

Payment to Vendors

Pay for all eligible program expenses by an approved method of payment directly to the vendor not more than 90 days after the invoice date. 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 bank account

*A webinar providing background on eligible and ineligible expenditures is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

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.



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 Vendor

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. LROs must provide a preference of vendors for, the purchase or acquisition of goods, products, or materials produced in the United States. 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



Special Documentation Note: Spreadsheets are required for all expenditures in all funding categories, including administration and must be submitted with each LRO's Final Report, even if complete documentation is not required. The spreadsheets may be generated from the agency's financial or case management system. The required elements for the spreadsheets are stated in the Required Forms section, page 83. Sample spreadsheets are available on the website under **Forms**.

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", "Food & Diapers Only" or Food, Diapers & Feminine Hygiene Items Only"). **Note: Gift**

Cards are eligible only if they can be marked/encoded "Food Only", "Food & Diapers Only" or "Food, Diapers & Feminine Hygiene Items Only". The same applies for food vouchers and gift certificates. There must be an agreement with the vendor that food, food and diapers only or food, diapers and feminine hygiene items only will be allowed and no cash will be returned to clients.

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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.



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: spreadsheets, dated receipts/invoices/completed vouchers for food purchased and proof of payment to vendor by an acceptable payment method. 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 and feminine hygiene items, 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. The signatures must be from the client, caseworker and the vendor of service. See Annex 8 [page 99] for sample of food voucher.

Transportation for Food Banks/Pantries and Other Food Providers

Transportation expenses for picking up, delivery and distribution of purchased and donated food; contracted services or public transportation (e.g., taxi, local bus, subway). A dated mileage log at the Federal rate of \$.545 cents per mile. (**Note:** The reimbursement rate is the rate in existence at the time of publication of this manual. The begin date applies as of January 1, 2018, and is to be used throughout the entire Phase.)



Documentation required: [1] dated mileage log (Note: The mileage log serves as the spreadsheet for the mileage allowance.), with departure, destination and trip purpose noted or [2] spreadsheet, receipts/invoices from contracted services or public transportation, and proof of payment to vendor by an acceptable payment method. See Annex 11 [page 102] 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: spreadsheet, dated, itemized receipts/invoices for equipment/supplies purchased and proof of payment to vendor by an acceptable payment method.

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: spreadsheet, dated receipts/invoices for food/seeds/plants purchased and proof of payment to vendor by an acceptable payment method.

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 January 1, 2018 and is to be used throughout the entire Phase.) Limited to a dated mileage log at the Federal rate of \$.545 cents per mile, contracted services or public transportation (e.g., taxi, local bus, subway).



Documentation required: [1] dated mileage log (Note: The mileage log serves as the spreadsheet for the mileage allowance.), with departure, destination and trip purpose noted or [2] spreadsheet, receipts/invoices from contracted services or public transportation, and proof of payment to vendor by an acceptable payment method. See Annex 11 [page 102] 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, feminine hygiene items, etc.) and/or mass shelters of five or more beds (e.g., soap, toothbrushes, toothpaste, feminine hygiene items, cleaning supplies, etc.).



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 if documenting their expenditures with a per meal or per diem schedule.



Documentation required: spreadsheet, dated receipts/invoices for supplies purchased and proof of payment to vendor by an acceptable payment method.

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.)



Equipment for mass shelter/mass feeding awards are included in per diem/per meal costs. An LRO may not be awarded additional funds for equipment, if documenting their expenditures with a per meal or per diem schedule.



Documentation required: spreadsheet, dated receipts/invoices for equipment purchased and proof of payment to vendor by an acceptable payment method.

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).

Routine maintenance and service contracts are **not** eligible.



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: spreadsheet, dated letter from Local Board indicating approval and dated invoices for equipment repair and proof of payment to vendor by an acceptable payment method.



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.



Limited first aid supplies for mass shelter/mass feeding awards are included in per diem/per meal costs. An LRO may not be awarded additional funds for limited first aid supplies if documenting their expenditures with a per meal or per diem schedule.



Documentation required: spreadsheet, dated receipts/invoices for first-aid supplies and proof of payment to vendor by an acceptable payment method.

Building Code Repairs to Mass Shelter or Mass Feeding Facilities

Building Code/Accessibility Improvements – Emergency repairs to comply with building code citations for a mass feeding facility or mass shelter only, provided:

- The facility is owned by a not-for-profit LRO (profit-making facilities, leased facilities, government facilities and individual residences are not eligible); and,
- The building code plan and the contract detailing work to be done and material and equipment to be used or purchased is **approved in writing by both the National Board and the Local Board prior to the start of the emergency repair/building code project to ensure compliance with program guidelines;** and,
 - The repair is limited to bringing a facility into compliance with local building codes; maximum expenditure: **\$2,500.00;**
 - All emergency repair work is completed and paid for by the end of the jurisdiction's spending period;
 - Facility must be used primarily for mass feeding or mass sheltering programs; and,
 - No award funds are used for **decorative** or **non-essential** purposes or **routine maintenance/repairs.**



Documentation required: spreadsheet, dated letters from both the National Board and the Local Board indicating approval and amount approved, copy of contract including cost or invoices for supplies and contract labor, document citing building code violation requiring the repair and proof of payment to vendor by an acceptable payment method.

Facility Improvements for the Disabled for Mass Shelter/Mass Feeding

Expenses incurred from accessibility improvements for the disabled are eligible for mass feeding or mass shelter facilities up to a limit of **\$2,500.00**. These improvements may include those required by the Americans With Disabilities Act of 1990. A building code citation is not necessary for accessibility improvements. Both the National Board and the Local Board must approve in advance, any accessibility improvements.



All social service providers are mandated to comply with the Americans With Disabilities Act of 1990 (ADA).



Building code repairs and facility improvements are allowable for mass feeding and mass sheltering sites only. These costs must have prior National Board and Local Board approval even if using the per meal or per diem rate.



Documentation required: spreadsheet, dated copy of contract describing work to be done including cost, letters dated from the National Board and the Local Board indicating approval and amount approved, and proof of payment to vendor by an acceptable payment method.

Mass Shelter Expenses

For mass shelter providers, there are two options for eligible costs: Direct Costs or Per Diem Allowances. One option must be selected at the beginning of the program year and continued throughout the entire year.

Note: The documentation requirements for each option are noted with each option.

Option 1: Mass Shelter/Direct Cost

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: spreadsheet, dated receipts/invoices from vendor and proof of payment to vendor by an acceptable payment method.

Option 2: Per Diem Allowance

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:

- Approved in advance by the Local Board; and,
- LRO's total mass shelter award is expended in this manner.



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. Note: The daily schedule serves as the spreadsheet for the per diem allowance. Supporting documentation must be retained on-site, e.g., invoices, service records and sign-in logs, proof of payment to vendor by an acceptable payment method. See Annex 9 [page 100] for sample.

Mass Feeding Expenses

For mass feeding programs, there are two options for eligible costs: Direct Cost or Per Meal Allowance. 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.

Option 1: Mass Feeding/Direct Cost

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



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: spreadsheet, dated receipts/invoices from vendor relating to operation of facility and proof of payment to vendor by an acceptable payment method.

Option 2: Per Meal Allowance

Per meal allowance of **exactly \$2 per meal served** if:

- Approved in advance by the Local Board; and,
- 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.**



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. Note: The daily schedule serves as the spreadsheet for the per meal allowance. Supporting documentation must be retained on-site, (i.e. invoices, service records and proof of payment to vendor by an acceptable payment method). See Annex 10 [page 101] 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 the LRO's documentation.)



Documentation required: spreadsheet, dated vendor receipts/invoices from off-site shelter [hotel/motel/etc. on their stationery] and proof of payment to vendor by an acceptable payment method. 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:

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) 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 or part of the arrearage that is still owed at the time of payment and is from the current award phase 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 for the first mortgage for the client's residence on the principal and interest.

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

If the bill is not in the client's name, documentation must be provided to prove that it is the client's responsibility to pay the bill.



Documentation required: spreadsheet, 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 proof of payment to vendor by an acceptable payment method. 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. See Annex 7, page 98.

First Month's Rent Payment

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 30 calendar days before occupancy.



Documentation required: spreadsheet, dated and signed letters from landlords or current lease [must include amount of first month's rent and due date] and proof of payment to vendor by an acceptable payment method.) See Annex 7, page 98.

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

Note: 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. Verification of an outstanding balance, month covered, and due date for the rent/mortgage is still required.

Utility Assistance

For utility assistance, eligible program costs include:

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/items are not eligible.

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

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.

If the bill is not in the client's name, documentation must be provided to prove that it is the client's responsibility to pay the bill.



Documentation required: (1) spreadsheet, 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 proof of payment to vendor by an acceptable payment method; (2) spreadsheet, 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.)



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. A bill is still required to show the outstanding balance, but a service period is not required.

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.



Documentation required: spreadsheet, dated copy of utility bill, disconnect, termination, final or shut-off notices with one month verification, if necessary, and proof of payment to vendor by an acceptable payment method. 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 14 [page 107].

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 6, page 97](#) for sample metered utility verification form.

Diapers

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

- For direct distribution to individuals.
- For residents of mass shelters.
- 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: *spreadsheet, dated receipts/invoices for diapers purchased and/or proof of payment to vendor by an acceptable payment method.*

Feminine Hygiene Items

For all service providers, the purchase of limited, basic feminine hygiene items is eligible as described below:

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



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



Documentation required: *spreadsheet, dated receipts/invoices for feminine hygiene items purchased and/or proof of payment to vendor by an acceptable payment method.*

Charging Back Expenditures

REMINDER: LROs may submit expenditures for items and services procured prior to receiving EFSP funds. The expenditures must be incurred during the spending period and be eligible under EFSP program guidelines. All documentation requirements for the category in which the expenditures are reported will apply.

Ineligible Program Costs

The following 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. Advances or reimbursements to staff, volunteers, or clients for program purchases. Cash back to client from gift certificates/vouchers.
4. Payments made more than 90 days after the receipt/invoice or client intake date.
5. Reimbursement to other LROs or agencies including those agencies under an LRO serving as a Fiscal Agent or Fiscal Conduit.
6. Fees: No bank fees, membership fees to food banks, shopping clubs, etc.
7. Deposits of any kind.
8. Administrative cost reimbursement to state or regional offices of governmental or voluntary organizations.
9. Use of administrative funds for purposes other than administering EFSP.
10. No meals/food or beverages may be purchased for EFSP Local Board meetings with the administrative funding.
11. Lobbying efforts.
12. Expenditures made outside jurisdiction's spending period. All award funds must be expended within the current phase begin and end dates.
13. 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).
14. 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.
15. Rental security deposit or revolving loan accounts.
16. 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.
17. Purchase/lease of real property (land or buildings) of any kind.
18. Property taxes of any kind, escrow accounts, insurance, legal fees, or condo fees.
19. Late fees for rent, mortgage, or utility assistance.
20. Payment of more than one month's rent.
21. Payment of more than one month's portion of a utility bill.
22. Payment of more than \$300 per item of essential equipment.
23. Lease-purchase agreement or equipment leases.
24. Routine maintenance of LRO facilities, routine maintenance or service contracts on equipment.
25. Construction, rehabilitation or remodeling for expansion of service.
26. Repairs of any kind to an individual's home or apartment.
27. Supplies or equipment purchases for an individual's home or private use.
28. 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.
29. 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.
30. Emergency assistance for disaster victims, supplies bought for or in anticipation of a disaster (i.e., fires of any kind, floods, tornadoes, etc.).

*A webinar providing background on eligible and ineligible expenditures is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

31. Prescription medication, medical supplies, or vitamins.
32. Clothing (except underwear/diapers for clients of mass shelters, if necessary).
33. An LRO may not operate as a vendor for itself or other LROs, except for the shared maintenance fee for food banks.
34. LROs may not charge fees for services provided with EFSP funds.
35. Direct expenses associated with new or expanded services or to prevent closing.
36. 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.
37. No payments on account. Funds cannot be placed on deposit with a vendor and drawn down.
38. Meal costs in excess of the normal daily basic meal cost.
39. Reserving or withholding funds in anticipation of a future need (e.g., holiday events, holiday baskets, special programs, celebratory events).
40. Staff events/functions/meals of any kind.
41. 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.

Administrative costs incurred in the processing of Final Reports are allowable from the date the Final Reports are made available from the National Board until the due date of the jurisdiction's Final Report. The day the jurisdiction's Final Report is due would be the last day administrative expenditures would be considered eligible. Any administrative costs incurred after the due date would be considered ineligible.

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. Any of the administrative allowance not spent must be put back into program funds for additional services.



Documentation required: Spreadsheets must be submitted along with the final report. LROs receiving funds for administration must retain supportive documentation that the funds were spent on the direct administration of EFSP.

**SAMPLE ELIGIBLE AND INELIGIBLE EXPENDITURES; NOT LIMITED TO THESE ITEMS
FOR A MORE COMPREHENSIVE LIST AND FURTHER EXPLANATION OF THESE CATEGORIES, SEE PAGES 63-77**

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	<u>\$300 per item maximum.</u> <u>Mass feeding:</u> 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.).
REHABILITATION/ EMERGENCY REPAIRS	Building code violations, handicap ramp, etc. (\$2,500 limit); Emergency repairs are only allowed in support of per meal schedule or per diem schedule for mass feeding sites or mass shelters. All expenditures require <u>prior</u> approval by both the National Board and Local Board.	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



All EFSP documentation must be obtained and retained as noted in this manual. 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.

Spreadsheets are required to be submitted along with documentation for all expenditure categories. The spreadsheets may be generated from the agency's financial or case management system. The required elements for the spreadsheets are stated in the Required Forms section, page 83. Sample spreadsheets are available on the website under Forms.

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 made not more than 90 days following the invoice/purchase date or date of intake 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.

*A webinar providing guidance on preparing spreadsheets is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

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 from the LRO's 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.

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 be 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:

- It must be vendor-originated and have name of vendor.
- It must have name of purchaser and have date of purchase.

- It must be itemized (description of each item, number of each item and cost of each item).
- 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 9, page 100),
- Daily per meal allowance schedule. (See Annex 10, page 101).
- Per trip mileage logs at the allowed rate of \$0.545. (See Annex 11, page 102).

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, billing and payment histories, 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 public accountant if receiving \$100,000 or more in EFSP funds; have an annual accountant’s review if receiving from \$50,000 to \$99,999;
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, Second Payment Request/Interim Report, 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 — **(Note: Documentation must be retained longer than the three-year period if compliance problems are identified. Once compliance problems are resolved, the three-year retention period begins.);**
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, Alexandria, Virginia 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.

*A webinar providing background on common compliance issues is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

*A webinar providing background on audit requirements is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

*A webinar detailing the process for submitting a Final Report is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

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.