participate, the same information must be provided noting that they were "invited but did not participate" on the Local Board roster. The name of the individual invited must be included along with all of the agency information.

If the convener of the Local Board is unsure of the appropriate National Board affiliate to invite, they should check the National Board members' agency's website. In jurisdictions where affiliates of National Board agencies do not exist, other appropriate groups and individuals **must** be invited to sit on the Local Board. For example, if there is no Catholic Charities (CC), a comparable Roman Catholic group or a priest could serve. In the case of The Jewish Federations of North America (JFNA), if no local Jewish Federation exists in a given jurisdiction, each Local Board must first check with JFNA to identify local JFNA-affiliated Jewish organizations to serve. You may call The JFNA at (202) 785-5900. If none are available, then a comparable group or synagogue representative may be asked to serve. National Council of Churches (NCCC) is a Protestant and Christian Orthodox group and could be represented by a member communion of the NCCC or a local ecumenical or interfaith organization including community ministries.

It is not a requirement for either a mandated National Board member agency or other agencies to have a physical site in a jurisdiction in order to be on the Local Board. Any agency providing services to a jurisdiction may be invited to participate on the Local Board and National Board member agencies serving a jurisdiction **must** be invited even if their primary physical location is in an adjoining jurisdiction.

**Local Board
Membership & Voting**

Agencies are represented on Local Boards and each agency is entitled to one vote. Each agency must name a representative to the Local Board although other individuals may also attend meetings. When voting, only the official representative (or designated alternate) may vote on behalf of the organization.

In jurisdictions where multiple organizations exist, the organization still only gets one vote and the agencies must work together and vote as one. For example, United Way of County - North and United Way of County - South are considered to be one organization - United Way. United Way gets one vote. Additionally, no United Way may vote on any United Way award. The same would be true for multiple units of The Salvation Army, Community Action Agency, local government, etc.

**Participation by
Homeless, Formerly
Homeless, or
Homeless Advocate**

Legislation requires all Local Boards to include in their membership a homeless or formerly homeless person. Local Boards **must** seek recommendations from LROs for an appropriate representative.

Local Boards who are unable to secure a homeless or formerly

homeless representative **must** have a past recipient of food or shelter services or a homeless advocate on their Local Board. A homeless advocacy group may be invited to serve this roll only if those noted previously are unavailable to serve.

Native American Participation

Legislation requires that if a jurisdiction is located within or encompasses a Federally recognized Native American reservation, the Local Board **must** invite a Native American representative to serve on the Board. In addition, legislation requires that if there is a Native American population in a jurisdiction, they must be invited to serve.

Local Board Expansion

The designated members of the Local Board are encouraged to expand their membership by inviting participation from minority populations and other private nonprofit organizations and government organizations. In addition, all geographic areas within the jurisdiction should be represented. Local Boards may want to expand to broaden community input from other national nonprofit organizations (e.g., Community Action, Feeding America, Volunteers of America) as well as those providing emergency food and shelter services (e.g., food pantries, soup kitchens, domestic violence shelters). In designing the EFSP, Congress created a unique public-private partnership that brings the voluntary sector and the government together to address critical human needs in the areas of hunger and homelessness. When expanding, Local Boards should carefully cultivate this public-private partnership.

Participation of Special Emphasis Groups

In expanding, Local Boards **must** involve organizations that advocate for or provide services to the special emphasis groups identified in the legislation (e.g., elderly, families with children, Native Americans, veterans, and mentally and physically disabled).

Election of Chair

The members of the Local Board **must** elect a chair each award phase. The Local Board chair is not an honorary position. Local Boards may also designate staff and/or a contact person for their jurisdiction. Care **must** be taken to select individuals who are reliable, accessible and knowledgeable about the program.

Notification of Changes in Contacts/Addresses

Local Boards are responsible for maintaining a current roster of members and LRO information via the EFSP website. Local Boards must notify the National Board of changes in Local Board chair, staff contact, or LRO contacts, including complete business addresses, phone numbers, fax numbers and valid email addresses. This information must be submitted via the EFSP website. Board and LRO changes should be updated as they occur throughout the phase.

Local Board Participation

The National Board will communicate with Local Board chairs, contacts, members and LROs primarily through email. For EFSP purposes only, email addresses and other contact information may be shared, so business information and email is recommended. Local Board membership is not honorary. If a member cannot regularly attend meetings, that member's designated agency must select a replacement. The designated agency must also designate an alternate. If a member must be absent from a meeting, the agency's alternate should attend.

Convening the Board

If a locality has not previously received funding and is now designated as being in high need, the National Board has designated the local United Way to constitute and convene a Local Board.

In the event there is no local United Way, or the United Way does not convene the Board, a representative from one of the National Board organizations will convene the initial meeting of the Local Board.

Reconvening the Board

If a jurisdiction has previously received funds, the National Board will contact the Local Board chair or designated contact person from the previous phase regarding funding. If the previous Local Board chair/contact fails to convene the Local Board for the new award, the process noted above will be followed.

If the previous phase's Local Board has failed to comply with National Board guidelines, the National Board will work to find another Local Board convener.

Local Board Meetings

The National Board requires Local Boards to select one of the following options for meetings and specify such in the required materials:

A. Quarterly meetings

The National Board encourages Local Boards to meet quarterly to monitor the program and ensure LROs are implementing the program according to guidelines.

B. Semiannual meetings

Local Boards meeting twice a year must also monitor the program and ensure that LROs are implementing the program according to guidelines.

Local Boards electing to hold meetings semiannually must submit copies of their meeting minutes with the jurisdiction's final report. Failure to return this information may result in the delay of any future funding to the jurisdiction.

Meetings may be conducted via conference calls.

Quorum Requirement A quorum of members must be present for meetings to be official and to take any action. (Quorum: According to Webster's New Collegiate Dictionary, the majority of officers or members of a body that when duly assembled is legally competent to transact business.) If there is more than one representative from an agency/organization present, only one vote is allowed for the agency/organization. Meeting minutes must be voted on and approved by the Local Board at the next meeting. Meeting minutes must also be available to the National Board, Federal authorities, and the public upon request.

Meeting Minutes

Meeting minutes must include but are not limited to the following:

- names of members attending;
- members absent;
- notation of participation of homeless or formerly homeless member;
- date, time and location of the meeting;
- approval of previous Local Board meeting minutes;
- agenda action items (decision making items, votes taken [i.e., election of chair, allocation of funds, reallocation]);
- date, time and location of next meeting; and,
- meeting adjournment.

Minutes should also include sufficient documentation of the Board's discussion and decisions.

Board Plan Deadline

The National Board will provide Local Boards with a specific deadline for the submission of the board plan with award materials. The board plan must be submitted via the EFSP website using the instructions provided. The deadline is approximately 25 working days after award notification. **Local Boards not meeting the specified deadline risk the loss of these funds.**

Advertising

Local Boards must publicly advertise in the print media and promote the program to give any agency capable of providing emergency food and shelter services an opportunity to apply for funds. **Advertising must take place prior to the Local Board's allocation of funds.** Failure to advertise properly will delay processing of the jurisdiction's board plan and subsequent payment of funds. Local Boards must allow **at least five business days after publication of the advertisement** for interested agencies to apply for funding. The Local Board should retain a copy of the public advertisement in their records. **It is important that the Local Board places the advertisement in the most widely available local print media forum for a jurisdiction since any agency providing or capable of providing emergency food and shelter services must have the opportunity to apply for funding. Failure to advertise according to the National Board's requirements will result in a delay in processing the Local Board plan.**

See Annex 5 (pages 62-63) for advertising requirements and a sample advertisement. See Annex 6 (pages 64-65) for application elements.

Local Boards do not have to re-advertise fund availability for additional allocations within the same phase unless specifically required by the National Board.

Disaster Recovery Plan

Local Boards should have a disaster recovery plan ensuring continuity of services under EFSP and records retention. Each Local Board is required to retain EFSP records for a period of three years after submission of the Final Report, unless there are compliance issues which require a longer retention period. Records that should be retained include:

- copies of decision-making minutes;
- Local Board Plans;
- Local Board and LRO Final Reports with documentation as appropriate;
- second payment request forms;
- reallocation forms;
- LRO funding applications;
- LRO Certification Forms; and,
- administrative expense documentation (vendor invoices and canceled checks or other approved method of payment).

Local Boards must also retain documentation regarding all outstanding compliance problems including those from all prior phases which may not be part of the three year retention period. Additionally, Local Boards should retain other pertinent information for their jurisdiction that provides background and history of their operations.

Reference Item 5 (page 29) and Annex 2 (pages 52-53).

Setting Priorities and Selection of LROs

Local Boards must set funding priorities annually prior to the selection of agencies for funding. Local Boards must look at the resources available in the community, the emergency food and shelter needs of the community, gaps in services in the community and focus the dollars to address these needs in the areas of emergency food and shelter. The priorities may vary from year to year, so each award phase must be evaluated individually. Once priorities are set, the Local Board must review the priorities of the jurisdiction and select LROs to help meet the identified needs.

Local Boards may not discriminate in the selection of LROs. Local Board members must strive to use consistent criteria, sound judgment, and fairness in their approach. Local Board membership must have no relationship to funding and is not a guarantee of funding. Local Board members must abstain from voting on award applications for their own agency.

Local Boards cannot select agencies for funding where the agency has received an adverse or no opinion audit.

Any agency regardless of services offered or populations served must be given equal opportunity to apply for funding. All applicant agencies must meet the requirements on the LRO Certification form in order to receive funds. Agencies must have a program in the category for which they are seeking funding.

Local Boards must have a written application process and consider all private voluntary and public agency applicants. In selecting an agency to receive funds, the Local Board must consider the demonstrated ability of that agency to provide food and/or shelter assistance.

The Local Board must select agencies that have the staff and capacity to take on the added responsibility of this program. Local Boards must select fully operational agencies to receive funds to supplement and expand eligible on-going services and must not fund agencies in anticipation of a needed service (i.e., fire victims, floods, tornadoes, etc.) nor for singular or special celebratory/holiday events. Local Boards should not select agencies for funding due to budget shortfalls or due to reductions in other funding sources

See Annex 6 (pages 64) for Standard Application Elements.

**Funding of LROs
Serving Special
Emphasis Groups**

Any agency, including those on Native American reservations, is eligible to receive EFSP funding if they meet LRO requirements. Additionally, Local Boards must consider the needs of agencies serving the special emphasis groups (i.e., elderly, families with children, Native Americans, veterans, and mentally and physically disabled) in their selection of LROs.

The minimum grant per LRO is \$500, unless only receiving administrative funding. Only whole dollar amounts may be allocated. **Local Boards should be prepared to justify an allocation of one-third or more of their total allocation to a single LRO.**

Any LRO that will receive \$100,000 or more in EFSP funds is required to submit:

- a certification that EFSP funds will not be used for lobbying activities; and
- a disclosure of lobbying activities (if applicable). LROs must submit these items prior to award payment. See Annex 11 (page 71) for Certification Regarding Lobbying.

At the beginning of each phase, the Local Board must secure and retain signed LRO certification forms from each LRO certifying that program guidelines have been read and understood, and that the LROs will comply with these requirements including the cost eligibility and reporting requirements. (Do not send LRO Certification forms to the National Board unless they are requested.) Refer to Annex 8 (page 68).

If after reading the LRO Certification Form, the agency determines that it cannot abide by the EFSP guidelines, they must notify the Local Board immediately and not incur any costs or charge any expenses against the grant.

Coordination of Service

The Local Board **must** establish a system to ensure that no duplication of payment occurs within the expenditure categories of rent/mortgage assistance or utility assistance. Multiple LROs may not provide assistance to the same client for the same service.

Client Eligibility

The EFSP is a needs based program, for which clients must qualify.

Local Boards may determine client eligibility for EFSP or use established LRO eligibility. Any criteria used must provide for assistance to needy individuals without discrimination (age, race, sex, religion, national origin, disability, economic status or sexual orientation), sensitivity to the transition from temporary shelter to permanent homes and attention to the specialized needs of homeless individuals with mental and physical disabilities and illness and to facilitate access for homeless individuals to other sources of services and benefits. In providing assistance under the EFSP, verification of proof of citizenship or qualified alien status of any applicant for assistance is not required.

A separate needs test for assistance under EFSP may be developed and used by LROs, but must first be approved by the Local Board. The Local Board must inform LROs of any eligibility criteria set by the Local Board.

Notification of Changes in LRO Contacts/ Addresses

Local Boards must notify the National Board of changes in LRO contacts for business purposes, including complete;

- addresses,
- phone numbers;
- fax numbers, and
- valid email addresses.

(Changes for the jurisdiction's EFSP information should be updated throughout the phase as they occur via the website.) When there is a change in the name of an LRO or a change with an LRO's Federal Employee Identification Number (FEIN), the legal document supporting those changes must be forwarded to the National Board before those changes can be made.

The National Board will communicate with LROs primarily through email. For EFSP purposes only, email addresses and other contact information may be shared, so business contact information and email is recommended.

Combining Local Boards

If a Local Board determines that they can better utilize their resources by merging with neighboring Local Boards, they may do so. The head of government or his/her designee for each jurisdiction must sit on the merged board, along with, at a minimum, National Board agency representatives from each jurisdiction. Voting and decision-making must be limited to only those Local Board members either providing services to the jurisdiction under consideration or representing the jurisdiction. The merged Local Board must ensure that the award amount designated for each civil jurisdiction is used to provide assistance to individuals within that jurisdiction.

Technical Assistance

Local Boards must read, understand and be familiar with the EFSP guidelines as found in this manual and provide technical assistance to LROs. Local Boards are responsible for the training of all LROs and should ensure new LROs have thoroughly read this manual and are trained before incurring expenses. The Local Board should be familiar with any personnel changes within an agency to ensure that new staff is trained. Questions that cannot be answered by Local Boards must be referred to the National Board staff. Any matter of interpretation must be referred to the National Board staff. Please reference your Local Board ID number and LRO number when contacting the National Board staff.

NOTE: The EFSP website (www.efsp.unitedway.org) has a training feature for LROs to familiarize new staff and board members with EFSP requirements. FEMA's Emergency Management Institute also provides a training opportunity through the following link: (<http://www.training.fema.gov/EMIWEB/IS/is420>).

Appeals Process

Local Boards must establish a written appeals process to address participation or funding and to hear and resolve appeals made by funded LROs or non-funded agencies. **Local Boards must handle appeals promptly.**

Local decision-making is an operating principle of this emergency effort. If the Local Board cannot handle an appeal locally, the case should be referred in writing to the National Board, including details on action that has been taken. Only when there are significant questions on the part of the Local Board concerning misapplication of guidelines, fraud or other abuse on the part of the Local Board will the National Board consider action. **Report cases involving fraud or other misuse of Federal funds to the U.S. Department of Homeland Security Office of Inspector General, Washington, DC 20528 in writing or by telephone at (800) 323-8603. For more details, see pages 17-18.**

Local Resource Coordination

The chair of the Local Board or his/her designated staff will be the central coordination point of contact between the National Board staff and the LROs selected to receive EFSP funds. Additionally, the Local

Board, if requested by the National Board, should nominate an appropriate feeding organization to receive surplus food from the U. S. Department of Defense commissaries.

Monitoring of LROs

Local Boards are responsible for monitoring LROs throughout the phase in their use of EFSP funds. Each Local Board must establish a process for monitoring LROs, including ensuring that LROs have read and understand the manual. Local Boards must review required reports and documentation for completeness, and compliance with program guidelines, including the agency's annual audit/review, if required.

Local Boards must ensure that LROs expending \$500,000 or more in Federal funds, comply with the Office of Management and Budget Circular A-133 Item 7 (page 30).

Local Boards **cannot** change National Board cost eligibility, approve expenditures outside of the National Board's guidelines, or approve changes in documentation requirements without National Board permission.

As part of LRO monitoring, Local Boards must investigate complaints made by individuals seeking services under this program. At times, the National Board may request Local Board assistance in investigating client complaints. Local Boards must investigate and report to the National Board, if required.

Interim Report

The interim report of expenditures is due to the National Board as part of each LRO's second payment request. The National Board will advise LROs of the deadline for the submission of the Interim Report/Second Payment Request form to their Local Board. Local Boards may determine and advise their LROs of an earlier due date to ensure the jurisdiction meets the National Board's deadline. A second payment request must be submitted via the website by each funded LRO and a signed copy provided to the Local Board. The request must also be signed by an authorized Local Board signer prior to submission to the National Board. Local Boards must submit the Interim Report/Second Payment Request to the National Board by the established deadline. This form will be available to each LRO on the website following the first payment notice. This form may be accessed from the EFSP website after the first payment has been made.

Final Report

Local Boards must submit a Final Report (accompanied by financial documentation for specified LROs) approximately within 45 days after the end of the jurisdiction's spending period. The National Board will advise Local Boards and LROs of the submission deadline. The National Board will provide forms and instructions for all required reports. Local Boards may request other reports from LROs (e.g., monthly or quarterly updates).

Reallocation of Funds

The Local Board must reallocate funds during the spending period whenever it determines that the original allocation plan does not reflect the actual need for services or if an LRO cannot effectively utilize the full award. Local Boards must reallocate funds if an LRO makes ineligible expenditures or uses funds for items that have clearly not been approved by the Local Board. Local Boards must also reallocate funds as a result of gross negligence, inadequate use of funds, failure to use funds for purposes intended and any other violation of National Board guidelines or the Local Board plan. LROs must comply with Local Boards' reallocation decisions.

Local Boards must reallocate funds held for LROs with unresolved compliance exceptions by the date specified by the National Board or they will be forfeited and reclaimed by the National Board. **If an LRO has not previously been funded in the current phase, it may not be funded after the deadline established by the National Board.**

The Local Board may approve the reallocation of funds between LROs and must inform the National Board via the EFSP website. The Local Board may also return funds to the National Board for issuance to another LRO or request reallocation of funds held by the National Board (e.g., second payments). Checks for funds to be reallocated must be made payable to United Way Worldwide/Emergency Food and Shelter Program. The LRO ID number of the agency returning the funds must be printed on the face of the check in the upper right hand corner. All reallocation of funds must be completed by the date specified by the National Board.

Local Boards may reallocate funds from one service to another (i.e., from food to shelter) without National Board approval if the transfer is within a single LRO.

Reallocation to New Agencies

If the Local Board wishes to reallocate funds to an agency that was not approved on the original board plan, the Local Board must make a written request for approval to the National Board. The National Board must approve an agency prior to receipt of funds. **If an LRO has not previously been funded in the current phase, it may not be funded after the deadline established by the National Board.**

Local Boards may not reallocate funds to any LRO with a known compliance problem from any phase of funding in any jurisdiction in which the LRO received funds either currently or previously.

Reporting Fraud, Theft and Criminal Activity

Should anyone have reason to suspect that EFSP funds are being used for purposes contrary to the law and guidelines governing this program, the National Board staff must be notified immediately. A detailed follow-up letter of actions taken should be forwarded as soon as possible to Emergency Food and Shelter Program, 701 N. Fairfax Street, Suite 310, Alexandria, VA, 22314. When reports have been made

to the DHS/OIG, the case number they provide must be included with all correspondence to the National Board.

The National Board requires that the DHS/OIG be contacted immediately when fraud, theft, or other criminal activity is suspected in connection with the use of EFSP funds, or the operation of a facility receiving EFSP funds. This notification can be made by calling the OIG at (800) 323-8603, or in writing to: DHS/Office of Inspector General, **Attention:** Hotline, Office of Investigation, 245 Murray Drive, SW, Building 410 Stop 2600, Washington, DC, 20528. Email: dhs.oighotline@dhs.gov.

Persons contacting the OIG should include as much information as possible to support the allegation and preferably furnish his/her name and telephone number so that the Special Agents assigned to that office may follow-up. Federal law protects the confidentiality of any communication made with the DHS/OIG.

A person wishing to remain totally anonymous should make a follow-up phone call to the DHS/OIG within 30 days from the date of the original contact so that any follow-up questions may be asked. Follow-up calls should be made to (800) 323-8603 during normal business hours, Eastern Standard Time (charges may be reversed). The caller should advise that he/she is making a follow-up call regarding a prior anonymous complaint.

DHS/OIG will appropriately notify both local law enforcement authorities and the National Board concerning the substance of the allegations and the results of the investigation. The person reporting the allegation should also contact local law enforcement authorities.

End-of-Program

After close of program, Local Boards **must** review the accuracy of **all** LRO reports and documentation including the agency's annual audit, if required. (pages 49-50 Required Documentation). The Local Board then sends reports for all LROs and documentation for specified LROs to the National Board as requested by the due date indicated on the final reports. In the event expenditures violate the eligible costs under this program, the Local Board must require reimbursement from the LROs to the National Board.

Record Retention

Local Boards must remain in operation until all program and compliance requirements of the National Board have been satisfied. Local Boards (and LROs) must retain their records related to the program for three years following the submission of the Final Report. Local Boards and LROs must also retain documentation regarding all compliance problems until the problem is resolved. See Annex 2 (page 53).

Spending Period Extension

Each jurisdiction will be granted the option to extend its spending period by one, two or three months. This extension applies to the entire jurisdiction. Should the jurisdiction receive a grant in the next phase, that phase's spending period will begin the day after the chosen end date. If a Local Board does not request an extension, the spending period will end September 30, 2011. The other options for the spending period to end are October 31, 2011; November 30, 2011; or December 31, 2011. **The spending period must be selected at the beginning of the phase when submitting the Local Board Plan.** The spending period is then noted on each Local Board and LRO payment advisory. Changes in the spending period must be submitted in writing by the Local Board to the National Board.

Exceptions and Changes

Local Boards may receive requests for exceptions from applicant agencies or for changes in the spending plans they approved for LROs. Local Boards may fund such requests or may allow such changes if the requested items are eligible costs under this program. Requests that do not adhere to the approved cost eligibility section of this manual may not be approved by the Local Board. If there is any doubt on the part of the Local Board as to cost eligibility, contact the National Board staff for clarification.

The National Board will consider requests submitted via the website for program exceptions to the approved cost eligibility that meets the intent of the EFSP. The request for exception from the Local Board must be made **before** any LRO makes the expenditure and must clearly state the need for the exception, approximate costs, timelines, or other pertinent information necessary for the National Board to make their decision.

Local Boards may also receive requests from LROs for program exceptions of the agency responsibility or documentation requirements outlined in this manual. Local Boards **may not approve** such requests or alter the program or documentation requirements in any way. LROs are required to comply with all agency responsibility and documentation requirements as stated in this manual. Agencies that cannot comply with the requirements should not be selected for funding by the Local Board, including those agencies funded through a Fiscal Agent or Fiscal Conduit. In special circumstances, the National Board will hear exception requests from Local Boards on behalf of LROs who have not complied with agency responsibility and documentation requirements.

The National Board will only allow exceptions for consideration from Local Boards in support of an agency's request. Exceptions will not be allowed from individual agencies.

The National Board does not consider exceptions for cash payments or EFT enrollment.

Local Boards may not grant program exceptions to the National Board's guidelines including cost eligibility.

Local Boards may not change the National Board's documentation requirements. Only the National Board may grant exceptions.

Administrative Allowance

The Local Board determines the use of the administrative allowance. The Local Board may elect to use, for its own administrative cost, all or any portion of the 2% allowance. Local Boards may award all or part of the administrative allowance to LROs applying for administrative funds. LROs may receive no more than 2% of their own award for administration. Like all EFSP expenditures, the administrative expenses must be documented with appropriate costs for the administration of the EFSP.

The Local Board may elect to apply the administrative allowance toward advertising expense, if necessary. Any of the administrative allowance not spent must be put back into program funds for additional services.

LOCAL RECIPIENT ORGANIZATION (LRO) **RESPONSIBILITIES**

See Financial Terms and Conditions, pages 28-32 for additional requirements.

The National Board assigns each jurisdiction a unique ID number for the program as well as numbers for each LRO whether new or previously funded. When contacting the National Board for assistance regarding this program, please reference your LRO ID number which is your Local Board's ID number plus your LRO number (example: 1234-56-789).

Criteria for LROs

For a local agency to be eligible for funding it must:

- Be nonprofit or an agency of government;
- Not be debarred or suspended from receiving Federal funding;
- Have a checking account. (Cash payments are not allowed per Federal regulations);
- Have an accounting system or Fiscal Agent approved by the Local Board;
- Have a Federal Employer Identification Number (FEIN), (Note: contact local IRS office for more information on securing FEIN and the necessary form [SS-4] or go to the website: www.irs.gov);
- Have a Data Universal Number System (DUNS) number issued by Dun & Bradstreet (D&B) (See the EFSP website for information on how to obtain.)
- Conduct an independent annual audit if receiving \$50,000 or more in EFSP funds; conduct an annual accountant's review if receiving \$25,000 to \$49,999 in EFSP funds. See Annex 2 pages 52-53.
- Be providing services and using its other resources in the area in which they are seeking funding;
- Practice nondiscrimination (those agencies with a religious affiliation wishing to participate in the program must not refuse services to an applicant based on religion or require attendance at religious services as a condition of assistance, nor will such groups engage in any religious proselytizing in any program receiving EFSP funds;
- Have a voluntary board if private, not-for-profit; and,
- To the extent practicable, involve homeless individuals and families, through employment, volunteer programs, etc., in providing emergency food and shelter services.

Each award phase, each LRO must certify to the Local Board by signing the LRO Certification form that they have read, understand and agree to abide by the EFSP Responsibilities and Requirements Manual including the LRO Responsibilities section, Financial Terms and Conditions, Program Costs (eligible and ineligible), and Required Documentation. See Annexes 8 and 9 (pages 68-69).

If after reading the LRO Certification form, the agency determines

that it cannot abide by the EFSP guidelines, they must notify their Local Board immediately and not incur any costs or charge any expenses against the grant and return any funds received.

**LRO
Documentation and
Disaster Recovery
Plan**

LROs should have a disaster recovery plan that ensures continuity of eligible services and records retention under the EFSP. Each LRO is required to retain EFSP records for a period of three years from the submission of the Final Report. Records that should be retained include LRO application and approval of application from Local Board, signed LRO Certification form, documentation of any reallocations approved by the Local Board, completed Interim Report/Second Payment Request form, program exceptions granted by the National Board, and all expenditure documentation for expenses charged to the EFSP. LROs also need to retain documentation regarding all compliance problems including those outside the retention period until the problem is resolved. Specific information on documentation is provided in the Program Costs (eligible and ineligible) section of this manual. The U.S. Department of Homeland Security's website contains business continuity information which may be helpful to LROs. www.ready.gov/business/index.html.

Reference page 29 item 5 and Annex 2 (pages 52-53).

**LRO/Vendor
Relationships**

An LRO may not operate as a vendor for itself or other LROs. Purchases may not be made from or payments made to other LROs except for the shared maintenance fee of food banks.

Local agencies selected for funding must:

**Knowledge of
Requirements**

1. Maintain records according to guidelines set forth in this manual. Consult your Local Board chair/staff on matters requiring interpretation or clarification **prior to** incurring an expense or entering into a contract. **It is important to have a thorough understanding of these guidelines to avoid ineligible expenditures and consequent repayment of funds.** Questions that LROs have may be directed **first** to Local Board chairs or staff. National Board staff must be contacted by the Local Board chairs or staff to answer those questions that cannot be answered locally.

Use of Funds

2. Provide services within the intent of the program. Funds are to be used on an ongoing basis to supplement and extend food and shelter services, not as a substitute for other program funds or to start new programs. Funds are not to be held or reserved for future use but spent on an as needed basis to supplement and extend existing services. Agencies must have a program in the category for which they are seeking funding. All funds awarded to an LRO must provide for services **within** the jurisdiction's spending period. See pages 33-48 for eligible and ineligible program costs.

**Bank Accounts/
Documentation/
Interest Income**

3. Maintain a checking account in the **LRO's name** in a Federally insured bank into which EFSP funds are deposited. (Bank accounts must not be set up with FEMA, EFSP or in the name of the LRO's program.) The National Board does not require funds to be placed in a separate bank account. LROs are required to notify the National Board in writing of any changes in their bank account for EFT purposes. This includes changes such as the closure of bank accounts, opening new bank accounts, and mergers of financial institutions. LROs funded in multiple jurisdictions must provide bank account changes for each jurisdiction individually even if funds are deposited into the same account. The EFT authorization form must be used for initial sign-ups and any changes. This form may be printed from the EFSP website. You may also contact the National Board staff for the preprinted authorization form. Copies, faxes, or emails cannot be accepted for EFT processing. For EFT processing, an original LRO voided blank check and form are accepted by mail only by the deadline established by the National Board. **EFT ENROLLMENTS CANNOT BE ACCEPTED IN ANY OTHER FORMAT.** Failure to notify the National Board of bank account changes will delay the receipt of funds.

LROs must maintain proper documentation for all expenditures under this program according to the guidelines. LROs' expenditures and documentation will be subject to review for program compliance by the Local Board, National Board and Federal authorities. Maintain records for a three-year period after phase end unless there is an outstanding compliance problem. (See page 53). Any interest income must be used for eligible program expenditures, not administrative expenses. If EFSP funds are placed in an interest-earning account with other LRO funds, interest must be prorated/calculated for the EFSP grant.

LROs that have unspent funds of \$5.00 or more must return the entire unspent amount to the National Board. (Do not send back unspent funds of \$4.99 or less). Checks for funds being returned to the National Board must be made payable to United Way Worldwide/Emergency Food and Shelter Program. The LRO ID number of the agency returning the funds must be printed on the face of the check in the upper right hand corner.

Payment to Vendor

4. Pay for all eligible program expenses by an approved method of payment. Approved payment methods are:
- LRO check
 - LRO debit card
 - LRO credit card, vendor issued (i.e., Sam's Club, other stores-vendor issued credit card)
 - LRO credit card, third party (i.e., American Express, Visa)
 - Electronic payment from LRO's bank account

This program does not allow the reimbursement of staff/volunteers, other LROs or any party other than the vendor of services. Cash payments are ineligible per Federal regulations. The National Board will not consider exceptions of this program requirement.

Note: A Fiscal Agent/Fiscal Conduit must pay the vendor directly with an approved method of payment and may not reimburse other agencies for which they are serving as the Fiscal Agent/Fiscal Conduit.

LRO Reporting

5. Submit reports to the Local Board by their due dates. The National Board will make interim report/second payment requests available to each LRO after the first payment notification. When the LRO is ready to request its second payment it must complete the form via the website, print and sign the form and forward to the Local Board chair for review and approval by the deadline determined by the National Board. This form may be accessed and printed from the EFSP website. **Note:** LROs should retain a copy of their Interim Report/Second Payment Request form and should not wait until their first payment has been exhausted before making the request.

Final Report

All LROs must complete the Final Report; return the original and **two** copies to the Local Board, including **one** copy of documentation, if requested. A copy of the LRO Final Report and documentation must be retained by the LRO for their records. Complete, accurate, legible documentation must be submitted and must support the expenditures claimed in each category on the initial Final Report. The final LRO report is due to the Local Board 30 days after the jurisdiction's end-of-program date. LROs receiving Phase 29 awards from more than one jurisdiction must keep and submit documentation **separately** for each **when requested**.

LROs receiving Phase 29 SSA awards in addition to a regular award in a single jurisdiction must consider the two awards as though they were one and combine the documentation.

Program Compliance Resolution

6. Work with the Local Board to **quickly clear up any problems** related to compliance exception(s) at the end of the program.

Failure of an LRO to comply with the National Board's reporting requirements will result in funds being withheld. The National Board will hold funds until all reporting requirements have been satisfied. If an LRO does not comply in a timely manner to compliance issues, the Local Board or National Board may reclaim and reallocate the funds being withheld.

Note: Any LRO, including those serving as a Fiscal Agent/Fiscal Conduit, receiving funds in multiple jurisdictions with a

compliance exception in any single jurisdiction from any prior phase will be subject to all funds being withheld. That is, all funds allocated to that LRO from all jurisdictions will be withheld until all problems have been resolved.

**Lobbying
Prohibition and
Reporting
Requirements**

7. Comply with lobbying requirements. Lobbying is not permitted with EFSP funds. Any LRO receiving more than \$100,000 in EFSP funds is required to submit:
- a certification that EFSP funds will not be used for lobbying activities; and,
 - a disclosure of lobbying activities (if applicable).

See Annex 11 (page 71) for the certification and disclosure form. This form may be printed from the EFSP website. These forms must be submitted prior to payment of funds.

**Annual Audit
Requirements**

8. Comply with audit requirements. For LROs receiving \$50,000 or more in EFSP funding, the National Board requires an independent annual audit in accordance with Government Auditing Standards. For LROs receiving from \$25,000 to \$49,999, the National Board requires an annual accountant's review. For newly funded LROs or LROs funded above the amount requiring an audit or review for the first time, the LRO will be eligible to receive funds if it arranges for the audit or review of funds to coincide with the next scheduled annual audit or annual review of its financial affairs. See Annex 2 (page 52-53).

The National Board will accept an LRO's national/regional annual audit if the following conditions are met:

- LRO is truly a subsidiary of the national organization (i.e., shares a single Federal tax exemption).
- The LRO is audited by the national/regional office internal auditors or other person designated by the national/regional office AND the national/regional office is audited by an independent certified public accountant or public accountant or accounting firm, which includes the national/regional organization's review of the LRO in a larger audit review.
- A copy of the local audit review along with a copy of the independent audit of the national/regional office will be made available to the National Board upon request.

A-133 Audits

Any agency expending \$500,000 or more in Federal funds must comply with Circular A-133 of the U.S. Office of Management and Budget Item 7 (page 30). Note: A copy of this report must be forwarded to the National Board annually along with the regular audit.

Audits of units of government shall be made annually unless the

state or local government had, by January 1, 1987, a constitutional or statutory requirement for less frequent audits. LROs receiving funds in a single or multiple jurisdictions must identify each award individually by their LRO ID number in each jurisdiction under the Pass-Through Grantors Number on the Schedule of Expenditures of Federal Awards.

Audit Confirmation Requests

LROs requesting audit confirmations of funds received for your external auditors must indicate the LRO ID numbers for each jurisdiction for which a confirmation is needed.

Technical Assistance

9. Contact the Local Board regarding technical assistance, interpretation of guidelines and resources from other Federal programs as Local Boards are responsible for providing training and technical assistance to LROs.

NOTE: The EFSP website has a training feature for LROs (www.efsp.unitedway.org) to familiarize new staff and board members with EFSP requirements. FEMA's Emergency Management Institute also makes a training opportunity available at: (<http://www.training.fema.gov/EMIWEB/IS/is420>). (See page 15).

Reallocation of Funds

10. Cooperate and comply with Local Board reallocation decisions. Local Boards may reallocate funds at their discretion during the current phase. Annex 10 (page 70).

**Fiscal Agent/
Fiscal Conduit**

For National Board purposes, a Fiscal Agent is an LRO that maintains all EFSP financial records for another agency under a single grant. A Fiscal Conduit is an LRO that maintains all EFSP financial records on behalf of two or more other agencies under a single grant.

If any one LRO in a jurisdiction is making bulk purchases for other agencies not funded directly, it must serve as a Fiscal Conduit and follow all rules noted in this section.

The Fiscal Agent/Fiscal Conduit is the LRO responsible for the receipt of funds, disbursement of funds to vendors, documentation of funds received and maintenance of documentation. The Fiscal Agent/Fiscal Conduit must meet all of the requirements of an LRO. Only the Fiscal Agent/Fiscal Conduit may pay the vendors, not reimburse other agencies for which they are serving as their Fiscal Agent/Fiscal Conduit.

Local Boards may wish to use a Fiscal Agent/Fiscal Conduit when they desire to fund an agency that does not have an adequate accounting system but still meets all other criteria. Fiscal Agents/Fiscal Conduits will be held accountable for compliance with program requirements. Any agency being supported through a fiscal agent/fiscal conduit must have its own Federal Employee Identification Number (FEIN). (This

IRS form [SS-4] may be obtained on the IRS website, www.IRS.gov.) Agencies funded under a Fiscal Agent/Fiscal Conduit must also have or obtain a Data Universal Number System (DUNS) number issued by Dun & Bradstreet (D&B). (This form and instructions may be obtained from the EFSP website.)

***May Fiscal Agents/
Fiscal Conduits
Issue Payments***

Fiscal Agents/Fiscal Conduits **must** issue their payments for LRO expenditures **to vendors only** by an approved method of payment; may not reimburse other agencies for which they are serving as their Fiscal Agent/Fiscal Conduit, or to agencies/sites under their 'umbrella'. The exception to this is when an LRO is using the per diem allowance for mass shelter or the per meal allowance for served meals.

***What Criteria Must
the Agency
Benefiting Meet***

Any agency benefiting from funds received by a Fiscal Agent/Fiscal Conduit must meet all of the criteria to be an LRO except the accounting system and annual audit requirements and must sign the Fiscal Agent/Fiscal Conduit Relationship Certification form. See Annex 9 (page 69). **For tracking purposes, all agencies funded through Fiscal Agents or Fiscal Conduits must provide an FEIN number and a DUNS number.**

FINANCIAL TERMS AND CONDITIONS

Provisions Applicable to Local Recipient Organizations including Fiscal Agent/Fiscal Conduits

The National Board requires all EFSP-funded LROs to meet the requirements stated in this manual regarding program compliance, reporting, documentation and submission of documentation.

1) Definitions

- a) "Jurisdiction" refers to the city, county or combination receiving funds through EFSP.
- b) "Local Recipient Organization" or "LRO" refers to the local private or public agency that will receive any award of funds from the National Board.
- c) "Award" refers to the award of funds made by the National Board to a local private or public agency on the recommendation of a Local Board.
- d) "End-of-program" refers to the jurisdiction's end date, as agreed by Local and National Board, by which all monies must be spent or returned to the National Board.
- e) "Begin Date" is the date LROs may begin expending funds.
- f) "End date" is the date by which all funds must be expended or returned to the National Board.

2) Amendments

An award may be amended at any time by a written modification. Amendments, which reflect the rights and obligations of either party, shall be executed by both the National Board and the LRO. *Administrative amendments such as changes in accounting data may be issued unilaterally by the National Board.*

3) Local Board Authority Related to Local Recipient Organizations

The Local Board is responsible for monitoring expenditures of LROs receiving EFSP funds; authorizing the adjustment of funds between EFSP funded services; and, reallocating funds from one LRO to another.

Local Boards may not alter or change National Board cost eligibility or approve expenditures outside of the National Board's criteria without National Board permission. Local Boards may not alter or change the National Board's documentation requirements.

A Local Board can recall an award to an LRO and reallocate to another LRO in the case of gross negligence, inadequate use of funds, failure to use funds, failure to use funds for purposes intended, for any other violation of the National Board guidelines, or in cases of critical need in the community. The Local Board must advise, in writing, all concerned LROs of any reallocation of their original award.

In the event the Local Board discovers ineligible expenditures by an LRO, the Local Board must send to the LRO a written request for reimbursement of the amount. The National Board must also be notified. If the LRO is unwilling or unable to reimburse the National Board for the ineligible expenditure, the Local Board must refer the matter to the National Board. The National Board may ask the Local Board to take further action to see that reimbursement of **ineligible** expenditures is made to the National Board, or the National Board may refer the matter to FEMA.

If the Local Board suspects that fraud has been committed by an LRO, the Local Board must contact the DHS/Office of Inspector General with details of the suspected fraud or misuse of Federal funds by telephone at (800 323-8603), or by writing: DHS Office of Inspector General, Attention: Hotline, Office of Investigation, Building 410 Stop 2600, 245 Murray Drive, SW, Washington, DC 20528 in writing or Email: dhsou hotline@dhs.gov. See pages 17-18 for more details.

If an LRO received an award under previous phases (Public Laws 98-8, 98-151 and 98-181, 98-396, 99-88 and 99-160, 99-500 and 100-6, 100-71 and 100-120, 100-404 and 101-45, and 101-100, 101-467, 102-139, 102-389, 103-124, 103-327, 104-91 and 104-134, 104-204, 105-65, 105-276, 106-74, 106-377, 107-73, 107-294, 108-7, 108-90, 108-334, 109-90, 109-295, 110-161, 110-329, 111-5, or 111-83), it must not include those funds in any reporting for the current awards. Reports should be confined to the amount granted by the National Board under the new appropriations legislation (Public Law 112-10).

4) Cash Depositories

- a) Any money advanced to the LRO under the terms of this award must be deposited in a checking account in a bank with Federal Deposit Insurance Corporation (FDIC) or Federal Savings & Loan Insurance Corporation (FSLIC) insurance coverage (whose responsibility has been taken over by FDIC), and the balance exceeding the FDIC or FSLIC coverage must be collaterally secured. Interest income earned on these funds must be put back into eligible program costs, not administration.
- b) LROs are encouraged to use minority banks (a bank that is owned at least 50 percent by minority group members). This is consistent with the national goal of expanding the opportunities for minority business enterprises. A list of minority owned banks can be obtained from the Office of Minority Business Enterprises, Department of Commerce, Washington, DC 20203.

5) Retention and Custodial Requirements for Records

- a) Financial records, supporting documentation, statistical records, and all other records pertinent to the award shall be retained by the LRO for a period of three years from the end-of-program date with the following exceptions: See Annex 2 (pages 52-53).
 - i) If any litigation, claim, program compliance review, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, program compliance problems, or audit findings involving the records have been resolved.
 - ii) Records for non-expendable property, if any, acquired in part with EFSP funds shall be retained for three years after submission of the final financial report (Final Report). Non-expendable property is defined as tangible property having a useful life of more than one year and an acquisition cost of more than \$300 per unit.
- b) The retention period starts from the date of the submission by the LRO of the final expenditure report (Final Report).
- c) The National Board may request transfer of certain records to its custody from the LRO when it determines that the records possess long-term retention value. The LRO shall make such transfers as requested.
- d) The Director of FEMA, the Comptroller General of the United States, and the National Board, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers, and records of the LRO, and its sub grantees, to make audits, examinations, excerpts, and transcripts.

6) Financial Management Systems

The LRO/Fiscal Agent or Fiscal Conduit shall maintain a financial management system that provides for the following:

- a) Accurate, current and complete disclosures of the financial results of this program.
- b) Records that identify adequately the source and application of funds for federally supported activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, non-obligated balances, assets, outlays, and incomes.

- c) Effective control over and accountability for all funds, property, and other assets.
- d) Procedures for determining eligibility of costs in accordance with this manual.
- e) Accounting records that are supported by source documentation. The LRO must maintain and retain a register of cash receipts and disbursements and original supporting documentation such as purchase orders, invoices, canceled checks or documentation for other acceptable payment methods, sign-in logs and any other documentation that is necessary to support their costs under the program.
- f) A systematic method to assure timely and appropriate resolution of audit findings and recommendations.
- g) In cases where more than one civil jurisdiction (e.g., a city and a balance of county, or several counties) recommends awards to the same LRO, the LRO can combine these funds in a single account. However, separate program records for each civil jurisdiction award must be kept.

7) Audit Requirements

If receiving \$50,000 or more in EFSP funds, the LRO will be eligible to receive the funds if it arranges for an independent audit of funds to coincide with the next scheduled annual audit of its financial affairs. If receiving \$25,000 to \$49,999 in EFSP funds, the LRO will be eligible to receive the funds if it arranges for an annual accountant's review of funds to coincide with the next scheduled annual review of its financial affairs. An original copy of this audit or review will be provided to the National Board upon request. **It is not necessary to have a separate, independent audit/review for this award so long as program funds are treated as a separate element in the LRO's regular annual audit/review.** If the LRO does not have a certified annual audit/review, that audit/review must be provided by a Local Board designated Fiscal Agent for the LRO willing to account for the funds. **The audit submitted must be from the current year or one year prior. See Annex 2 (pages 52-53).**

All EFSP funded LROs (both governmental and not-for-profit) that expend \$500,000 or more in Federal funds must comply with the OMB Circular A-133, Audits of States, Local Government, and Nonprofit Organizations, which requires a single organization-wide audit. This \$500,000 could be exclusively EFSP funds or a combination of EFSP and other Federal funds that an agency might be receiving. **Note: A copy of the audit report must be forwarded to the National Board annually along with the regular audit. EFSP funds must be clearly identified by ID number in the audit/review and Schedule of Federal Awards.**

8) Payment

A first payment shall be made to the LRO upon recommendation of the Local Board and approval by the National Board. Second payment requests include an interim report to be submitted and signed by each LRO. The request is also signed by the Local Board chair, and submitted to the National Board. For each LRO funded in the previous phase, second installments will be held until the jurisdiction's final Local Board report and documentation for the previous year has been reviewed and found to be compliant.

9) Financial Reporting Requirements

The National Board shall provide the LRO, through the Local Board, with the necessary reporting requirements well in advance of report deadlines.

LROs shall submit their Final Report to the Local Board that will then be forwarded to the National Board approximately 45 days after the jurisdiction's program ending date.

10) Closeout

The following definitions shall apply:

- a) "Closeout" is the process by which the National Board determines that all applicable administrative actions and all required work of the award have been completed.
- b) "Disallowed costs" are those charges that the National Board determined to be unallowable in accordance with the legislation, National Board requirements and applicable Federal cost principles or other conditions contained in the award. The applicable cost principles for Private Voluntary Organizations are contained in OMB Circular A-122, "Cost Principles Applicable for Nonprofit Agencies," and OMB Circular A-110, "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations". The applicable cost principles for Public Organizations are contained in OMB Circular A-87, "Cost Principles for State Agencies and Units of Local Governments". If you are unsure of where to find these circulars check with your local Congressional Representative, contact the National Board staff, or visit the Office of Management and Budget's website: www.omb.gov.

11) Suspension and Termination Procedures

The following definitions shall apply:

- a) Termination – termination of this award means the cancellation of EFSP assistance, in whole or in part, under the award at any time prior to the date of completion.
- b) Suspension – the suspension of this award is an action by the Local Board or National Board that temporarily suspends EFSP assistance under the award pending corrective action by the LRO or pending a decision by the National Board to terminate the award.
- c) Local Board Authority – authority to suspend/reallocate all or a portion of an LRO's award at its discretion for any cause (i.e., inability to deliver services, suspected fraud, violation of eligible costs, changing need in the community, etc.).

12) Lobbying

Pursuant to 31 U.S.C. §1352, an LRO is prohibited from using Federally appropriated grant funds for lobbying activities. This condition bars the use of Federal money for political activities, but does not in any way restrict lobbying or political activities paid for with non-Federal funds. This condition prohibits the use of Federal grant funds for the following activities:

- Federal, state or local electioneering and support of such entities as campaign organizations and political action committees;
- Direct lobbying of the Congress and State Legislatures to influence legislation;
- Grassroots lobbying concerning either Federal or state legislation;
- Lobbying of the Executive Branch in connection with decisions to sign or veto enrolled legislation; and,
- Efforts to utilize state or local officials to lobby the Congressional or State Legislatures.

Any LRO that will receive more than \$100,000 in EFSP funds is required to submit:

- a certification form that EFSP funds will not be used for lobbying activities; and,
- a disclosure of lobbying activities (if applicable).

This certification and disclosure must be submitted prior to grant payment. See Annex 11 (page 71) for certification and disclosure forms.

13) Debarment and Suspension Regarding Funding

Pursuant to Executive Order 12549, Debarment and Suspension, all LROs, including Fiscal Agents, Fiscal Conduits, and agencies benefiting from EFSP funding under the Fiscal Conduit, must certify that they have not been debarred or suspended from receiving funds from or doing business with the Federal government. Each LRO will make this certification by signing the LRO certification form which states the requirement. Each Local Board must certify they have received the LRO Certification form from the LRO which states the requirements.

PROGRAM COSTS

Intent of Program **The intent of this program is for the purchase of food and shelter, to supplement and expand current available resources and not to substitute or reimburse ongoing programs and services or to start new programs.**

The intent regarding the use of funds is that goods and services purchased or provided with EFSP funds should be used as necessary on a daily basis to help meet community need during the spending period. Food vouchers and purchased gift certificates must be distributed and used during the jurisdiction's spending period. Large purchases made at the end of the spending period do not meet the intent of the program and will be considered ineligible.

Questions LROs with questions regarding interpretation of the program's guidelines **must** direct them to the **Local Board** prior to action. Local Boards unsure of the meaning of these guidelines must contact the National Board staff for clarification prior to advising the LRO. The EFSP website has a training feature for Local Boards and LROs to familiarize new staff and board members with EFSP requirements.

Client Eligibility The EFSP is a needs based program for which clients must qualify.

The National Board does not set client eligibility criteria. Local Boards may choose to set such criteria. If the Local Board does not set eligibility criteria, the LRO may use its existing criteria or set criteria for assistance under this award. Any criteria used must provide for assistance to needy individuals without discrimination (age, race, sex, religion, national origin, disability, economic status or sexual orientation), sensitivity to the transition from temporary shelter to permanent homes, attention to the specialized needs of homeless individuals with mental and physical disabilities and illness and to facilitate access for homeless individuals to other sources of services and benefits. In providing assistance under the EFSP, verification of proof of citizenship or qualified alien status of any applicant for assistance is not required.

Note: Funds allocated to a jurisdiction may only be used for residents and transients within that jurisdiction.

No Fee Requirement for Service No individual, family or household may be charged a fee for service or be required to attend religious/counseling services with relation to assistance received under EFSP.

Payment to Vendors

Pay for all eligible program expenses by an approved method of payment directly to the vendor. Approved payment methods are:

- LRO check
- LRO debit card
- LRO credit card, vendor-issued (i.e., Sam’s Club, other store vendor-issued credit card)
- LRO credit card, third party (i.e., American Express, Visa)
- Electronic payment from LRO’s banks accounts

This program does not allow the reimbursement of staff/volunteers, other LROs or any party other than the vendor of services. Cash payments are ineligible per Federal regulations. The National Board will not consider exceptions of this program requirement.

Note: A Fiscal Agent/Fiscal Conduit must pay the vendor directly with an approved method of payment and may not reimburse other agencies for which they are serving as the Fiscal Agent/Fiscal Conduit

Selection of Vendors

The LRO must select vendors whose requirements do not conflict with EFSP requirements. If a vendor's requirements conflict, the LRO must either use a different vendor or work with the vendor so EFSP guidelines are followed. Vendors must be able to provide a vendor-originated invoice and must be able to accept an EFSP acceptable method of payment. (If a vendor only accepts cash, they may not be used for EFSP provided services unless they agree to accept an agency check or other EFSP acceptable payment method.)

Client Confidentiality

While the National Board respects the need for confidentiality, required documentation must be maintained.

When client confidentiality is protected by statute, LROs may use a unique identifier in providing and documenting services to clients. When submitting documentation where a unique identifier has been used, the LRO is responsible for providing documentation of the statute that applies to the clients served and services provided by their agency that are protected.

ELIGIBLE PROGRAM COSTS include, but are not limited to:

Food Purchases for Food Banks/Pantries and Other Food Providers

For food banks/pantries and other food providers, eligible costs include:

Food, food vouchers, seeds, gift certificates for food (gift certificates must be marked "Food Only" or "Food & Diapers Only"). **Note: Gift Cards are eligible only if they can be marked/encoded "Food Only" or "Food & Diapers Only". The same applies for food vouchers and gift certificates. There must be an agreement with the vendor that food or food and diapers only will be allowed and no cash will be returned to clients.**

An allowance for maintenance fees charged by food banks may be granted by a Local Board at the prevailing rate. EFSP funds cannot be used to pay such a maintenance fee twice: by a food bank and by the food pantry/LRO it is serving.

Only food banks may operate under EFSP as both vendor and LRO.

Note: EFSP funding is intended to provide for basic, nutritional meals on an ongoing basis not for non-nutritive items. The funding is not intended to be used for a singular event, special celebratory events, holiday baskets, etc. Also, dessert items (i.e., cookies, snack food, candy, etc.) used as part of a daily meal plan may be purchased in limited amounts.

(Documentation required: dated receipts/invoices/completed vouchers for food purchased and canceled checks or documentation for other acceptable payment methods. Vouchers and gift certificates/gift cards must state "food items only" not "groceries or merchandise". Invoices and evidence of payment for the purchase of food gift certificates/gift cards are required. Additionally, a single copy of the gift certificate/gift card indicating restrictions [i.e., food items only, diapers, if approved by the Local Board, no cash back] must be supplied along with the invoice. When using a food voucher, if all three signatures and dates are included, no itemized receipts will be necessary, however if one or more signatures or the dates are missing, the itemized receipts must be submitted. See Annex 4 [page 58] for sample of food voucher.)

Transportation for Food Banks/Pantries and Other Food Providers

Transportation expenses related to the delivery and distribution of purchased and donated food. A dated mileage log at the Federal rate (\$.50 cents per mile. The begin date applies as of October 1, 2010), contracted services or public transportation (e.g., taxi, local bus, subway). **Note:** The reimbursement rate is the rate in existence at the time of publication of this manual and is to be used throughout the

entire phase.

(Documentation required: [1] dated mileage log, with departure, destination and trip purpose noted or [2] receipts/invoices from contracted services or public transportation, and canceled check or documentation for other acceptable payment methods. See Annex 5 [page 61] for sample of mileage log.)

Equipment and Consumable Supplies for Food Banks/Food Pantries

Purchase of small equipment **not exceeding \$300 per item** and essential to the operation of food bank or pantry (e.g., shelving and storage containers).

Purchase of consumable supplies essential to the distribution of food (e.g., bags, boxes).

(Documentation required: dated, itemized receipts/invoices for equipment/supplies purchased and canceled checks or documentation for other acceptable payment methods.)

Food Purchases for Mass Feeding

For mass feeding sites, eligible expenditures include:

Food (hot meals, groceries). Dessert items (e.g., cookies, snack food, candy, etc.) used as a part of a daily meal plan may be purchased in limited amounts. Also allowable are vegetable seeds and vegetable plants cultivated in an LRO's garden on-site and canning supplies.

(Documentation required: dated receipts/invoices for food/seeds/plants purchased and canceled checks or documentation for other acceptable payment methods.)

Transportation for Mass Shelter/Mass Feeding

Local transportation expenses for picking up/delivery of food, transporting clients to a mass shelter (five or more beds in one location), or feeding site. (**Note:** The reimbursement rate is the rate in existence at the time of publication of this manual. (The begin date applies as of October 1, 2010, and is to be used throughout the entire Phase.) Limited to, a dated mileage log at the Federal rate (\$.50 cents per mile), contracted services or public transportation.

(Documentation required: [1] dated mileage log, with departure, destination and trip purpose noted or [2] receipts/invoices from contracted services or public transportation, and canceled checks or documentation for other acceptable payment methods. See Annex 5 [page 61] for sample of mileage log.)

Consumable Supplies for Mass Shelter/Mass Feeding as Direct Cost

Purchase of consumable supplies essential to mass feeding (e.g., plastic cups, utensils, detergent, etc.) and/or mass shelters of five or more beds (e.g., soap, toothbrushes, toothpaste, cleaning supplies, etc.). **Note:** Minor emergency equipment repair for mass shelter/mass feeding awards are included in per diem/per meal costs. An LRO may not be

awarded additional funds for minor emergency equipment repair if documenting their expenditures with a per meal or per diem schedule.

(Documentation required: dated receipts/invoices for supplies purchased and canceled checks or documentation for other acceptable payment methods.)

Equipment Purchases for Mass Shelters/ Mass Feeding as Direct Cost

Purchase of small equipment **not exceeding \$300 per item** and essential to mass feeding (e.g., pots, pans, plates, utensils, microwave oven, dining table and chairs, toasters, blenders, etc.) and/or mass shelters (e.g., beds, mattresses, cots, blankets, linens, etc.) **Note: Supplies for mass shelter/mass feeding awards are included in per diem/per meal costs. An LRO may not be awarded additional funds for supplies or equipment if documenting their expenditures with a per meal or per diem schedule.**

(Documentation required: dated receipts/invoices for equipment purchased and canceled check or documentation for other acceptable payment methods.)

Minor Emergency Equipment Repairs for Mass Shelters/Mass Feeding as Direct Cost

With prior Local Board approval, minor emergency repair of small equipment essential to mass feeding or sheltering not exceeding \$300.00 in repair costs per item. Equipment eligible for repairs under the EFSP is any that if not repaired would force the mass feeding or mass sheltering site to terminate or curtail services (e.g., stove, refrigerator, and hot water heater. **Note: Supplies for mass shelter/mass feeding awards are included in per diem/ per meal costs. An LRO may not be awarded additional funds for supplies or equipment if documenting their expenditures with a per meal or per diem schedule.**

Routine maintenance and service contracts are not eligible.

(Documentation required: dated letter from Local Board indicating approval and dated invoices for equipment repair and canceled checks or documentation for other acceptable payment methods.)

Note: Good judgment must be exercised in determining the most cost effective use of EFSP funds when deciding an equipment purchase against a repair.

Limited first aid supplies for mass shelter/mass feeding

Limited amounts of basic first aid supplies (e.g., aspirin, Band-Aids, cough syrup, etc.) for mass shelter providers and mass feeding sites only. **(Note: May not be claimed in addition to per diem or per meal allowance.)**

(Documentation required: dated receipts/invoices for first-aid supplies and canceled checks or documentation for other acceptable payment methods.)

Mass Shelter Expenses

For mass shelter providers, there are two options for eligible costs. One option must be selected at the beginning of the program year and continued throughout the entire year. **Note:** The documentation requirements are noted with each option.

Mass Shelter/ Direct Costs

1. Reimbursement of actual direct eligible costs for supplies/equipment essential to the operation of the mass shelter (e.g., cots, mattresses, soap, linens, blankets, cleaning supplies, etc.). Refer to previous sections for description of direct eligible expenditures.

(Documentation required: dated receipts/invoices from vendor and canceled checks or documentation for other acceptable payment methods.)

Per Diem Allowance

2. Per diem allowance of **exactly \$7.50 or \$12.50 per person** per night for mass shelter providers (five beds or more in one location), only if:
 - a. Approved in advance by the Local Board; and,
 - b. LRO's total mass shelter award is expended in this manner.

Note: It is the decision of the Local Board to choose between the \$7.50/\$12.50 rates. This rate may vary from agency to agency depending on the level of services provided to the clients. The \$7.50 or \$12.50 rates, if elected, may be expended by the LRO for any cost related to the operation of the mass shelter; it is not limited to otherwise eligible items. The per diem allowance may be used to cover costs such as shelter rent, shelter utilities, and shelter staff salaries if necessary to provide a night of shelter. **The per diem allowance does not include the additional costs associated with food or the food per meal allowance.**

(Documentation required: schedules showing daily rate of \$7.50 or \$12.50 and number of persons sheltered by date with totals. Supporting documentation must be retained on-site, e.g., invoices, service records and sign-in logs, canceled checks or documentation for other acceptable payment methods. See Annex 4 [page 59] for sample.)

Mass Feeding Expenses

For mass feeding programs, there are two options for eligible costs. One option must be selected at the beginning of the program year and continued throughout the entire year. **Note:** The documentation requirements are noted with each option.

**Mass Feeding
Direct Cost**

1. Reimbursement of actual direct eligible costs for supplies/equipment essential to the operation of the mass feeding program (e.g., food, paper products, cleaning products, pots and pans, etc.). Refer to previous sections for description of direct eligible expenditures. **Note: EFSP funding is intended to provide for daily, basic, nutritional meal costs on an ongoing basis. The funding is not intended to be used for a singular event, special events/celebratory events/holiday meals, etc. Basic non-excessive meal costs may be applied towards special/celebratory/holiday meals served only as part of an ongoing program. Also, dessert items (e.g., cookies, snack food, candy, etc.) used as part of a daily meal plan may be purchased in limited amounts.**

(Documentation required: dated receipts/invoices from vendor relating to operation of facility and canceled checks or documentation for other acceptable payment methods.

Per Meal Allowance

2. Per meal allowance of exactly \$2 per meal served if:
 - a. Approved in advance by the Local Board; and,
 - b. LRO's total mass feeding award is expended in this manner.

The \$2 per meal allowance, if elected, may be expended by the LRO for any related cost; it is not limited to otherwise eligible items. The per meal allowance may be used to cover costs such as rent, utilities, and staff salaries for those staff necessary for the preparation and serving of food. **The per meal allowance does not include the additional costs associated with shelter or the per diem shelter allowance.**

Note: EFSP funding is intended to provide for daily, basic, nutritional meal costs on an ongoing basis. The funding is not intended to be used for a singular event, special events/celebratory events/holiday meals, etc. Basic non-excessive meal costs may be applied towards special/celebratory/holiday meals served only as part of an ongoing program. Also, dessert items (e.g., cookies, snack food, candy, etc.) used as part of a daily meal plan may be purchased in limited amounts.

(Documentation required: daily schedule showing meal rate of \$2 and number of meals served by date with totals. Supporting documentation must be retained on-site, (i.e. invoices, service records and canceled checks or documentation for other acceptable payment methods.). See Annex 4 [page 60] for sample).

**Other Shelter
Assistance (Off-
Site Lodging
Hotel/Motel)**

For other shelter assistance, eligible program costs include off-site emergency lodging (room and tax only) in a hotel/motel or other off-site shelter facility provided conditions 1 and 2 below are met.

1. No appropriate on-site shelter is available; and

2. It is limited to 30-days assistance per individual or household during the current program period. (**Note: Assistance may be extended in extreme cases with prior Local Board written approval.** A copy of this approval must accompany LRO's documentation.)

Note: LROs may not operate as vendors for themselves or other LROs, except for shared maintenance fee for food banks.

(Documentation required: dated vendor receipts/invoices from off-site shelter [hotel/motel/etc. on their stationery] and canceled checks or documentation for other acceptable payment methods. Receipts/invoices must include client's name, length of stay and charge per night. Note: If using a unique identifier when submitting documentation for clients served, the LRO is required to provide documentation of the statute which applies to the protecting of clients and the services provided.)

**Rent/Mortgage Assistance/
Eviction Prevention**

For rent/ mortgage assistance, eligible program costs include:

1. Limited emergency rent or mortgage assistance principal and interest only (P&I), for individuals or households provided conditions "a" through "f" below are met:
 - a. Payment is in arrears or due within **10** calendar days.
 - b. All other resources have been exhausted;
 - c. The client is 1) a resident of the home or apartment and 2) responsible for the rent/mortgage on the home or apartment where the rent/mortgage assistance is to be paid;
 - d. Payment is limited to a maximum of one month's assistance for each individual or household; assistance can be provided 1) for a full month's rent/mortgage (P&I) all at one time, or 2) in separate payments over a period of up to 90 consecutive days so long as the total amount paid does not exceed one month's cost and is paid by a single LRO;
 - e. Assistance is provided only once in a jurisdiction by a single LRO in each award phase for each individual/household (with exception of item d [2] above);
 - f. The month paid is the current amount, budget amount or part of the arrearage that is still owed at the time of payment and that is either from the current award phase or for continuous service prior to award phase that remains past due; and,
 - g. Payment must guarantee an additional 30 days service.

Notes: Late fees, legal fees, deposits, and condo fees are ineligible.

If a client has two mortgages, assistance may only be given on the principal or first mortgage for the client's residence.

Payments for mobile homes and lots are eligible and can be paid to a mortgage company or to a private landlord.

(Documentation required: dated and signed letters from landlords [must include amount of one month's rent and due date] mortgage company's letter and/or copy of mortgage loan coupon showing monthly mortgage amount and date due and canceled checks or documentation for other approved methods of payment. Payments must be made to the landlord ONLY, not to both client and landlord. Documentation must support the payment made and is limited to a maximum of one month's assistance. A copy of the client's lease is only accepted when paying the first month's rent.)

Note: A spreadsheet is required to submit with rent/mortgage documentation. The spreadsheet may be generated from the agency's financial or case management system and sorted by client's last name. The spreadsheet must include: client's full name (last name first), client's address, vendor name, monthly rent/mortgage amount, amount paid, due date, check date and check number.

First Month's Rent Payment

2. First month's rent may be paid when an individual or household:
 - a. Is transient and plans to stay in the area for an extended period of time; or
 - b. Is moving from a temporary shelter to a more permanent living arrangement; or
 - c. Is being evicted because one-month's payment will **not** forestall eviction in current housing.

First month's rent:

- a. **Cannot** be provided in addition to emergency rent/mortgage assistance under item 1 above.
- b. **May** be provided in addition to assistance provided for off-site or mass shelter.
- c. **May** only be provided by a single LRO in a jurisdiction each award phase for an individual/household.
- d. **Cannot** be paid more than 10 calendar days before occupancy.

(Documentation required: dated and signed letters from landlords or current lease [must include amount of first month's rent and due date] and canceled checks or documentation for other approved methods of payment.)

Documentation must support the payment made and is limited to a maximum of one month's assistance.

Note: A spreadsheet is required to submit with rent/mortgage documentation. The spreadsheet may be generated from the agency's financial or case management system and sorted by client's last name. The spreadsheet must include: client's full name (last name first),

client's address, vendor name, monthly rent/mortgage amount, amount paid, due date, check date and check number.

First month's rent is the only situation in which the lease is acceptable documentation.

Rent/Mortgage Assistance Special Note

EFSP will allow a one time payment of \$250 or less for rent/mortgage assistance where the past due balance is \$250 or more without the verification of the monthly rent/mortgage amount.

Utility Assistance

For utility assistance, eligible program costs include:

1. Limited metered utility assistance (includes gas, electricity, water, and sewer service) for individuals or households. The client must be 1) a resident of the home or apartment and 2) responsible for the utility on the home or apartment for which utility assistance is to be paid provided conditions "a" through "f" below are met:
 - a. Payment is in arrears or due within 10 calendar days;
 - b. All other resources have been exhausted (e.g., State's Low Income Home Energy Assistance Program);
 - c. Payment is limited to a **maximum of one month's billed usage** cost for each utility (e.g., gas, electric and water) for each individual or household;
 - d. The month paid is the current amount, budget amount or part of the arrearage that is still owed at the time of payment and that is either from the current award phase or for continuous service prior to award phase that remains past due;
 - e. Each utility is paid only once in each award phase for any individual or household; and
 - f. Payment guarantees an additional 30 days service.

Note: If paying from a past due notice, a breakdown of the monthly usage charges must be obtained (a copy of current client billing and payment history by month from the utility provider). The highest one month amount from the phase/year may not be paid unless it is part of the amount currently owed at the time of payment. Where clients have made a partial payment, the payment is generally applied to the oldest past due amount. The entire EFSP amount paid may only be a maximum one month amount that is all still past due. Documentation must clearly indicate which month is being paid from the breakdown of monthly charges and must be part of the past due amount still owed at the time of payment.

Reconnect fees are eligible. Required fees that are included on the bill are eligible. Level billing or budget payments are eligible. Elective fees are not eligible.

Late fees and deposits are not eligible. Repayment agreements beyond the one month billing are not eligible.

2. Limited non-metered utility assistance (includes oil, firewood, coal, propane) for individuals or households provided conditions “a” through “c” below are met:
 - a. All other resources are exhausted (e.g., State’s Low Income Home Energy Assistance Program).
 - b. Payment is limited to a one-time delivery (e.g., the **minimum** amount of delivery for firewood, minimum gallons of fuel oil, propane).
 - c. Each utility is paid only once in each award phase for any individual or household.

The intent of non-metered utility assistance, like metered utility assistance, is to provide 30 days of service.

Note: A maximum of a one month's utility bill may be paid for a client/household by a single LRO in a jurisdiction. Multiple LROs may not join together and each pay a portion of a single utility bill. Rental fees for propane tanks or other equipment are not eligible.

*(Documentation required: (1) Metered utilities [e.g., electricity, water], the most recent copy of past due or current utility bill with a breakdown which **clearly identifies the one month's charges being paid** including due date and canceled checks or documentation for other acceptable payment methods; (2) Non-metered utilities [e.g., propane, firewood], receipts/invoices for fuel including due date or delivery date and canceled checks or documentation for other acceptable payment methods. (Estimated delivery quotes are not acceptable.)*

A spreadsheet is required to submit with rent/mortgage documentation. The spreadsheet may be generated from the agency’s financial or case management system and sorted by client’s last name. The spreadsheet must include: client’s full name (last name first), client’s address, vendor name, monthly utility amount, amount paid, due date, check date and check number.

**Utility Assistance
Documentation
Special Note**

EFSP allows a payment of \$100 or less on a utility bill with a past due amount or shut-off notice of \$100 or more without the monthly breakdown showing the client’s monthly billing amount.

Note: Utility disconnects and termination notices often do not show the amount owed by month. The monthly information must be verified with the utility company (a copy of current client billing and payment history by month from the utility provider) and written onto the notice or metered utility verification form. If one month's service cannot be verified from the bill or with the utility company, the LRO may pay up to \$100 per individual or household provided at least \$100 is owed on the bill. This \$100 is not a cap. If an LRO wishes to pay more than \$100, the one month amount paid must be verified. A spreadsheet is required to submit with rent/mortgage documentation. The spreadsheet may be

generated from the agency's financial or case management system and sorted by client's last name. The spreadsheet must include: client's full name (last name first), client's address, vendor name, monthly rent/mortgage amount, amount paid, due date, check date and check number. One month's service **must** be verified as stated above.

(Documentation required: dated copy of utility bill, disconnect, termination, final or shut-off notices with one month verification, if necessary, and canceled checks or documentation for other acceptable payment methods. Documentation must state which month's usage is being paid from the breakdown of monthly charges as well as the due date.)

(For additional information on utility assistance guidelines, see Annex 3 [page 54]).

Metered Utility Verification Form

The National Board encourages the use of the Metered Utility Verification Form (**along with a copy of the current utility bill or the client's billing and payment history from the utility company**) as the preferred method for verifying eligible utility assistance. The bill must be attached to the metered utility verification form and the information on the bill must support the information completed on the form. **Documentation must state which month's usage is being paid from the breakdown of monthly charges as well as the due date.** The form must be completed in its entirety and proof of payment must be provided with the form and supporting documentation. See Annex 4 (page 56) for sample metered utility verification form.

Diapers

For all service providers, the purchase of diapers is eligible as described below:

- a. For direct distribution to individuals.
- b. For residents of mass shelters.
- c. For vouchers to grocery stores.

Note: Local Boards must use discretion in selecting LROs to provide this service, taking into consideration the cost effectiveness of bulk purchasing.

(Documentation required: dated receipts/invoices for diapers purchased and/or documentation for other acceptable payment methods.)

INELIGIBLE PROGRAM COSTS: Purposes for which funds **cannot be used** include, but are not limited to:

1. **CASH PAYMENTS** of any kind, including checks made out to cash, petty cash expenditures, money orders or cashier checks purchased with cash.
2. Payments made in any form **other than** LRO check, LRO credit card, electronic payment from the LRO's bank account or LRO debit card to vendor. (Payments may not be made to clients.)
3. Reimbursements to staff, volunteers, or clients for program purchases. Cash back to client from gift certificates/vouchers.
4. Reimbursement to other LROs or agencies including those agencies under an LRO serving as a Fiscal Agent or Fiscal Conduit.
5. Fees: No bank fees, membership fees to food banks, shopping clubs, etc.
6. Deposits of any kind.
7. Administrative cost reimbursement to state or regional offices of governmental or voluntary organizations.
8. Use of administrative funds for purposes other than administering EFSP.
9. Lobbying efforts.
10. Expenditures made outside jurisdiction's spending period. All award funds must be expended within the current phase begin and end dates.
11. No pre-payment for expenses or services not yet rendered or incurred (i.e., where no goods or services have been provided prior to payment during program period).
12. Telephone costs, salaries, or office equipment by LRO, except as administrative allowance authorized by the Local Board, and limited to the total allowance (2%) of the LRO's award.
13. Rental security deposit or revolving loan accounts.
14. Payments of more than one month's mortgage, first month's mortgage, or down payment on mortgage. Payment on home equity loan or home equity line of credit.
15. Purchase/lease of real property (land or buildings) of any kind.
16. Property taxes of any kind, escrow accounts, insurance, legal fees, or condo fees.
17. Late fees for rent, mortgage, or utility assistance.
18. Payment of more than one month's rent.
19. Payment of more than one month's portion of a utility bill.
20. Payment of more than \$300 per item of essential equipment.
21. Lease-purchase agreement or equipment leases.
22. Emergency building code repairs or rehabilitation.
23. Routine maintenance of LRO facilities, routine maintenance or service contracts on equipment.
24. Construction, rehabilitation or remodeling for expansion of service.
25. Repairs of any kind to an individual's home or apartment.
26. Supplies or equipment purchases for an individual's home or private use.

27. Transportation of people **not** related to the direct provision of food or shelter (e.g., to another agency, another city, etc.). Also transportation to a relative's or friend's home.
28. Gas or repairs for client-owned vehicles, maintenance or repairs to LRO-owned vehicles (e.g., oil, tires, etc.). Also, insurance for LRO-owned or client-owned vehicles.
29. Emergency assistance for disaster victims, supplies bought for or in anticipation of a disaster (i.e., fires of any kind, floods, tornadoes, etc.).
30. Prescription medication, medical supplies, or vitamins.
31. Clothing (except underwear/diapers for clients of mass shelters, if necessary).
32. An LRO may not operate as a vendor for itself or other LROs, except for the shared maintenance fee for food banks.
33. LROs may not charge fees for services provided with EFSP funds.
34. Direct expenses associated with new or expanded services or to prevent closing.
35. Encumbrance of funds; that is, no pre-payments for goods or services not received or not rendered which are paid for prior to the end of the jurisdiction's program.
36. No payments on account. Funds cannot be placed on deposit with a vendor and drawn down.
37. Meal costs in excess of the normal daily basic meal cost.
38. Reserving or withholding funds in anticipation of a future need (e.g., holiday events, holiday baskets, special programs, celebratory events).
39. Staff events/functions/meals of any kind.
40. Supplementing foster care costs, where an LRO has already received payment for basic boarding and feeding of a client. Comprehensive foster care costs beyond food and shelter.

ADMINISTRATIVE ALLOWANCE

By law, there is an administrative allowance limitation of two percent (2%) of total funds received by the Local Board excluding any interest earned. **This allowance is a part of the total award – not in addition to the award.**

The local administrative allowance is intended for use by Local Boards and/or LROs and not for reimbursement of program or administrative costs to an LRO's national organization (its state or regional offices) which might be incurred as a result of this additional funding. LROs wishing to use part of their grant for administration must include this request in their application for funding.

Distribution of the allowance among LROs is decided by the Local Board. No LRO may receive an allowance greater than 2% of that LRO's award amount unless the LRO is providing the administrative support for the Local Board and is approved by the National Board. The administrative allowance may only be allocated in whole dollar amounts.

The Local Board may elect to use, for its own administrative costs, all or any portion of the 2% allowance. The Local Board may apply the administrative allowance toward advertising expenses, if necessary. Any of the administrative allowance not spent must be put back into program funds for additional services.

The administrative allowance for the Local Board and the other LROs cannot exceed 2% of the jurisdiction's total allocation, rounded to the nearest whole dollar. Any amount less than fifty cents is rounded down and fifty or more cents is rounded up. The maximum administrative allowance is noted on the Local Board plan.

(Documentation required: None with the final report; LROs receiving funds for administration must retain supportive documentation that the funds were spent on the direct administration of EFSP.)

Reminder: All EFSP documentation must be obtained and retained as noted in the Financial Terms and Conditions. Documentation may be requested at any time even if not required initially with the Final Report. Documentation for all program areas including administration must be provided when requested.

**SAMPLE ELIGIBLE AND INELIGIBLE EXPENDITURES; NOT LIMITED TO THESE ITEMS
FOR A MORE COMPREHENSIVE LIST AND FURTHER EXPLANATION OF THESE CATEGORIES, SEE PAGES 33-48**

CATEGORY	SAMPLE ELIGIBLE ITEMS	SAMPLE INELIGIBLE ITEMS
SERVED MEALS	Any food used in served meals (cold or hot); costs of transporting food to site or client; daily per meal schedule (\$2/meal).	Any items not related to actual feeding of a client. Excessive meal costs. Excessive snack food items. Staff events/functions.
OTHER FOOD	Food vouchers, food boxes, grocery orders, restaurant vouchers, etc., food purchased for food banks and/or food pantries, vouchers, gift certificates (limited), transportation costs.	Tobacco, alcohol, paper products. Any non food item. Excessive meal costs. Excessive snack food items. Staff events/functions.
MASS SHELTER	Direct expenses associated with housing a client (e.g., supplies, linens, etc.); transportation costs; daily per diem schedule (\$7.50 or \$12.50).	Year-round ongoing operational costs (rent, pest-control, garbage pick-up, utilities); salaries of employees.
OTHER SHELTER	Any <u>reasonable</u> hotel/motel or non-profit facility acting as a vendor; SRO; actual charge by vendor, per night; 30 day limit	An LRO receiving funds <u>may not</u> act as a vendor for themselves or another funded LRO. Stay beyond 30 days per phase. Prepayments for hotel/motel.
SUPPLIES/ EQUIPMENT	\$300 per item maximum Mass feeding: pots, pans, toasters, blenders, microwave, utensils, paper products, any item essential to the preparation of food, shelving. Diapers. <u>Mass shelter</u> : cots, blankets, pillows, toilet paper, soap, toothpaste, toothbrushes, cleaning materials, limited first-aid supplies, underwear/diapers. Emergency repair of essential small equipment (\$300 limit for both mass feeding and mass shelter.)	Decorative curtains, carpet, clothing, TVs, computer systems, office equipment, bedroom furniture other than beds (nightstand, lamps, etc.).
EMERGENCY REPAIRS	Emergency repairs are only allowed in support of per meal schedule or per diem schedule for mass feeding sites or mass shelters.	Rehabilitation for expansion, routine maintenance, or to prepare facility to open as direct costs.
RENT/MORTGAGE	Past due rent or mortgage payment (P&I only); current rent or mortgage due within 10 calendar days; first month's rent; lot fee for mobile homes. Limited to one month's cost for an individual/family.	Payment for rent/mortgage exceeding one month's cost; deposits; down-payment for purchase of home; late fees; legal fees; taxes, insurance & escrow accounts.
UTILITIES	Past due bills, or current bills due within 10 calendar days, for gas, electricity, oil, water; reconnect fees. May pay budgeted or actual amount. Limited to one month's amount that is part of the arrearage at the time of payment or current one month amount. One-time delivery of firewood, coal, propane.	Payments for utilities exceeding one month's cost; deposits; cable, or satellite TV bills; phone bills; internet service; late fees.
ADMINISTRATIVE ALLOWANCE	Limited to 2% of total funds received by jurisdiction; any expenses associated with administering this program (telephone costs, stamps, etc.).	Administrative expenses <u>not</u> related to the EFSP program.

REQUIRED DOCUMENTATION

Documentation refers to those accounting records that support payments for EFSP expenditures. Each payment requires two basic accounting records.

First, a copy of the LRO's proof of payment is required. Proof of payment would include as necessary: **LRO's canceled check returned from the bank** payable to the vendor; **LRO's bank statement showing electronic payment or debit card payment to vendor**; or **LRO's canceled check payable to the credit card company**. Do not copy either side of a check that has **not** been canceled by the bank unless submitting with bank statement for which cancelled checks are not returned. **Note:** When a check goes through the bank, it is generally encoded on the bottom of the check. These numbers represent the amount for which the check was processed. The front of the check shows the date of payment and the payee. The bank statement verifies that the check was debited to the LROs account.

For electronic checks and debit purchases, the bank statements must clearly identify the payee by name for each transaction (not a string of codes).

When checks are converted electronically at the time of purchase, it is similar to the use of a debit card. The money is immediately placed on hold in the account by the bank. EFSP requires copies of the bank statement to support expenditures paid with agency's electronically converted check and debit card payments. Electronically converted checks should be treated the same as far as documentation is required to support expenditures.

If an LRO cannot provide copies of both sides of the canceled check because the LRO's bank does not return checks, the following items are acceptable alternatives:

- Facsimile copies/images of canceled checks (front) from the LRO's checking account statements. **If submitting facsimile copies/images of checks, the copies must be large enough to read and clearly legible. (Please enlarge prior to photo copying.)**
- Substitute bank generated checks from the LRO's checking account statements. Copies of checks may be available via your bank's website. **Copies of bank generated checks must be large enough to read the check date and to whom the check is written.** (Please enlarge prior to photo copying.) If the bank generated checks do not show a cancellation on the front, then the bank statement must also be submitted.
- LRO's checking account statements along with a copy of the front of the check when it was issued by the LRO.

Second, a copy of the **vendor's itemized invoice**. **All copies of documentation must be clearly legible.** An acceptable invoice has the following characteristics:

1. It must be vendor-originated and have name of vendor.
2. It must have name of purchaser and have date of purchase.
3. It must be itemized (description of each item, number of each item and cost of each item).
4. It must have total cost of purchase.

Documentation may also include:

- Credit card statement showing purchase and payment along with itemized receipt of purchase.
- Vouchers with detailed description of goods or services provided,
- Daily per diem shelter allowance schedule. (See Annex 4 [page 59]),
- Daily per meal allowance schedule. (See Annex 4 [page 60]).
- Per trip mileage logs at the allowed rate of \$0.50. (See Annex 5 [page 61]).

Client Confidentiality in Documentation Submitted:

- In submitting documentation to the National Board with their Final Report, LROs providing services to clients where confidentiality is protected by statute may use a unique identifier.
- If using a unique identifier when submitting documentation for clients served, the LRO is required to provide documentation of the statute which applies to the clients served and services provided that are protected.

Note: The National Board reserves the right to request additional documentation as deemed necessary to support expenditures under the EFSP (e.g., landlord letters, sign-in logs).

All documentation submitted for review must be complete, clear and completely legible. Please enlarge prior to copying to ensure readability, if necessary.

All LROs must:

1. Have records audited by an independent certified or public accountant if receiving \$50,000 or more in EFSP funds; have an annual accountant's review if receiving from \$25,000 to \$49,999;
2. Keep their documentation records for three years after each end of program year. Documentation includes but is not limited to: LRO Certification form, application for funding, Local Board approval of funding, interim report/second payment request, Final Report, all expenditure documentation (vendor invoices/receipts and proof of payment);
3. Be subject to review and/or audit by the National Board, FEMA and/or the DHS Office of Inspector General during those three years;
4. Complete and return to the National Board the interim and final LRO reports;
5. Return any unused award funds to the National Board at the end of the spending period (\$5.00 or more). **Checks must be made payable to United Way Worldwide/Emergency Food and Shelter National Board Program, 701 North Fairfax Street, Suite 310, Alexandria, VA 22314 and include Local Board ID and LRO ID numbers on the face of the check in the upper right corner; and,**
6. All award funds must be expended during the current phase begin and end dates.

The ending date for the spending period in each jurisdiction for all award types is selected by the Local Board. The jurisdiction's spending period start and end dates are noted on the final report.

WHO MUST SUBMIT DOCUMENTATION

All LROs will be required periodically to submit documentation to the National Board to ensure continued program compliance.

Any LRO not funded in the previous phase will be considered new for compliance purposes and will be required to submit documentation. LROs having major compliance exceptions or those not clearing in a timely fashion will be required to submit documentation for the next phase. Any LRO having ineligible costs will be required to submit documentation.

LROs whose audits have reported findings will, at the discretion of the National Board, submit documentation.

Copies of all documentation (from LROs required to submit) must be submitted to the Local Board when requested after the end of the jurisdiction's spending period. The Local Board is then **required to review and submit all documentation** to the National Board after the end of the jurisdiction's spending period by the specified deadline.

Each LRO is responsible for ensuring that the copies of documentation submitted are **legible** and **organized** as indicated in the Final Report instructions.

Poorly copied or unorganized documentation may be returned to the Local Board for correction, and may result in a delay in receiving additional funding for the LRO and/or the jurisdiction.

Note: In certain instances the National Board may request submission of documentation to comply with outside audit requests.

- The audit firm selected to review National Board records will review a statistically valid random sample of agencies which were NOT required to submit documentation under normal procedures.
- National Board staff will conduct periodic site audits in funded jurisdictions. In each jurisdiction selected, several LROs will be chosen.
- FEMA staff will conduct site audits in several randomly selected jurisdictions.
- The DHS/OIG will continue its practice of random site audits.

Reminder: Local Boards and LROs must submit complete, accurate, legible documentation when requested in a timely manner. Failure to comply promptly with any documentation request may jeopardize a jurisdiction's or LRO's funding.

EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM (EFSP)

Audit/Review and Audit/Documentation Retention Responsibilities

Audit/Review Requirements

The EFSP annual audit requirement allows for two different levels of review depending on the LRO's level of funding. This change took place in Phase 23 (FY2005) and is noted on pages 25 and 30 of this manual. The EFSP audit requirements are:

For LROs receiving \$50,000 or more in EFSP funding, the National Board requires an independent annual audit in accordance with Government Auditing Standards. For LROs receiving from \$25,000 to \$49,999, the National Board requires an annual accountant's review. For newly funded LROs and LROs funded above the amount requiring an audit or review for the first time, the LRO must arrange for the audit or review of funds to coincide with the next scheduled annual audit or annual review of its financial affairs.

The National Board will accept an LRO's national/regional annual audit if the following conditions are met:

- LRO is truly a subsidiary of the national organization (i.e., shares a single federal tax exemption).
- The LRO is audited by the national/regional office internal auditors or other person designated by the national/regional office AND the national/regional office is audited by an independent certified public accountant or public accountant or accounting firm, which includes the national/regional organization's review of the LRO in a larger audit review.
- A copy of the local audit review along with a copy of the independent audit of the national/regional office will be made available to the National Board upon request.

Any agency expending \$500,000 or more in Federal funds must comply with Circular A-133 of the U.S. Office of Management and Budget. Note: A copy of this report must be forwarded to the National Board annually along with the regular audit.

Audits of units of government shall be made annually unless state or local government had, by January 1, 1987, a constitutional or statutory requirement for less frequent audits.

All audits/reviews must clearly identify EFSP funding by ID number and include EFSP funds in the Schedule of Federal Awards.

The changes in these requirements are specific to the EFSP and meeting any other local, state, or federal audit requirements or those required by any other funding source are the responsibility of the LRO.

Audit/Review Terminology

Audit – A formal examination of financial statements intended to assess the accuracy and thoroughness of financial records. An independent auditor performs this procedure on a set of financial statements in order to render an opinion based on the accounting records provided. An unqualified audit opinion states that the financial statements are in conformity with the General Accepted Accounting Principles (GAAP) in the United States. Audits are performed according to General Accepted Accounting Principles (GAAP) in the United States. An audit is more expensive than a review or compilation because an opinion on the accuracy of financial statements requires significantly more work than that involved in either a review or a compilation. *Under EFSP, an audit is required for any LRO receiving \$50,000 or more in funding.*

Review – Accountants perform limited procedures as a basis for expressing limited assurance on financial statements. Although not as comprehensive as an audit, a review provides more assurance than a compilation. A review report states that: 1) the accountants do not express an opinion on the financial statements and, 2) based on their review, they are not aware of any material modifications that should be made to the financial statements. A review is less expensive than an audit but more expensive than a compilation. *Under EFSP, a review is required for any LRO receiving from \$25,000 to \$49,999.*

Documentation Retention Responsibilities and Other Audit Responsibilities

EFSP requires all LROs to maintain documentation for three years from the end-of program date as noted on page 18 of this manual. The documentation to be retained includes financial records, supporting documentation, statistical records, and all other records pertinent to the award. The exceptions to the three-year rule are noted on page 29 and include litigation, claim, program compliance issues, or audit started before the three-year period and records for non-expendable property acquired either wholly or partially with EFSP funds.

The documentation must be accessible should there be reason for your agency to produce the documentation for review. This review might include the audit of these expenditures after you have reported to the National Board for the spending period. Please reference pages 12 and 22 guidelines for documentation disaster recovery plans.

Site Audits: The National Board staff frequently conducts site audits of LROs funded through the EFSP. These site audits are conducted at the LRO's offices and original documentation supporting expenditures of EFSP funds are reviewed. The original documentation would include all canceled checks or other approved method of payment and vendor invoices for expenditures charged to EFSP. If an LRO is using the per meal allowance or per diem allowance, the documentation would include sign-in sheets, case records, as well as the supportive documentation for actual expenditures (i.e., proof of payment, vendor invoices). Very often, multiple phases are reviewed during the site audit of the LRO.

Independent Audit: Annually EFSP undergoes an independent annual audit as required by the Federal government. During this audit, EFSP's independent auditors review documentation submitted by LROs that has already been reviewed by EFSP staff. Additionally, they request documentation from a sample of LROs that were not required to submit documentation with their Final Report. LROs must comply with the request from EFSP's independent auditors including the resolution of compliance problems noted by the independent auditors in their review.

Other Audits: Staff from the Federal Emergency Management Agency (FEMA) may also conduct site audits of funded LROs. Additionally, as EFSP funding is Federal funding, the U. S. Department of Homeland Security Office of Inspector General may also conduct site audits.

How are the site audits determined: The National Board has given the staff guidance for conducting site audits which includes, but is not limited to, reviewing LROs in jurisdictions where there are ongoing compliance problems, reviewing LROs who have failed to submit documentation to the National Board or the Board's independent auditors, findings in the independent audits submitted by LROs, concerns regarding operations from the Local Board or others, reviewing LROs funded in certain categories or areas of the country, alleged or suspected fraud, and at the request of the DHS Inspector General.

Generally, when site audits are conducted, several LROs in a jurisdiction or in surrounding jurisdictions are reviewed and multiple phases of each LRO's EFSP funding is reviewed.

Please note that since documentation must be retained for three years, all of those years are subject to audit at any time. Even if an LRO has filed Final Reports and received clearing letters, they are still subject to any of the audits noted above as well as requests for submission of documentation.

Audit Confirmation Requests: LROs requesting confirmations of funds received for external auditors must indicate the LRO ID number for each jurisdiction for which a confirmation is requested.

SPECIAL NOTE: DOES MY LRO HAVE TO HAVE AN AUDIT OR A REVIEW?

To determine what type of review is required for an LRO, the LRO must know the total amount of funding it is receiving from EFSP in all jurisdictions in which it is funded. The TOTAL EFSP funding is used to determine the type of review. For example, LRO ABC is funded in only one jurisdiction and receives \$31,000 - a review would be required since LRO ABC is receiving more than \$25,000 but less than \$50,000. LRO XYZ is funded in three jurisdictions, in jurisdiction #1 \$30,000 is received, in jurisdiction #2 \$17,000 is received, and in jurisdiction #3 \$26,000 is received. LRO XYZ would be required to have an audit. They are receiving a total of \$73,000, which is greater than the \$50,000 threshold for requiring an audit even though in each jurisdiction they are receiving less than \$50,000.

UTILITY DOCUMENTATION GUIDELINES

This gives you a general overview of using and documenting utility assistance provided to clients. Please refer to pages 42-44 of this manual for complete guidelines on using EFSP funds for utility assistance.

When using EFSP funds to provide utility assistance remember that only one month, approximately thirty days of service may be paid of each bill for an individual or household per award cycle. Billing cycles of more than one month must be divided by the number of months in the cycle to get the one month amount that may be paid. *For example, if the cycle consists of two months, divide the total cost of the bill by two to get the amount that may be paid.* If the client is on a budget plan and has the option of paying the actual usage cost or the budgeted amount an agency may select either amount. Only one can be paid, not both. *The minimum amount required by the vendor to keep service on cannot be paid, if it is more than one month's bill.* When a utility payment is made, it must guarantee an additional thirty days of service for the client. If the vendor does not grant the additional thirty days of service for the payment, then EFSP funds cannot be used to assist the client. A reconnect fee to restore service may be paid with EFSP funds. However, late fees, deposits and other service charges are not eligible as part of the utility payment. If these charges are required to maintain service for the client an agency will need to use another funding source to cover the cost of the items.

Documentation of utility payments must always include a copy of the canceled check or an approved method of payment dated no more than 10 calendar days before the bill's due date, made payable to the vendor along with the utility bill from the vendor for metered utility services (gas, electric, water) that clearly verifies the one month amount paid. The utility bill from the vendor must include the client's information (name, address, account number, etc.). A copy of the receipt from the vendor showing the date of delivery and cost of service for the minimum delivery, fill-up or one month's estimated use is required for non-metered utility payments (propane, coal, firewood). The most current utility bill available must be provided. Old bills will not be accepted. The **Metered Utility Verification Form** found in the manual on page 56 may be useful in documenting the one month amount paid, *if completed correctly.* The form must be completed to show the dates of service covered with the payment made. The dates of service covered on the Metered Utility Verification form must correspond to the bill provided. The Metered Utility Verification form cannot be submitted along with the canceled check in lieu of the utility bill. Also, an agency's internal paperwork cannot be submitted in place of the utility bill. A utility bill from the vendor must be submitted to support each payment made.

The following are the most common types of bills that are submitted with documentation for review from agencies. They are current utility bills that may include a budget amount and past due or disconnect notices covering multiple months. Your clients may also present similar bills from the utility vendors serving your community. Please read the following carefully for paying and documenting your utility expenditures.

- **Current Utility Bill** - This bill is not yet past due. An agency may pay the current one month's bill no more than 10 calendar days before it is due. The one month amount and service dates are verified. If the bill is paid more than 10 calendar days prior to the due date, the payment is considered ineligible under EFSP guidelines.
- **Current Utility Bill with Budget Amount** - This bill should include the amount of the actual usage for the month in addition to the budget amount the client is required to pay. An agency may pay either the actual usage or budget amount of the bill no more than 10 calendar days before it is due. The one month amount and service dates are verified. If the bill is paid more than 10 calendar days prior to the due date, the payment is considered ineligible under EFSP guidelines.
- **Past Due Bill or Disconnect Notice** - These bills are overdue and often will include other service fees. An agency has two options in paying these bills. The options are 1) verify and pay one month's portion of the past due balance or 2) pay up to \$100 of the past due balance, if at least that amount is owed, without the one month verification.

If the past due bill has a balance that is more than \$100 and your agency wishes to pay as much as possible to assist the client, as long as it does not exceed one month's assistance, you will need to contact the utility company to get a billing and payment history of the client's utility usage that may be covered in the past due or disconnect notice. Once the detail has been received from the utility company, you may pay up to the highest one month bill that is still owed (part of the past due balance on the notice) at the time your agency is making payment. *For example, if the client's May and June bills are still past due when the July bill is received and May is the highest one month of the three, your agency can pay the services for that month. If a portion of May has been paid, only the balance remaining can be paid or one of the other two months that are due on the bill (June or July).*

SAMPLE FORMS AND LETTERS

The following sample forms and letters are included for your convenience. The samples are all approved documentation which may be duplicated on your agency's letterhead. The use of these forms is strongly recommended, but not mandated. However, whatever documentation used, **must** contain all appropriate elements of EFSP requirements.

As further proof of amount owed, the LRO should obtain from the vendor, the billing and payment history of the client. This will help verify which month's bill has not been paid and is still part of the total amount owed. Any payments made to landlords or utility companies must guarantee an additional 30 days of service/residence. Direct any questions regarding the forms to the National Board staff. National Board staff should be consulted prior to any modification of the forms.

METERED UTILITY VERIFICATION FORM

Please complete this form in its entirety, as all information is required, for each utility payment made with Emergency Food and Shelter Program funds. Metered utility assistance includes gas, electric and water for individuals or households. (The individual utility bill which shows the one month past due amount must be attached along with a copy of the proof of payment to this form to verify eligibility of expenditures.) Failure to provide complete, required information will result in a compliance exception.

The attached utility bill or client's billing and payment history from the vendor charged to the Emergency Food and Shelter Program supports the information provided below:

Client Information (required):

Name: _____

Customer Account Number _____

Complete Address: _____
Street/City/State/Zip

Complete Service Address: _____
Street/City/State/Zip



Utility Payment Type (Circle One): Electric Gas Water

The attached bill covers _____ to _____ and is a one month billing period.

The attached bill is/was due on _____ (month/day/year).

The one month amount charges being paid from this bill are for (check one):

current month's utilities past due utilities.

The amount being paid of \$ _____ is for the month of _____, which was due on _____ (month/day/year) and does not exceed one month's billing.

The payment being made by my agency is still entirely past due and is part of the total amount owed at the time this agency is providing payment.

EFSP guidelines allow for the payment of utility assistance up to 10 days before it is due. No deposits are eligible.



Agency/LRO Use:
Because this information was not clearly stated on the attached bill, I have verified the information with the utility company and noted it by service dates and one month amounts attached bill/history.
The following information must be completed:
Verified on (month/day/year): _____
Verified with (name of utility company) _____
Verified with (name of utility company staff) _____
Name of LRO staff conducting verification: _____
Signature of LRO staff conducting verification: _____

SAMPLE RENT/MORTGAGE DOCUMENTATION
(Copy onto agency letterhead or insert LRO name and address here)

This form must be completed by the Local Recipient Organization (LRO) providing service.

***Client Information:** _____ Date: _____

Client Name: _____

Client Address: _____

(complete street address)

(city/state/zip code)

***Type of Assistance:** Rent (check one) Mortgage (check one)
 Past due rent Past due mortgage
 Current month's rent Current month's mortgage
 First month's rent (effective/move in date _____)

*The monthly rent/mortgage payment is \$ _____.

*The total owed (including the amount above) is \$ _____.

*The one month amount being paid by my agency is \$ _____.

*The amount being paid is for the month of (month/year) _____.

*The one month amount being paid is/was due on (month/day/year) _____.

*The one month amount being paid is past due in its entirety at time of payment (check one): Yes No

*EFSP guidelines allow for the payment of mortgage principle and interest only up to 10 days before it is due. No deposits, escrow fees, etc. are eligible when providing assistance to individuals/households.

***LRO Verification (To be completed by the LRO staff):**

LRO Staff Name: _____

LRO Staff Signature: _____

Date (month/day/year): _____

***Landlord/Mortgage Holder Verification (To be completed by the landlord/mortgage holder):**

This is to confirm that rent/mortgage for _____ for
(name of individual or family)

the property at _____ with
(complete address, street number and name, city, state, zip code)

a monthly rent amount of \$ _____ (rent only; includes no deposits, late fees, or other charges) or

with a mortgage with a monthly payment of \$ _____ (principle and interest only; no escrow
payments or other fees) is/was due on _____.

The total amount currently owed is
(month/day/year)

\$ _____. The individual/family now has rent/mortgage due/past due for the month(s)

of _____.
(month/year)

Landlord/Mortgage Holder Name: _____	Phone: _____
Address: _____ (street/city/state)	
Landlord /Mortgage Holder Signature: _____	Date: _____

*Required Information

Important: Payment will guarantee residency for an additional 30 days!

PUBLICIZING/ADVERTISING ELEMENTS

Local Boards **must** publicize/advertise in the local print media the availability of funds to inform and solicit applications from **all** agencies (including those on Native American reservations) providing or capable of providing emergency food and/or shelter assistance. **Advertisement must appear in paper at least 5 business days prior to the Local Board's allocation of EFSP funds. See page 63 for sample advertisement.**

Advertisements must include:

- Area funded/Local EFSP Board
(**Note:** National Board selects only jurisdictions for funding and advertisement must not state that a specific agency has been awarded the grant);
- Source of funding;
- Award amount;
- Purpose of funding;
- Priorities/needs that Local Board will address;
- Criteria for eligible agencies;
- Contact name, address and/or phone number for application; and
- Deadline for applying (Local Boards **must** allow at least **five business days after publication** for interested agencies to apply and before funding decisions are made.)

Note: All Local Boards must publicly advertise in the most broadly distributed local newspaper covering the jurisdiction. **Failure to advertise properly will delay processing of the jurisdiction's board plan and subsequent payment of funds.** (A press release is not sufficient unless publication can be verified.) When a news article cannot be obtained, a legal advertisement is acceptable.

In addition to the news article or legal advertisement, Local Boards may also directly notify agencies. Cable access television and radio may only be used to supplement the printed advertisement.

SAMPLE ADVERTISEMENT

(Name of jurisdiction) HAS BEEN AWARDED FEDERAL FUNDS UNDER THE EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM.

(Name of jurisdiction) has been chosen to receive \$(award amount) to supplement emergency food and shelter programs in the county.

The selection was made by a National Board that is chaired by the U. S. Department of Homeland Security's Federal Emergency Management Agency and consists of representatives from American Red Cross; Catholic Charities, USA; National Council of the Churches of Christ in the USA; The Jewish Federations of North America, The Salvation Army; and, United Way Worldwide. The Local Board was charged to distribute funds appropriated by Congress to help expand the capacity of food and shelter programs in high-need areas around the country.

A Local Board made up of (the Mayor, United Way, et al.) will determine how the funds awarded to (name of jurisdiction) are to be distributed among the emergency food and shelter programs run by local service agencies in the area. The Local Board is responsible for recommending agencies to receive these funds and any additional funds made available under this phase of the program.

Under the terms of the grant from the National Board, local agencies chosen to receive funds must: 1) be private voluntary non-profits or units of government, 2) be eligible to receive Federal funds, 3) have an accounting system, 4) practice nondiscrimination, 5) have demonstrated the capability to deliver emergency food and/or shelter programs, and 6) if they are a private voluntary organization, have a voluntary board. Qualifying agencies are urged to apply.

(Name of jurisdiction) has distributed Emergency Food and Shelter funds previously with (Names of LROs) participating. These agencies were responsible for providing (number) meals and (number) nights of lodging.

Public or private voluntary agencies interested in applying for Emergency Food and Shelter Program funds must contact (Local Board chair or staff name, address and/or phone number) **for an application**. The deadline for applications to be received is (application deadline date).

Application Elements

Local Boards must have a written application process but EFSP does not mandate a standard application to be used by all Local Boards. However, the National Board advises there is key information that Local Boards should obtain from all applicant agencies. The information gleaned from agency applications should provide the Local Board with the information necessary to make the best funding decisions possible.

Noted below are sample questions that Local Boards might ask of applicant agencies to aid them in their funding decisions. Each Local Board will create their own application form to include information the Local Board deems necessary to evaluate the agency's services and ability to administer the EFSP as a supplemental program.

Local Boards must ensure that their application provides every agency that meets the requirements on the LRO Certification form the opportunity to apply for funding. See page 68

Sample Questions:

- **Agency's Legal Name
- **Agency Principal
- **Agency Contact for Application Questions
- **Agency Contact for EFSP, if funded
- **Agency physical address
- **Congressional district where agency is physically located
- **Agency mailing address
- **Agency address for Place of Performance (where the EFSP funded services are provided)
- **Congressional district where agency's EFSP funded services are provided (Place of Performance)
- **Agency phone/fax/email (for individuals above)
- Agency website
- **Agency Federal Employer Identification Number (FEIN)
- ** Agency's DUNS number
- **Amount of EFSP funding requested by program area (food, rent, utilities, etc.)
- Agency operating budget (total)
- **Agency budget for the program area requested (food, rent, utilities, etc.)
- **Copy of agency's most recent annual audit
- **Deadline (date and time) for applications to be received (including contact, mailing address, location for delivery)
- **Is agency non-profit or unit of government?
- **If non-profit, a roster of the agency's volunteer board should be requested
- **Is agency debarred or suspended from receiving funds or doing business with the Federal government?

**Denotes required questions. Most of the required questions provide information that is necessary for the Local Board to submit to the National Board on their Local Board Plan or that comes directly from the LRO Certification form. All addresses must be complete - street number and name, city, state, and Zip Code plus 4.

Note: Local Boards should discuss their application and funding process. They should ensure the process is open and that all agencies are provided the same opportunity in the application process. Local Board member agencies must follow the same process as other applicant agencies.

SAMPLE APPLICATION

Agency's Legal Name	
Agency Principal	
Agency Contact for Application Questions	
Agency Contact for EFSP, if funded	
Agency physical address	
Agency mailing address	
Agency address for services	
Agency phone number	
Agency fax number	
Agency email (for Principal above)	
Agency email (for Contact above)	
Agency website	
Agency Federal Employee Identification Number (FEIN)	
Agency DUNS Number (9 digits)	
Congressional District	
Amount of EFSP funding requested by program area (food, rent, utilities, etc.)	
Agency operating budget (total)	
Agency budget for the program area requested (food, rent, utilities, etc.)	
Provide copy of agency's most recent annual audit	
Is agency non-profit or unit of government?	
If non-profit - provide a roster of the agency's volunteer board	
Is agency debarred or suspended from receiving funds or doing business with the Federal government?	
Deadline (date and time) for applications to be received (including contact, mailing address, location for delivery)	

PHASE 29 LOCAL BOARD PLAN CERTIFICATION

This certifies that the local private or governmental agencies selected as LROs reflected on the Local Board Plan have certified they meet the criteria below to receive funds and to participate in the Emergency Food and Shelter Program (EFSP). They have certified this by completing and signing the Phase 29 Local Recipient Organization (LRO) Certification form, which has been retained by the Local Board.

Please check Has read, understands and agrees to abide by the EFSP Phase 29 Responsibilities and Requirements Manual.

- Is not debarred or suspended from receiving Federal funds.
- Has the capability to provide emergency food and/or shelter services.
- Proposes to use funds to supplement or expand existing programs and services.
- Is nonprofit or an agency of government.
- Has an accounting system, and will pay all vendors by an approved method of payment.
- Conduct an independent annual review if receiving \$25,000-\$49,999/an independent annual audit if receiving \$50,000 or more in EFSP funds, and an OMB Circular A-133 if receiving \$500,000 or more in Federal funding.
- **Has not received an adverse or no opinion audit.**
- Understands that **cash payments** (including petty cash) are **not eligible** under EFSP.
- Practices nondiscrimination (those agencies with a religious affiliation must agree not to refuse service to an applicant based on religion, nor engage in religious proselytizing or religious counseling with Federal funds).
- Does not charge any client a fee for services funded by EFSP.
- Has a private, not-for-profit voluntary board.
- Will provide all required reports and documentation, as requested, to the Local Board in a timely manner.
- Will expend monies only on EFSP eligible costs.
- Will spend all funds and close out the program by the jurisdiction's selected end-of-program deadline.
- Has no known EFSP compliance exceptions in this, or any other jurisdiction.
- Will comply with lobbying prohibition certification and disclosure of lobbying activities if receiving \$100,000 or more in EFSP funds, if applicable.

This also certifies that the Local Board agrees to or has complied with the following roles and responsibilities:

1. Invited National Board agencies and/or their local affiliates to participate on the Local Board. **Has included a homeless or formerly homeless person as a member of the Local Board.** Has included a Native American to participate on the Local Board where a federally recognized reservation lies in or encompasses the jurisdiction. Has considered adding additional board members to broaden community representation including special emphasis groups (e.g., elderly, families with children, Native Americans, veterans, and mentally and physically disabled).
2. Has elected a chair.
3. Has advertised locally via print media, the availability of funds and has **waited 5 business days** before allocating funds. Has promoted the program to all agencies with the capacity to provide emergency food and/or shelter assistance, including those on Native American reservations, not just those represented on the Local Board.
4. Has held meetings to decide which local private or public agencies should receive grants and determined the amount of grant funds to each, will monitor expenditures of funds and eligible cost compliance at the local level, and will ensure all funds are properly spent before the jurisdiction's end-of-program date.
5. **Has secured and retained all signed LRO and Fiscal Agent/Fiscal Conduit Certification forms.**
6. Has established a written appeals process for participation or funding by funded or non-funded agencies.
7. Has submitted the Local Board Plan Certification with the Local Board Plan and Board Roster to the National Board by the specified deadline.
8. Has ensured that each LRO is not debarred or suspended from receiving Federal funds.
9. Will provide technical assistance on EFSP guidelines and requirements to LROs.
10. Will ensure that each LRO has read, understands, and agrees to abide by the EFSP Responsibilities and Requirements Phase 29 Manual and Addendum.
11. Will coordinate with state agencies that administer food, utility, and other Federal assistance programs.

12. Will reallocate funds within a jurisdiction or LRO, as necessary, (e.g., from food to shelter). If funds are transferred from one LRO to another, will notify the National Board and affected LROs in writing as promptly as possible or before the specified deadline.
 13. Understands that if deadline dates given by the National Board to Local Boards and LROs for the submission of second payments, EFT forms and reallocations and resolution of compliance problems are not met, that the remaining unpaid funds for the jurisdiction will be forfeited and reclaimed by the National Board.
 14. Will submit Final Reports to the National Board on expenditures and LROs' programs after jurisdiction's selected end-of-program date as required.
 15. Will ensure that any funds unspent (\$5.00 or more) at end-of-program are promptly returned to the National Board.
 16. Will obtain and review for accuracy all Final Reports for LROs and documentation for specified LROs and will forward to the National Board. Will require fund reimbursements from LROs in the event of expenditures violating the eligible costs under this award.
 17. Will remain in operation until all program and compliance requirements of the National Board have been satisfied.
 18. Will retain all records related to the program for three years from the end-of-program date; more than three years, if necessary, until compliance issues are resolved.
-

This form can be found on the website; after reading it, please sign and forward to your Local Board.

LOCAL RECIPIENT ORGANIZATION CERTIFICATION

All LROs must sign the certification at the beginning of each funding cycle. The certification must be retained by the Local Board.

As a recipient of Emergency Food and Shelter National Board Program (EFSP) funds made available for Phase 29 and as the duly authorized representative of _____

I certify that my public or private organization: (NAME OF LRO)

Please check **Has read, understands and agrees to abide by the EFSP Phase 29 Responsibilities and Requirements Manual.**

- Is not debarred or suspended from receiving Federal funds,
- Has the capability to provide emergency food and/or shelter services
- Will use funds to supplement/extend existing resources and not to substitute or reimburse ongoing programs and services,
- Is nonprofit or an agency of government,
- Will not use EFSP funds as a cost-match for other Federal funds or programs,
- Has an accounting system, and will pay all vendors by an approved method of payment,
- Conduct an independent annual review if receiving \$25,000-\$49,999/an independent annual audit if receiving \$50,000 or more in EFSP funds, and an OMB Circular A-133 if receiving \$500,000 or more in Federal funding,
- **Has not received an adverse or no opinion audit,**
- Understands that cash payments (including petty cash) are not eligible under EFSP,
- Has provided a Federal Employer Identification Number (FEIN) to EFSP,
- Has provided a Data Universal Number System (DUNS) number issued by Dun & Bradstreet (D&B) and required associated information to EFSP,
- Practices non-discrimination (agencies with a religious affiliation, will not refuse service to an applicant based on religion, nor engage in religious proselytizing or religious counseling in any program receiving Federal funds),
- Will not charge a fee to clients for EFSP funded services,
- Has a voluntary board if private, not-for-profit,
- Will comply with the Phase 29 Responsibilities & Requirements Manual, particularly the Eligible and Ineligible Costs section, and **will** inform appropriate staff or volunteers of EFSP requirements,
- Will provide all required reports to the Local Board in a timely manner; (i.e., Second Payment/Interim Request and Final Reports),
- Will expend monies only on eligible costs and keep complete documentation (copies of canceled LRO checks -- front and back, invoices, receipts, etc.) on all expenditures for a minimum of three years after end-of-program date, and for compliance issues until resolved.
- Will spend all funds and close-out the program by my jurisdiction's selected end-of-program date and return any unused funds to the National Board (\$5.00 or more; checks made payable to United Way Worldwide/Emergency Food and Shelter National Board Program, 701 North Fairfax Street, Suite 310, Alexandria, VA 22314),
- Will provide complete, accurate documentation of expenses to the Local Board, if requested, following my jurisdiction's selected end-of-program date,
- Will comply with the Office of Management and Budget Circular A-133 if expending \$500,000 or more in Federal funds,
- Will comply with lobbying prohibition certification and disclosure of lobbying activities if receiving \$100,000 or more in EFSP funds, if applicable, and
- Has no known EFSP compliance exceptions in this or any other jurisdiction.

This form can be found on the website; after reading it, please sign and forward to your Local Board.

FISCAL AGENT/FISCAL CONDUIT AGENCY RELATIONSHIP CERTIFICATION

This certification must be signed by each Fiscal Agent/Conduit agency at the beginning of each funding cycle and must be retained by the Local Board and Fiscal Agent/Fiscal Conduit.

As a recipient (through the fiscal agent/conduit noted below) of Emergency Food and Shelter National Board Program (EFSP) funds made available for Phase 29 and as the duly authorized representative of _____, I certify that my public or private agency:

(NAME OF AGENCY)

Please check Has read, understands, and agrees to abide by the EFSP Phase 29 Responsibilities and Requirements Manual.

- Is not debarred or suspended from receiving Federal funds,
- Has the capability to provide emergency food and/or shelter services,
- Will use funds to supplement and extend existing resources and not to substitute or reimburse ongoing programs and services,
- Is nonprofit or an agency of government,
- Will not use EFSP funds as a cost match for other Federal funds or programs,
- Has fiscal agent/fiscal conduit approved by the Local Board:

(Name of Fiscal Agent/Fiscal Conduit),

- Practices non-discrimination (agencies with a religious affiliation, will not refuse service to an applicant based on religion, nor engage in religious proselytizing or religious counseling in any program receiving Federal funds),
- Has provided a Federal Employer Identification Number (FEIN) to EFSP,
- Has provided a Data Universal Number System (DUNS) number issued by Dun & Bradstreet (D&B) and required associated information to EFSP,
- Will not charge a fee to clients for EFSP funded services,
- Has a voluntary board if private, not-for-profit,
- Will comply with the Phase 29 Responsibilities & Requirements Manual, particularly the Eligible and Ineligible Costs section, and will inform appropriate staff or volunteers of EFSP requirements,
- Will provide all required information to the Fiscal Agent/Fiscal Conduit,
- Will incur expenses for eligible program costs and will submit complete, accurate documentation on all expenditures to the Fiscal Agent/Fiscal Conduit for payment to the vendors,
- Will spend all funds and close-out the program by the jurisdiction's selected end-of-program date, and
- Has no known EFSP compliance exceptions in this or any other jurisdiction.

This form can be found on the website; after reading it, please sign and forward to your Local Board.

REALLOCATIONS

Local Boards may decide to reallocate funds **within** their jurisdiction. Funds may be reallocated locally at any time during the program spending period. When funds are reallocated from one LRO to another, the Local Board must inform both the National Board and affected LROs in writing. The National Board will be informed via the website. LROs must be informed in writing.

If the funds to be reallocated have already been paid to LROs in the jurisdiction, the funds must be transferred locally. This is a "*Local Reallocation*". In this case, the LRO whose funds are being reallocated must write a check to the LRO receiving the funds. If the National Board has not paid out the funds, payments will be issued to the appropriate LRO as requested by the Local Board. This is a "*National Reallocation*".

Local Boards may not reallocate funds to any LRO with an outstanding compliance problem in any jurisdiction in which they have received funds in any phase.

Local Boards may reallocate funds to new LROs, which must be approved by the National Board. Reallocations may not be made to new LROs after the National Board's established deadline. **This is the last date to add new LROs**. Prior to a new LRO receiving funds, the Local Board must provide the Federal Employer Identification Number (FEIN) and the Data Universal Number System (DUNS) number issued by Dun & Bradstreet (D&B) along with the associated information.

When requesting reallocations, please indicate if the funds are being transferred locally or if they are to be issued by the National Board. If a portion of the funds are being reallocated locally and another portion nationally, separate reallocations must be submitted.

If funds are returned to the National Board for reallocation, the check must be made payable to United Way Worldwide/Emergency Food and Shelter Program, 701 North Fairfax Street, Suite 310, Alexandria, VA 22314. The LRO ID Number of the agency returning the funds must be printed on the face of the check in the upper right hand corner.

Local Boards reallocating funds late in the spending period should ensure the LRO(s) receiving the funds can document the full amount of funds received, including any reallocations.

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on the behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, contribution, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

LRO Name

Local Board ID number

Representative Name/Signature

Date

NOTE: Standard Form LLL and instructions are available at www.grants.gov.

GLOSSARY OF EFSP TERMS

Award: the dollar amount granted to either a jurisdiction as a whole or an individual LRO.

Begin Date: the date the LRO can start charging expenses to the program.

Closeout: the process by which the National Board determines that all applicable administrative actions and all required work of the award have been completed.

Documentation: proof of payment, invoices, per diem schedules, vouchers, letters, mileage logs or schedules, etc. to support expenditures.

Eligible Costs: charges made against EFSP funds that the National Board determines to be allowable in accordance with the legislation.

End Date: the date by which all funds must be expended; this date is selected annually by the Local Board.

Final Report: annual report filed by each Local Board and LRO of expenditures of program funds.

Fiscal Agent: an LRO that maintains all EFSP financial records for another agency.

Fiscal Conduit: an LRO that maintains all EFSP financial records for more than one agency under a single award.

Ineligible costs: charges made against EFSP funds that the National Board determines to be disallowed in accordance with the legislation.

Jurisdiction: city, county or combination receiving funds through EFSP.

Local Board: decision-making body for each jurisdiction.

Local Board ID Number: the unique number which identifies each Local Board.

Local Board Chair: elected head of the Local Board authorized to sign documents on behalf of the jurisdiction.

Local Board Contact: person in a jurisdiction serving as the primary point of contact.

Local Recipient Organization (LRO): refers to the local private or public agency that will receive any award of funds from the National Board.

LRO ID Number: the unique number which identifies each LRO within a jurisdiction.

Manual (Responsibilities and Requirements): the written rules and regulations for the Emergency Food and Shelter National Board Program.

Mass Feeding: preparation and serving of congregate meals for clients in a program operated by an LRO.

Mass Shelter: a facility that has the capacity to provide accommodations for at least 5 clients per night at a single site operated by the LRO.

National Board: the governing body responsible for the administration of the EFSP.

Phase: the grant cycle.

Phase Spending Period: the period of time in which a jurisdiction has to spend its entire EFSP award. The spending period may vary for each jurisdiction. (See Begin Date, End Date.)

Second Payment/Interim Report: the form necessary for the LRO to submit to the Local Board and National Board for release of their second half of an award which reflects their program spending to date.

State Set-Aside (SSA) Committee: the decision-making body for each state receiving funds to award to jurisdictions with a need not reflected or greater than reflected in the statistics used by the National Board in the formula.

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EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM



Public Law 98-8

APRIL 1983

With the passage of Public Law 98-8 on March 8, 1983, the Emergency Food and Shelter National Board Program was created. The agencies, whose logos from the first program manual in 1983 are shown here, have participated as committed members of this public-private partnership for the last 28 years. Giving of their agencies' time and talents, they have taken the intent of Congress in funding the program and interpreted that into a model of local decision-making by bringing together around the community table agencies, like themselves, who work tirelessly on a daily basis to help make life better for others.

KEY CHANGES AND GUIDELINE CLARIFICATIONS

Phase 29

PLEASE NOTE: This Key Changes and Guidelines Clarifications document is provided to assist in your annual reading and review of the EFSP Responsibilities and Requirements Manual (EFSP Manual); it is not a substitute for the EFSP Manual. All State Set-Aside Committee members, Local Board members and all Local Recipient Organizations (LROs) are advised to read the Phase 29 EFSP Manual thoroughly for complete guidelines regarding their responsibilities, program operations, acceptable expenditures and documentation requirements as significant changes have been made.

STATE SET-ASIDE COMMITTEE (SSA), LOCAL BOARD, AND LRO COMMUNICATION FROM THE NATIONAL BOARD

As all EFSP participants were previously notified, the National Board has begun using email and the EFSP website as our primary means of communication. Please check the website frequently for information regarding program requirements, payment notification, compliance notification as well as program deadlines and other information. The website will also provide you with additional program information that should help in the work necessary for EFSP including newly developed Quick Reference Guides, Local Board Policy Papers, training opportunities, program forms, etc. As EFSP is using email as the primary means of communication and as SSAs, Local Boards and LROs were informed in the previous phase, email for all board members and LROs is a program requirement. The SSA and Local Board have the ability to update this information on the EFSP website and LROs can update their individual data.

STATE SET-ASIDE COMMITTEE – NEW MINIMUM AWARD PER JURISDICTION

For further details, please reference the Phase 29 manual, page 5

The minimum award per jurisdiction by the SSA Committee for Phase 29 is \$2,800.00 (this has been raised from \$2,000.00) and applies to all jurisdictions selected for funding by the SSA. This minimum award applies even if the SSA is giving additional funding to a jurisdiction that was funded by the National Board's formula. SSAs acting as Local Boards must follow the Local Board requirements regarding minimum awards to LROs.

SPENDING PERIOD FOR PHASE 29

For further details, please reference the Phase 29 manual, page 19

The spending period for Phase 29 is like the spending period for past phases. It has not been adjusted by the National Board due to the delay in funding. All LROs may charge back EFSP eligible expenditures for which they have EFSP required expenditure documentation to support expenditures during the jurisdiction's selected spending period. A jurisdiction's selected spending period at the beginning of each phase is the first day following the end of the prior phase and ends on September 30, 2011 unless the Local Board selects an extension to the end of September date. On their Local Board Plan Certification, Local Boards may select the end of the months of October, November, or December 2011 for the end of their spending period. The begin date and the end date for the spending period applies to all LROs in the jurisdiction.

CHARGING EXPENDITURES TO EFSP

As EFSP funding is supplemental, LROs should have other costs in the program area in which they are receiving funds. For this reason, as well as the timing of funding, the National Board has allowed LROs to charge back to the beginning of their jurisdiction's spending period for eligible EFSP costs that can be documented as required by EFSP. LROs should ensure that in charging back expenditures, they are doing necessary paperwork within their organization to track how expenditures are being charged and not using other "restricted" funds for this purpose.

ELIGIBLE PROGRAM COSTS CHANGES

For further details, please reference the Phase 29 manual, pages 35-44, 48

There are some changes in eligible program costs for Phase 29 which are detailed below.

The following costs are no longer eligible under the EFSP.

Building Code/Rehabilitation – Costs associated with building code/emergency repairs/rehabilitation are no longer allowed.

The following changes have been made regarding rent/mortgage assistance and are now eligible.

- **Payment Date** – Rent/mortgage assistance may now be paid 10 calendar days before the due date (this is a change from the previous 5 calendar days). Payments made more than 10 calendar days before the due date continue to be ineligible.
- **Special Note – Rent/Mortgage:** A one time payment of \$250.00 or less is now allowed in providing rent/mortgage assistance to an individual or family when it is not possible to verify the monthly amount. The total past due balance owed must be \$250 or more and the one month amount cannot be determined from the documentation. The one time payment may be made without the verification of the one month amount. This \$250.00 is not a cap. LROs wishing to provide more than \$250 in assistance must verify the one month amount. The \$250 one time payment may not be made when it is clear from the documentation that the \$250 exceeds the one month amount.

The following change has been made regarding utility assistance and is now eligible.

Payment Date – Utility assistance may now be paid 10 calendar days before the due date (this is a change from the previous 5 calendar days). Payments made more than 10 calendar days before the due date continue to be ineligible.

METHOD OF PAYMENT

For further details, please reference the Phase 29 manual, page 23

The following methods of payment to vendor are allowable under the EFSP with required documentation.

- Check from LRO bank account
- Debit card payment from LRO bank account
- Electronic payment from LRO bank account
- LRO vendor issued credit card (i.e., Sam's Club)
- LRO credit card (i.e., American Express, Master Card, Visa)

No method of payment from an LRO's employees or volunteers is allowed – cash, personal checks, credit cards, etc. Cash payments of any kind are not eligible.

DOCUMENTATION REQUIREMENTS

For further details, please reference the Phase 29 manual, pages 40-42

The documentation requirements for both rent/mortgage and utility assistance now require the submission of spreadsheets detailing the assistance provided to clients. The spreadsheets may come from a report already part of the LRO's accounting system, case management system, or may be generated specifically for EFSP. The spreadsheet must contain, at a minimum, the following data elements:

- Client's full name (sorted alphabetically by client's last name)
- Client's complete address
- Check number
- Vendor name
- Monthly rent/mortgage amount/monthly utility amount (as appropriate)
- Payment amount

- Month being paid
- Due date
- Check date
- Check number

EFSP REMINDERS

Local Boards and LROs

- Local Board and LRO complete contact information, including email address, may be shared for EFSP purposes; please use business contact information. If someone does not have a business email, there are several free email sources available.
- Federal Employer Identification Number (FEIN) is required for all LROs.
- Dun & Bradstreet Number (DUNS) is required for all LROs.
- Certification Regarding Lobbying must be submitted for LROs receiving \$100,000 or more before funds may be paid.
- Agencies must have a program in the category for which they are receiving funds.
- Do not send documentation to the National Board with Interim Report/Second Check Requests.
- EFSP funding may not be used as a “cost match” for other Federal grants/funding.
- Sign all appropriate documents prior to submission to the Local Board and/or National Board.

Local Boards

- Local Board chair/staff must be accessible to both the National Board staff and LROs.
- Local Boards must secure the LRO Certification form at the beginning of the phase and maintain it in their program records; this form may be requested to fulfill compliance with program guidelines.
- Local Boards may not allocate funds to an LRO who has received an “adverse” or “no opinion” audit.
- LROs should be trained on the program’s requirements before funds are spent; this is especially important for new LROs.
- Maintain the Local Board roster when changes occur throughout the phase on the website.
- Legal names of LROs must be provided when completing LRO information – acronyms and names of agency programs should not be used.
- Local Boards must communicate with and monitor LROs throughout the phase to ensure compliance with program guidelines. This is especially important if an agency ceases providing services as the program’s requirements must still be met and it is the Local Board’s responsibility to ensure reporting, documenting and returning of funds takes place.

LROs

- LRO staff must be accessible to both the National Board staff and Local Board chair/staff.
- LROs must sign the LRO Certification form at the beginning of the phase, provide a copy to the Local Board, and maintain a copy in their program records; this form may be requested to fulfill compliance with program guidelines.
- LRO staff working with EFSP funding should be trained on the program’s requirements before funds are spent; this is especially true for new staff.
- Maintain the agency information when changes occur throughout the phase on the website.
- LROs changing their legal name, FEIN, or DUNS number must submit a copy of the legal documentation confirming the change to the National Board.
- LRO bank accounts used for EFSP must be set up in the LRO’s name, not an acronym or name of the LRO’s program. If it helps the LRO to have the program name on the check, please have it placed on the second line.
- LROs must ensure the bank account which has been set up for the receipt of EFSP funding is open and active so as to prevent any delay in the receipt of funds once available.
- LROs receiving funds in multiple jurisdictions need to ensure the correct LRO ID Number is provided on any correspondence and documentation submitted to the EFSP.
- LROs funded in multiple jurisdictions must complete EFT requirements for each individual jurisdiction.

DEADLINES - Key Deadline Dates for PHASE 29

The National Board sets specific program deadlines during the course of each phase in an effort to ensure funds are released in a timely manner. Due to the delay in Phase 29 funding, some of these dates do not conform to the deadlines of past funding phases. **All dates are subject to change and may unilaterally be changed by the National Board, as needed**, including submission of Local Board Plans, Second Payment Requests, EFT enrollment, and Final Reports. Local Boards will be notified of changes, as necessary.

ITEM	DEADLINE
Phase 29 Local Board Plan due to National Board	August 12, 2011 for jurisdictions qualifying via the National Board's funding formula. For State Set-Aside Committee funded jurisdictions, this date will vary and is noted on the individual jurisdiction's Local Board Plan. This date is specified on the Local Board Certification.
Final Report due Spending Period End Date (Jurisdiction's end date selection options are listed on the Phase 29 Local Board Plan. The jurisdiction's end date is also printed on each LRO's payment letter notification.)	Approximately forty-five (45) days after end of spending period. September 30, 2011 Due November 15, 2011 October 31, 2011 Due December 15, 2011 November 30, 2011 Due January 15, 2012 December 31, 2011 Due February 15, 2012
LROs' Interim Report/Second Payment Requests due to Local Board LROs' Interim Report/Second Payment Requests due to National Board	No later than <u>September 15, 2011</u> No later than <u>September 30, 2011</u>
EFT enrollment form for new LROs	Newly funded LROs must sign up for EFT not later than <u>September 15, 2011.</u>
Adding a new LRO	If an LRO has NOT previously been funded in the current phase, it may not be added for funding after <u>September 15, 2011.</u> (This also applies when reallocating funds.)
Local Board's reallocation of funds due to the National Board	No later than <u>October 15, 2011</u>

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