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EMERGENCY FOOD ASSISTANCE PROGRAM

**State Project/Program:** THE EMERGENCY FOOD ASSISTANCE PROGRAM(TEFAP)  
REACH AND RESILIENCY GRANT

**Federal Authorization:** United States Department of Agriculture  
7 CFR 251, Public Law 98-8, 7 USC 7501-16 Public Law 100-435,  
Public Law 104-193

**State Authorization:**  
North Carolina Department of Agriculture and Consumer Services  
Food Distribution Division

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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 2025 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.

**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 Feeding the Carolinas (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

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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 must include why the partner agencies identified were 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, 2025, 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, the 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 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. NCDACS

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records retention policy requires all grant records to be retained for a minimum of five (5) years and not disposed of prior to June 30, 2030 or longer, if any audit exceptions are resolved.

### III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements (Types) that are applicable to the federal program. These Types are either determined by the federal agency or the State Agency may have added the Type. This is noted by "Y." If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is discussed in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, this is indicated by "N."

If the Type is applicable, the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. The auditor must use the OMB 2025 Compliance Supplement, Part 3 and Part 4 (if an OMB supplement is issued) in addition to this State supplement 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	Y	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. The FTC is allowed to do grant administrative activities.

#### B. Allowable Costs/Cost Principles

Administrative costs and partner agency upgrades/equipment costs

#### C. Cash Management

Not applicable

#### D. Reserve

Not applicable

#### E. Eligibility

Feeding the Carolinas (FTC) is contracted with NCDACS 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 NCDACS 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.

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### **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 set forth and noted in their Memorandum of Agreement with FTC and is also noted in FTC's contract with NCDACS 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 flexibility with equipment purchase requests if the Food Bank can prove how the equipment can assist with the receiving and distributing of USDA foods through the TEFAP program. Equipment requests outside the allowed list must be submitted to FTC and FTC will submit to NCDACS 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, 2025

### **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. NCDACS 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 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.