

APRIL 2023

**FOOD DISTRIBUTION CLUSTER**

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<b>10.568</b>	<b>THE EMERGENCY FOOD ASSISTANCE PROGRAM (ADM. COST))</b>
<b>10.569</b>	<b>THE EMERGENCY FOOD ASSISTANCE PROGRAM (FOOD COMMODITIES)</b>

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<b>State Project/Program:</b>	<b>THE EMERGENCY FOOD ASSISTANCE PROGRAM(TEFAP) REACH AND RESILIENCY GRANT</b>
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United States Department of Agriculture

<b>Federal Authorization:</b>	<b>7 CFR 251, Public Law 98-8, 7 USC 7501-16 Public Law 100-435, Public Law 104-193</b>
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<b>State Authorization:</b>	<b>North Carolina Department of Agriculture and Consumer Services Food Distribution Division</b>
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The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

**Auditors may request documentation of monitoring visits by the State Agencies.**

This compliance supplement must be used in conjunction with the OMB 2023 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

# THE EMERGENCY FOOD ASSISTANCE PROGRAM(TEFAP) REACH AND RESILIENCY GRANT

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## I. PROGRAM OBJECTIVES

The purpose of this agreement is to expand TEFAP reach in rural North Carolina through the TEFAP Reach and Resiliency Project.

## II. PROGRAM PROCEDURES

### SERVICES TO BE PROVIDED:

The food banks are to serve as the liaison between the TEFAP partner agency and FTC. The Food Bank is to leverage existing networks within the target counties listed in their Memorandum of Agreement with FTC, providing equipment and infrastructure as needed for existing TEFAP partner agencies to improve efficiency and safety of distributions and develop new partners or distribution sites as needed to distribute TEFAP commodities in underserved areas. Allowable equipment purchases to assist TEFAP partner agencies with their current infrastructure include the following: commercial refrigerators and freezers, coolers, thermal blankets, large warehouse scales, tabletop scales, pallet jacks, walk-in coolers and freezers and a refrigerated box truck.

### PROJECT RESPONSIBILITIES OF FOOD BANKS:

- Identify partnering agencies to assist within the first six months and provide an assessment of partner agencies to be assisted. Documentation needs to include why the partner agencies identified was chosen and the average number of TEFAP participants served.
- Develop project plan/timeline with projected equipment purchases needed and amounts. Project plan should address assessment needs.
- Provide/develop a recruitment and intervention plan for additional agencies to reach the underserved population to include TEFAP agency trainings.
- Work with FTC Project Manager to receive pre-approvals of all purchases and reimbursement requests.
- Project plans and equipment purchases can begin immediately but no later than March 1, 2023.
- FTC Project Manager must be notified once the project is complete at the partner agency to determine all project closeout requirements and documentation is submitted.
- By February 28, 2024, submit a project impact narrative of equipment purchases to include the comparison of TEFAP distributions by partner agency before/after receipt of new equipment.

### PROJECT APPROVAL/REIMBURSEMENT PROCESS:

Once project plans have been submitted and approved by the FTC Project Manager work is to begin immediately. Food Banks must receive approval from the FTC Project Manager prior to any equipment purchases. Prior approvals must include the following:

- Name of Partner Agency, county, and address and agency representative contact information (email/phone) that is receiving the assistance.
- Documentation of infrastructure improvements to include:
  - Itemized list and cost of equipment to be purchased (Allowable equipment is commercial refrigerators and freezers, coolers, thermal blankets, electric pallet jacks, scales and refrigerated box truck.)
  - Vendor Quotes (if item is over 25,000, three quotes are required)
  - Installation Costs if needed.
  - Projected timeline for project completion

Once project is completed, the Food Bank TEFAP R&R Project point of contact is to notify the FTC Project Manager so a site visit can be scheduled and conducted at the TEFAP

## THE EMERGENCY FOOD ASSISTANCE PROGRAM(TEFAP) REACH AND RESILIENCY GRANT

Partner Agency location. All final paid receipts/invoices are to be submitted to the FTC Project Manager for reimbursements. Food Banks are to complete the Feeding the Carolinas FY22 - 24 TEFAP REACH & RESILIENCY GRANT CLAIM FOR REIMBURSEMENT form (Attachment 1). All reimbursement forms must include supporting documentation of the expenses listed. Payments shall be made to the Food Bank upon the receipt of a signed invoice.

### RECORDS RETENTION:

The food bank agrees to retain and make accessible for auditing purposes all original and supporting documentation that substantiates direct costs charged to this project. NCDA&CS records retention policy requires all grant records to be retained for a minimum of five years and not disposed of prior to June 30, 2029. and longer if applicable, until any audit exceptions are resolved.

### III. COMPLIANCE REQUIREMENTS

Below on the matrix are the types of compliance requirements are applicable to the federal program, noted as "Y," as determined by the federal granting agency if the federal program is listed in Part 2 of the OMB 2023 Compliance Supplement. A State agency may have added a Type. If the program is not listed in Part 2, the State Agency has determined the applicable Types. If a Type, applicable by OMB, does not apply at the local level or if the State has modified the federal requirements at the local level, this should be explained in the supplement under the Type. A Type that is not applicable at the local level is noted by "N."

If a particular Type is noted as "Y," the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. For each Type of compliance requirement, the auditor must use the OMB 2023 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	Y	N	Y	Y	N	Y	N	Y

#### A. Activities Allowed or Unallowed

Food Banks can purchase equipment as approved by the FTC according to their approved scope of work. FTC is allowed to do grant administrative activities.

#### B. Allowable Costs/Cost Principles

Administrative costs and partner agency upgrades/equipment costs

#### C. Cash Management

## THE EMERGENCY FOOD ASSISTANCE PROGRAM(TEFAP) REACH AND RESILIENCY GRANT

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Not applicable

D. Reserve

Not applicable

E. Eligibility

Feeding the Carolinas (FTC) is contracted with NCDA&CS FDD to manage and monitor all TEFAP Reach and Resiliency Grant Project activity and reimbursements. The FTC Grant manager will oversee the NC Food Banks that are contracted with NCDA&CS FDD to receive and distribute USDA foods (TEFAP) through partnering agencies and have contracted with FTC to participate in the TEFAP R&R Grant project.

F. Equipment and Real Property Management

All equipment purchases by the Food Banks must be pre-approved by the FTC grant manager to ensure the Food Banks are following the guidelines as set forth and noted in their Memorandum of Agreement with FTC and is also noted in FTC's contract with NCDA&CS FDD scope of work section. A pre-determined allowable list of equipment to be purchased was developed as a guideline for food banks to use. There is some flexibility with equipment purchase requests if the food bank can prove how the equipment can help with the receiving and distributing of USDA foods through the TEFAP program. Equipment request outside the allowed list must be submitted to FTC and FTC will submit to NCDA&CS FDD to be reviewed and approved/rejected. Monitoring is just for the purchase/installation of the equipment. The expense of the equipment will not warrant monitoring after the project performance period has ended.

G. Matching, Level of Effort, Earmarking

Not Applicable

H. Period of Performance

June 13, 2022 to June 30, 2024

I. Procurement and Suspension and Debarment

All federal and State of NC rules and regulations must be followed. Procurement rules must be followed If items purchased exceeds \$25,000. Three quotes must be submitted.

J. Program Income

Not Applicable

K. Reserve

Not Applicable

L. Reporting

FTC is required to submit a quarterly performance progress report detailing the grant project activity. NCDA&CS is required to submit a semi-annual performance progress report to USDA.

M. Subrecipient Monitoring

FTC is responsible for all grant monitoring activities.

N. Special Tests and Provisions

FTC must ensure the Food Banks only assist the partner agencies located within their target counties as listed in the Food Banks Memorandum of Agreement with FTC. Only

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30 counties in NC were identified as target areas for the TEFAP Reach and Resiliency Project. This list will expand to other counties in round 2 of the TEFAP Reach and Resiliency project if awarded by USDA.