

### Section 3: Financial and Cost Policy

The Financial and Cost Policy Section describes policy changes as required by Section 28 of the Food and Nutrition Act (FNA) of 2008. This section also describes the impact of these policy changes on various funding-related SNAP-Ed activities. Where applicable, changes have been made to comply with 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>. The Uniform Guidance consolidates the guidance previously contained in several citations (OMB Circulars A-21, A-87, A-110, and A-122 {which have been placed in OMB guidance}; Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up) into a streamlined format that aims to improve both the clarity and accessibility. This Uniform Guidance is located in Title 2 of the Code of Federal Regulations.

#### State Agency Requirements

A State Agency must submit a SNAP-Ed Plan should it decide to request grant funds to conduct SNAP-Ed activities. If a State agency does not submit an approvable Plan, FNS may reallocate the State's grant among other States with approved Plans. The SNAP-Ed Plan must include an operating budget for the Federal fiscal year with an estimate of the cost of operation for one or more years. The State agency must identify the uses of funding for State or local projects and show that the funding will remain under its administrative control when coordinating activities with other organizations. The State Agency must inform FNS by the end of the first quarter of each Federal fiscal year (December 31) of any portion of its prior year allocation that it cannot or does not plan to spend for SNAP-Ed activities by the end of the Federal fiscal year.

#### Federal Financial Participation and Allocation of Grants

SNAP-Ed grants have the following characteristics:

Require no State contribution or match;

Are available each fiscal year and have a 2-year period of performance;

Are the only source of Federal SNAP funds available for SNAP-Ed activities;

Will not cover costs incurred in excess of the SNAP-Ed grant amount.

While fixed amounts of funding were provided for the program years 2011 through 2018, funding was allocated based on a formula. Allocating the available funding each fiscal year uses a formula that factors in a 50/50 weighting of State shares or

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percentages of the base 2009 Federal SNAP-Ed expenditures to national SNAP participation for fiscal year 2018 and beyond. Beginning in 2016, the applicable amount during the preceding fiscal year is also adjusted to reflect any increases for the 12-month period ending the preceding June 30th in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

### **What happens if a State must surrender unspent funds for reallocation?**

FNS strongly encourages States to spend the entirety of their SNAP-Ed allocations and to spend prior year funding before beginning to spend current year funds. Should a participating State agency notify FNS that it will not obligate or expend all of the funds allocated for a fiscal year; FNS may recover the unobligated, unexpended funds and reallocate them to other participating State agencies that have approved SNAP-Ed Plans during that fiscal year or the next fiscal year. The reallocated funds received by a State will be considered part of its base 2009 allocation for the next fiscal year for the purpose of determining allocation; funds surrendered by a State will not be considered part of its base 2009 allocation for that purpose.

### **Fiscal Recordkeeping and Reporting Requirements: Form SF-425 State Agency 7CFR 277 OMB No. 0584-0067**

Each participating State agency must meet FNS fiscal recordkeeping and reporting requirements including the following:

1. SF-425, Federal Financial Report. This quarterly report captures the State agency's expenditures of Federal SNAP-Ed funds during the report quarter, and the amount of obligations for SNAP-Ed costs that remain unliquidated at the end of the report quarter. This report is submitted quarterly, 30 days after the end of each quarter. An annual report is due 90 days following the end of the Federal fiscal year.
2. FNS-759, SNAP-Ed Education Administrative Reporting System (EARS). This report captures data on the numbers of SNAP-Ed participants, their characteristics (such as ages, racial/ethnic identities, etc.), the types of SNAP-Ed services provided, intervention characteristics, and partnerships developed.
3. As part of the budget process, the State must inform FNS by the end of the first quarter of each Federal fiscal year (December 31) of any portion of its prior year allocation that it cannot or does not plan to obligate for SNAP-Ed activities by the end of the Federal fiscal year.

### Allowable Costs

#### How can a State agency determine if costs are allowable?

Allowable costs are those for which FNS will reimburse the State agency that incurred them. To be allowable, a cost must:

1. Support an activity within the scope of SNAP-Education, included in an approved SNAP-Education State Plan;
2. Conform to Federal Government-wide and SNAP-specific cost principles; and
3. Conform to Government-wide and SNAP-specific rules for specific items of cost.
4. What activities are considered SNAP-Education activities, therefore chargeable to a State's SNAP-Education allocation?

The most fundamental Federal cost principle is that a cost must benefit a Federal program or program component in order to be reimbursable from Federal funds. A cost that supports an activity that is outside the scope of SNAP-Education is unallowable, even if it otherwise conforms to the Federal cost principles. To be allowable, all costs charged to SNAP-Education must be valid obligations of the State, local government or other sub-grantee, and must support activities described in an approved SNAP-Education Plan. The diversity of SNAP nutrition education and obesity prevention activities makes it impossible to compile a comprehensive listing of all allowable and unallowable costs. FNS will make all final judgments on what activities support the delivery of SNAP-Education. As examples, such activities may include, but are not limited to, the following:

1. Employing State agency staff, such as Registered Dietitians with public health training or experience or credentialed public health professionals, to plan, oversee, and/or monitor the use of SNAP-Education funds and nutrition education and obesity prevention services.
2. Providing nutrition education and obesity prevention interventions to SNAP participants, low-income individuals eligible to receive benefits under SNAP or other means-tested Federal assistance programs, and individuals residing in communities with a significant low-income population. A person whose income is less than or equal to 185 percent of the Federal poverty guidelines is income-eligible for SNAP-Education with certain exceptions.
3. Promoting and conducting physical activity to members of the SNAP-Education population in conjunction with SNAP-Education nutrition interventions or activities. [SECTION 3, PHYSICAL ACTIVITY.](#)
4. Food-related gardening and food-related gardening education for nutrition education and obesity prevention. [SECTION 3, GARDENING.](#)
5. Breastfeeding Promotion - Activity must be conducted in collaboration with the WIC Program. [SECTION 3, BREASTFEEDING.](#)
6. Collecting information for use in providing nutrition education and obesity prevention activities for the SNAP-Education audience. Examples include but are not limited to: (a) simple measuring of height and weight by SNAP-Education staff in determining BMI, as preparation for discussing the prevention or

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- management of overweight and obesity; and (b) administering dietary intake questionnaires on nutrition knowledge and behaviors.
7. Evaluating SNAP-Ed projects and interventions as described elsewhere in this Guidance.

As examples, the following are not SNAP-Ed activities and their costs are not allowable charges:

1. Medical Nutrition Therapy. *APPENDIX E, MEDICAL NUTRITION THERAPY*
2. Providing SNAP-Ed services to persons not eligible for SNAP benefits. *SECTION 3, COLLEGE AND UNIVERSITY STUDENT*
3. Clinical Health Assessments of SNAP-Ed population. This activity includes obtaining clinical data on members of the SNAP-Ed target audience. Such assessments include the measurement of cholesterol, blood glucose, or iron levels. Such activities are not part of SNAP-Ed.

### What Federal cost principles apply to SNAP-Ed costs?

The Federal cost principles identify certain criteria that an allowable cost must satisfy. These criteria include, but are not limited to, the following:

1. **Reasonable Costs:** A reasonable cost is one that a reasonable, prudent person would opt to incur under the circumstances. Factors to consider in determining reasonableness include:
  - Did the State agency receive a program benefit that is generally commensurate with the dollar amount incurred?
  - Is the cost proportionate to costs incurred for other, comparable goods or services?
  - What is the cost item's priority compared with competing demands on limited administrative resources?
2. **Necessary Costs:** This refers to the cost item's relationship to the program's mission and objective(s). Factors to consider necessity include:
  - Is the cost item needed to carry out the program?
  - Can the cost item be foregone without adversely impacting the program's operations?
  - Will incurring the cost duplicate existing efforts?
3. **Allocable Costs:** Allocation entails correlating costs with the program benefits obtained by incurring them. If a cost item benefits only SNAP-Ed, then 100 percent of it is allocable to SNAP-Ed. If a cost benefits multiple programs or activities, a portion of the cost is allocable to each. That portion must be proportionate to the benefit each program received.
  - To illustrate, a broader audience may benefit from a nutrition education effort whose cost is otherwise allowable under SNAP-Ed. In such a case, FNS may allow prorated costs that reflect SNAP-Ed's proportionate share of the total cost. The calculation of SNAP-Ed's share of the total cost is based on the number of the likely SNAP-Ed low-income target audience that will receive the nutrition education and obesity prevention activities relative to the total population to be reached. For example, if a SNAP-Ed

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project will reach 100 persons and 20 of these persons are from the SNAP-Ed target audience, then 20 percent of the total costs may be counted as SNAP-Ed costs. FNS will consider other reasonable methodologies that States describe in their SNAP-Ed Plans for determining the proportion of the low-income target audience that may be reached.

- States must show how prorated costs were calculated; fully describe the nature of such costs; and demonstrate the value of the proposed activity to SNAP-Ed. Since activities that target general audiences are often not designed with the needs of the SNAP-Ed target audience in mind, the State must justify how the activity is a good vehicle for reaching the SNAP-Ed audience and influencing their nutrition-related behaviors.
- Areas that, in general, fall outside the Agency’s “reasonable and necessary” criteria and would not be allowed include funding for infrastructure changes, like purchasing capital equipment or building sidewalks, and organized efforts to influence elected officials or lobbying for legislative/policy changes. Initiatives that include educating policymakers can be appropriate.

#### 4. **Costs Requiring Prior Approval**

- **Expenditures for Capital Equipment.** The State agency must obtain prior Federal approval before procuring or requesting payment for equipment valued at more than \$5,000 per item. Review and approval of equipment acquisition is normally conducted during review of the proposed budget. Budget review should ensure that proposed equipment requests do not duplicate previous years’ equipment purchases for the same project. Inventory records must be maintained for equipment that is paid for with Federal funds. A physical inventory is required, and the results must be reconciled with property records, at least once every 2 years or more often.
- **Costs Related to State SNAP-Ed Plan Amendments.** Should a State agency make changes to a SNAP-Ed Plan, the State must submit a Plan amendment for Federal approval prior to incurring the related expenses in order to ensure that costs meet all criteria for allowability. Further, if the scope of the activities in a Plan change, regardless of the impact on the planned expenditures, a State must submit a Plan amendment for FNS approval 7CFR 277 (OMB Circular A-87). See instructions regarding *PLAN AMENDMENTS* in the *GUIDELINES FOR DEVELOPING THE SNAP-ED PLAN*.

### **Where are the Federal cost principles located?**

Allowable costs are specified in the following sources:

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### **OMB Guidance:**

- 2 CFR 200 Subpart E (Cost Principles): cost principles for State and local governments, universities and institutions of higher learning, not-for-profit organizations, etc.
- 2 CFR 200 Subpart D (Post Federal Award Requirements): administrative requirements for universities, hospitals, and not-for-profit organizations, etc.
- USDA departmental regulations:
- 2 CFR 416: administrative requirements for State and local governments;
- 2 CFR 400: administrative requirements for universities, hospitals, and not-for-profit organizations (USDA codification of 2 CFR 200)

### **Program-specific guidance:**

- SNAP regulations at 7 CFR 277
- SNAP-Ed policy memos on the SNAP-Ed Connection at <https://snaped.fns.usda.gov/policy-memorandums>

### **What specific items of cost are allowable charges to SNAP-Ed?**

- **Allowable administrative costs are operational costs of carrying out SNAP-Ed in accordance with the State's approved SNAP-Ed Plan.** Lists of allowable and unallowable cost items as examples appear in 2 CFR 200 Subpart E, § 200.420 through §200.475. However, the vast array of possible costs precludes giving a comprehensive list in either the OMB guidance or this Guidance. The OMB guidance states that its failure to mention a particular item of cost does not imply that the cost is either allowable or unallowable; rather, administering agencies should determine allowability on a case-by-case basis, considering the treatment or standards given in the OMB guidance for similar or related items of cost. Allowable administrative expenses include, but are not limited to:
- **Salaries and benefits of personnel involved in SNAP-Ed and administrative support.** All staff wages, salaries, and benefits must be computed on a reasonable hourly basis commensurate with duties being performed, or the Federal minimum hourly wages established by the United States Department of Labor. The wages and salaries are not necessarily commensurate with compensation that would be paid to the individual when performing duties for which he/she is credentialed, but shall relate to the task they are actually performing for SNAP-Ed.
  - Staff must record time as specified in this Guidance and the underlying regulations and OMB circulars. For more information, see [DOCUMENTATION OF STAFF TIME AND EFFORT IN THE FINANCIAL AND COST POLICY SUPPLEMENT](#) following this section.
- **Office equipment, supplies, postage, and duplication costs that are necessary to carry out the project's objectives**
- **Charges for travel necessary to fulfill the approved Plan.** The travel must conform to official State, local, or university travel regulations. Allowable travel costs are subject to restrictions, such as prohibiting the charging of

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commercial airfare in excess of coach or its equivalent. For more information, see *COST OF TRAVEL AND CONFERENCE ATTENDANCE* in the *FINANCIAL AND COST POLICY SUPPLEMENT* following this section

- **Development and production of SNAP-Ed materials when no other appropriate materials exist**
- **Memberships, Subscriptions, and Professional Activities.** Costs of institution memberships in technical and professional organizations necessary to effectively implement an approved State SNAP-Ed Plan are allowable. Costs of individual memberships in such organizations for personnel that work in SNAP-Ed are not allowable. Professional registration or license fees paid by individuals are unallowable costs because the fees would be considered personal expenses, not institutional expenses.
- **Lease or rental costs**
- **Maintenance and repair expenses**
- **Indirect costs.** See *INDIRECT COSTS* in the *FINANCIAL AND COST POLICY SUPPLEMENT* following this section
- **Nutrition Education Reinforcement Materials.** See *NUTRITION EDUCATION REINFORCEMENT MATERIALS* in the *FINANCIAL AND COST POLICY SUPPLEMENT* following this section
- **Cost of Using Publicly-Owned Building Space.** Includes depreciation based on the building's original acquisition cost, and such building-related costs as maintenance and utilities; must not include costs of maintenance, utilities, etc. directly if they are already charged as indirect costs.

### Unallowable administrative expenses include, but are not limited to:

- **Advertising and Public Relations:** Except where incurred for recruitment of staff, acquisition of material for the grant, or publishing the results or accomplishments of the grant. Costs incurred to publicize the organization, as opposed to SNAP-Ed activities, are unallowable.
- **Alcoholic Beverages**
- **Bad Debts:** Includes losses represented by accounts or claims written-off as uncollectible and related costs. The related costs associated with delinquent debts for which the State continues to pursue collection are allowable.
- **Contingencies:** Contributions to an emergency reserve or similar provision for events whose likelihood or magnitude cannot be forecast with certainty. These are not insurance payments, which are allowable.
- **Contributions and Donations:** Usually these are political in nature.
- **Entertainment:** Costs that are primarily for amusement or social activities but there are exceptions. For example, OMB guidance cites meals might be allowable within the context of training. Other costs here might require a "reasonable judgment" based on program purpose and why or when the activity takes place.
- **Fines and Penalties:** Includes fiscal penalties, damages, and other settlements resulting from failure to comply with Federal, State, Tribal, local or Foreign laws and regulations.

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- **General Government Costs:** Include costs of the Governor's Office, the State Legislature, the Judiciary, etc. While such costs are generally unallowable, some may be charged as direct costs to a Federal grant if they clearly benefit that grant. For example, if a person assigned to the Governor's Office devotes 100 percent of his/her time to SNAP-Ed, the cost of his/her compensation may be allowable. Each situation must be judged on its own merit.
- **Goods and Services for Private Use**
- **Indemnification:** Payments to third parties and other losses not covered by insurance.
- **Lobbying**
- **Losses Not Covered by Insurance:** See Indemnification above. These costs are similar, but not the same.
- **Medical Equipment:** Used in clinical health assessment
- **Pre-agreement Costs:** Costs incurred prior to the effective date of the grant award are unallowable unless approved in advance by FNS.
- **Under Recovery of Costs under Federal Grants:** A shortfall in one Federal grant cannot be recovered by charging it to another Federal grant. This is not the same as charging two Federal grants for a share of the costs of the activity if both funding agencies benefit from the activity funded. However, an allocations basis must be established for sharing the costs in proportion to the benefit each receives.
- **Volunteer Services:** Under 7 CFR 277.4(e), the value of volunteer services does not represent any State expenditure or outlay, is therefore not a program cost, and is not payable to the State agency from Federal funds.

Under, 2 CFR 200 Subpart E (Cost Principles) there are some unallowable cost categories that apply to universities, in addition to those listed above:

- **Alumni Activities (2CFR 200.424)**
- **Commencement and Convocations (2CFR 200.429)**
- **Legal Fees Which Result From a Failure to Follow Federal, State, Tribal, Local or Foreign Laws:** If certain conditions are met, the Federal government may allow some legal fees. (2CFR 200.441)
- **Housing and Personal Living Expenses**
- **Interest, Fund Raising, and Investment Management:** There are exceptions with prior approval (2 CFR 200.445) but if the cost is shown it needs to be examined in light of the exceptions.
- **Any and All Political Party Expenses (2CFR 200.450{c})**
- **Scholarships and Student Aid:** There are exceptions which should be reviewed if these costs appear in the budget. (2CFR 200.466)
- **Student Activity Costs (2CFR 200.469)**



### Other Federal Policies Relevant to Administration of SNAP-Ed: Federal Royalty Rights

Under 2 CFR 200.315 (b), FNS reserves a royalty-free, non-exclusive right to reproduce, publish, use, or authorize others to use videos, photocopies, illustrations, computer programs such as DVDs, CD-ROMs, and related source codes, literature, or other products produced with SNAP funds for Government purposes. The State and local agencies may sell videos, photocopies, illustrations, or literature to other States for SNAP-Ed purposes at the cost of reproduction, plus shipping and handling. If a State agency or local agency realizes Program Income from the sale of nutrition education materials such as videos, literature, etc. paid with Federal dollars, it shall report the amount to FNS as program income on the SF-425 form. Any program income earned through the sale of print and audiovisual materials produced under the grant must be used to reduce the cost of the grant to FNS. The gross amount of program income may be reduced by the cost of producing that income. For example, re-production costs may be deducted from the gross amount of program income.

### Partnering With Health Care Organizations

#### *Financial Considerations*

The allowability of this type of partnership for the delivery of SNAP-Ed depends on whether the organization is public or private. The organization's profit or non-profit status is not relevant. There are three areas to consider carefully when initiating a new contract or managing an existing SNAP-Ed program that utilizes a health care organization:

1. Procurement regulations in some States or counties prevent awarding a contract to a private health care organization without a public notice allowing other health care organizations an opportunity to bid on the work. In addition, once a grantee moves beyond using other governmental services, procurement requirements become mandated. These include items such as the method of procurements and dollar limits.
2. While the nature of a public health care organization may mean that SNAP participants and eligible households will be involved, the health care organization should still validate that it meets target audience categories described in this Guidance. Additionally, the health care organization should meet the provisions of allowable SNAP-Ed activities, i.e., health promotion and primary prevention of disease should be the focus and aim of SNAP-Ed activities. The purpose of public health care organizations is generally for secondary prevention and medical nutrition therapy, which are not allowable SNAP-Ed expenditures.
3. Private, non-profit health care organizations receive the majority of their funding from Medicare/Medicaid. Costs of activities funded under one Federal grant may not be billed to another Federal grant. Unless the State involved is dedicated in tracking these expenditures, it would be difficult in this

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environment to clearly document costs and ensure they are charged to the correct grant or other cost objectives.

### ***Potential Partnerships with Non-Profit Hospitals***

SNAP-Ed focuses exclusively on community-based, non-medical primary prevention, while health care providers, hospitals and insurance systems typically provide secondary and tertiary prevention. Secondary prevention focuses on individuals by lowering risk factors and treating disease, while tertiary prevention aims to help individuals mitigate the effects of existing disease and disability. In some States, SNAP-Ed has partnered successfully with Federally-Qualified Health Centers, local health departments, free clinics, and other health care entities that serve SNAP-Ed audiences on primary prevention projects that include education, marketing, and PSE interventions. Medical Nutrition Therapy is part of health care delivery and may not be provided by SNAP-Ed.

Increasingly, large health systems are focusing on primary prevention as a means of slowing the rise of health care costs and preventing readmissions. The Affordable Care Act (Section 9007) community health benefits provision links hospitals' tax-exempt status to the development of a triennial needs assessment and implementation strategy. This provision applies to not-for-profit hospitals that seek federal tax-exempt status. As a result, FNS encourages States to seek opportunities to partner with these hospitals for their support of SNAP-Ed Plans and activities. SNAP-Ed providers may identify opportunities for sustainable partnerships with these groups to identify and implement evidence-based interventions and evaluations for low-income populations. For example, hospitals could donate their dietitians' time to help schools teach healthy eating, become sites for summer meals, or farmers markets. For more information on this process States may refer to CDC's Resources for Implementing the Community Health Needs Assessment Process <http://www.cdc.gov/chinav/index.html> and New Requirements for 501(c)(3) Hospitals Under the Affordable Care Act [https://www.irs.gov/charities-non-profits/charitable-organizations/new-requirements-for-501c3-hospitals-under-the-affordable-care-act?\\_ga=1.49972196.378713778.1477075620](https://www.irs.gov/charities-non-profits/charitable-organizations/new-requirements-for-501c3-hospitals-under-the-affordable-care-act?_ga=1.49972196.378713778.1477075620).

### **Partnering With School Wellness Programs**

The Child Nutrition and WIC Reauthorization Act of 2004 (Pub. L.108–265), required each local educational agency (LEA) participating in the National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP) to establish a local school wellness policy by School Year 2006. Local school wellness programs are intended to empower local communities to work together to promote and reinforce healthy eating and lifestyle behaviors. SNAP-Ed helps contribute to community health and wellness goals by providing and supporting nutrition education and obesity prevention services within eligible schools and other eligible venues. These activities help low-income

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students and their families make healthy eating and physical activity-related decisions in accordance with the DGA and MyPlate. While SNAP-Ed may pay for activities directed to the SNAP-Ed target audience, it is not within its scope to pay for local initiatives that are directed to the entire community. Such initiatives are the financial responsibility of the community.

The Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010 Proposed Rule would require all LEAs participating in the NSLP and/or the SBP to meet expanded local school wellness policy requirements, establish the framework for the content of these policies, ensure stakeholder participation in the policy development, and require periodic assessment of compliance and reporting on the progress toward achieving wellness policy goals. The rule also requires LEAs, as part of the local school wellness policy, to implement policies for the marketing of foods and beverages on the school campus during the school day consistent with nutrition standards. LEAs are encouraged in the rule to include SNAP-Ed coordinators and educators among others on local school wellness policy committees<sup>6</sup>. Many SNAP-Ed providers already provide nutrition education in classrooms and may be able to broaden the reach of a school's local school wellness activities through SNAP-Ed collaborative efforts with other publicly or privately funded national, State, and local nutrition education and health promotion initiatives and interventions. Working within school wellness policy committees affords opportunities for SNAP-Ed providers to expand the scope of the activities conducted in the school setting using PSE efforts. A good example of coordination among wellness policies, FNS, and SNAP-Ed would be support for FNS's What's Shaking? initiative to help successfully reduce sodium in school meals. See <http://healthymeals.nal.usda.gov/whatsshaking> for more information.

SNAP-Ed providers may participate on — but not lead — school wellness committees; leadership in developing, implementing, maintaining, and enforcing the local wellness policy remains the responsibility of the LEA. SNAP-Ed providers may offer consultation on strategies that will help schools become community nutrition and wellness hubs. Examples of other school wellness policy committee activities for which SNAP-Ed providers may contribute expertise and/or funds include: school-based nutrition and physical activity environmental assessments, healthy classroom checklists, integrating physical activity into the school day through activities such as instant recess, use of non-food items for rewards, school or community gardens, policies to allow use of school recreational facilities during non-school hours, walking school buses, and training on Smarter Lunchrooms in partnership with school district staff. As part of the local needs assessment, local SNAP-Ed agencies must demonstrate how these

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<sup>6</sup> Local School Wellness Policy Implementation Under the Healthy, Hunger-Free Kids Act of 2010 Proposed Rule, February 26, 2014

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activities help to fill an unmet need in schools that lack the appropriate nutrition education staff or resources.

States are reminded that SNAP-Ed funds may not be used for school-based food service activities, paying food service workers, or any efforts focused on implementing new meal patterns for reimbursable meals or snacks. SNAP-Ed might be able to assist in some areas of school food service, as long as the SNAP-Ed rules are followed. For example, SNAP-Ed might be able to help train school food service personnel in culinary techniques to support healthy eating such as reducing sodium or preparing fruit and vegetables if such expenses do not duplicate other FNS program and are targeted at SNAP-Ed eligible populations.

States should consult with Regional SNAP-Ed Coordinators should they have questions about which activities are allowable

### Examples of Allowable and Unallowable Costs

Please note that the content in the section below has not changed from previous years' guidance. The format has been modified to present the information in a way that improves readability for those with disabilities.

#### Literature/Materials/Audiovisuals

##### ***Allowable***

- The nutrition education/promotion materials that address SNAP-Ed topics and are for use with or distribution to the SNAP-Ed audience
- The purchase of other nutrition education materials, when there are no Food and Nutrition Service or Center for Nutrition Policy and Promotion materials available, that address SNAP-Ed topics and will be used with or distributed to the SNAP-Ed target audience
- The production of State SNAP-Ed materials, for which no other comparable materials exist that support the State's goals and objectives for SNAP-Ed and will be used with or distributed to the SNAP-Ed audience. States are encouraged to collaborate with other FNS programs on the messages conveyed in SNAP-Ed materials and in sharing the production costs

##### ***Unallowable***

- Costs for any nutrition education materials that have already been charged to another Federal or private program or source
- Any material that endorses or promotes brand name products or retail stores
- Manufacturer or store (cents off) coupons
- Purchase or production of written or visual material for purposes of lobbying or influencing Federal, State, or local officials to pass or sign legislation or to influence the outcomes of an election, referendum, or initiative

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- Purchase or production of written or visual nutrition education messages, that is not consistent with the current DGA and MyPlate

### Social Marketing Programs

#### *Allowable*

- Electronic, outdoor, indoor, transit, and print announcements of nutrition education- and obesity prevention-related activities for the SNAP-Ed target audience
- Social and multi-media initiatives that are part of comprehensive interventions
- Appropriate social marketing programs in which messages are delivered in areas, venues, or using communication channels where at least 50 percent of the audience is eligible for SNAP-Ed
- Social media, web sites, and other digital content that is designed, tailored to, and predominantly promoted to the SNAP-Ed target audience
- Television and radio announcements/advertisements that do not include a brief message about SNAP, its benefits, and how to apply.

#### *Unallowable*

- Social marketing that targets the general population. In some instances, prorated costs based upon the number of the SNAP-Ed target audience that will be reached with the campaign may be allowed. FNS may consider alternate methods with justification
- Publication or dissemination of nutrition education and obesity prevention messages that are inconsistent with the current DGA and MyPlate
- Television and radio announcements/advertisements that contain messages about SNAP, its benefits, and how to apply.

### Equipment

#### *Allowable*

- Purchase of office equipment. A county can donate equipment and use fair market value; however, any fair market value has to be adjusted to reflect Federal funding provided for the equipment. This can be arrived at by multiplying the fair market value times the State's percentage share invested in the equipment.
- Equipment shared with non-SNAP users when cost-shared with those users or used by non-SNAP users when not needed for SNAP-Ed purposes as long as such use is incidental
- Kitchen appliances, only with justification of need

#### *Unallowable*

- Expenditures for equipment that exceeds prior approval thresholds, i.e., \$5,000 per unit, unless prior approval is received from FNS

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- Medical equipment except for inexpensive equipment such as anthropometric measuring tools that can be used to measure height and weight to determine and discuss BMI and calorie balance/physical activity

### Food Samples, Supplies, and Provisions

#### *Allowable*

- Cost of food for recipe/taste testing purposes and cost of kitchen equipment and supplies necessary for food storage, preparation, and display of food prepared for demonstration purposes
- Food samples associated with educational lessons

#### *Unallowable*

- Ongoing snack or food service
- Meal sized portions or complete meal service
- Cost of food provided as groceries or supplemental food

### Nutrition Education and Obesity Prevention

#### *Allowable*

- Classroom setting (salaries, space, equipment, materials) for SNAP Ed audience. Primary purpose of class shall be to provide nutrition and obesity prevention education. If nutrition and obesity education is included with other topics, only that portion of class pertaining to these topics is an allowable cost.
- Physical activity demonstration, promotion, referral that includes a nutrition-related message based on DGA connected to the intervention
- Classes on calorie balance (nutrition and physical activity) to manage weight consistent with the DGA
- Activities that assist in advancing a nutrition education or obesity prevention-related community or environmental change for the low-income population
- The pro rata share of costs of classes that are provided in conjunction with another program, e.g., WIC, provided the State agency describes the method for allocating costs between the programs
- Breastfeeding education, promotion, and support which is coordinated with WIC and which supplements and complements WIC services, rather than duplicating or supplanting them
- Messages that teach how to compare ingredients and nutrients among foods and beverage products
- Diabetes prevention education, promotion, and support that focuses on obesity prevention and is coordinated with multi-level interventions and/or public health approaches

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### **Unallowable**

- Classes that are designed to provide case management or “life skills” training such as classes on English as a second language, parenting, child development, crisis management, rental information
- Medical nutrition therapy and secondary prevention interventions. *APPENDIX F, DEFINITIONS*
- Weight loss classes specific to individuals, individualized meal plans, obesity treatment programs, etc.
- Gym memberships, trainers, gym equipment, or facilities. *APPENDIX E, PHYSICAL ACTIVITY*
- Clinical health screening (i.e., cholesterol testing, and blood glucose testing, etc.)
- Distribution of nutrition education and physical activity reinforcement items costing over \$5.00 each
- Nutrition education costs that are charged to another Federal program such as WIC, EFNEP, Head Start
- Breastfeeding education, promotion, and support that duplicates or is provided through WIC, EFNEP, or Head Start funding
- Education provided to incarcerated or institutionalized persons who are not eligible for SNAP
- SNAP-Ed activities delivered to most able-bodied students, ages 18 through 49, enrolled in college or other institutions of higher education at least half time. For information on students that may be eligible:  
[http://www.fns.usda.gov/SNAP/applicant\\_recipients/students.htm](http://www.fns.usda.gov/SNAP/applicant_recipients/students.htm).

### **Space Allocation**

#### **Allowable**

- Space allocated to SNAP-Ed and other programs under a plan whereby the method of space/cost allocation between programs is documented and the costs are tracked
- Space donated by local school districts, but only the cost of the space based on depreciation.
- SNAP-Ed-related training for program delivery staff
- Staff time spent delivering nutrition education and obesity prevention activities to the SNAP-Ed target audience. Time must be charged at a rate commensurate with the duties being performed
- General briefings to community health care providers serving low-income communities about SNAP-Ed activities in the community
- Compensation for State agency staff to plan, oversee, and/or monitor the use of SNAP-Ed funds
- Orientation of school, child care, or appropriate worksite food service staff on collaborative PSE change efforts

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### *Unallowable*

- The time volunteers of a non-public agency, e.g., faith-based organizations, many food banks, etc. spend performing SNAP-Ed specific duties
- A physician's or other professional time spent conducting SNAP-Ed activities when charges are based on a rate commensurate with his/her credentials as opposed to the duties he/she is performing
- University courses that are not relevant to the practical delivery of SNAP-Ed to the SNAP-Ed target population
- Training or development costs of food service workers or others not directly associated with delivery of SNAP-Ed

### **Costs Associated with Other Activities**

#### *Allowable*

- Reimbursement for personal costs such as childcare, meals, lodging, and transportation for recipients of SNAP-Ed to actively participate in focus groups, needs assessment, and advisory groups to inform and improve SNAP-Ed effectiveness. **New:** Allowable costs for focus group participants are intended to reimburse for incurred costs, not to provide a financial incentive for participation. **End of new material.**
- Interventions that promote the selection of healthy foods from vending machines
- Participation on relevant nutrition education and obesity prevention related State and local advisory panels focusing on the interests of the SNAP-Ed target audience

#### *Unallowable*

- Organized efforts to influence elected officials and lobbying for legislative/policy changes
- Costs associated with surveillance or surveys of the general population that are not prorated based on the number of likely SNAP-Ed population
- Money, vouchers, or passes provided to SNAP-Ed recipients to offset personal costs incurred so that they may attend nutrition education and obesity prevention classes, e.g., for childcare and transportation expenses
- Childcare or transportation services provided for SNAP-Ed recipients in conjunction with SNAP-Ed activities

### **Policy, Systems, and Environmental Changes (PSEs)**

#### *Allowable*

- Costs associated with the implementation and maintenance of PSE efforts within the scope of SNAP-Ed
- Consultation with partner organizations on promoting organizational policy and practice changes that support healthy food and beverages, physical activity, and reduced sedentary behavior (e.g., entertainment screen time)



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- Analyzing and preparing data reports and sharing information on the expected benefits of PSE changes
- Consultation and training with food retailers, farmers, food distributors, and farmers market managers on increasing access to and promotion of whole grains, fruits and vegetables, and low-fat dairy
- Conducting environmental scans or assessments of the food and activity environments where food and activity decisions and choices are made
- Community forums or meetings with SNAP-Ed eligible populations or service providers on healthy eating and active living
- Point-of-purchase or point-of-decision signage and other behavioral cues to action that promote healthy eating or physical activity choices
- Resource kits with strategies for adopting, implementing, maintaining, and evaluating policy, systems, and environmental changes
- **New:** Consultation with partner organizations on measures to address and reduce food waste and maximize utilization and consumption of available healthy food resources **End of new material**

### ***Unallowable***

- Costs associated with the establishment and maintenance of environmental or policy changes outside of the scope of SNAP-Ed, such as infrastructure, equipment, space, land, or construction
- Costs associated with capital improvements to retail stores, sidewalks, trails, bicycle paths, or dining facilities
- Costs associated with refrigeration units or shelving in grocery or convenience stores
- Financial incentives to community partners or retailers to support environmental or policy changes
- Salaries for retail store staff, farmers market managers, or food service workers for service operations
- License or permit fees for farmers markets or food retailers

## Financial and Cost Policy Supplement

### Costs Associated with Program Efforts

#### ***Physical Activity***

*THE 2008 PHYSICAL ACTIVITY GUIDELINES FOR AMERICANS*

(<http://health.gov/paguidelines/guidelines/default.aspx>) provide Guidance to help

Americans improve their health through appropriate physical activities. FNS

encourages States to include the related *2015-2020 DIETARY GUIDELINES FOR*

*AMERICANS(DGA)* key recommendation, to meet the Physical Activity Guidelines for

Americans, in the SNAP-Ed Plans. Efforts to improve the health and fitness of program participants could include:

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- Activities to help participants follow a healthy eating pattern by providing nutrition education and linking it to program benefits.
- Activities to encourage physical activity every day by promoting active living and connecting people with community-based physical activity resources funded by other appropriate entities. Physical activity, particularly when combined with appropriate calorie intake, may aid weight loss and maintenance of weight loss.

The provisions of 2 CFR 200 Subpart E allow FNS to make reasonable judgments as to what is necessary and reasonable to deliver SNAP-Ed. Section 4028 of the 2014 Farm Bill (Public law 113-79) reinforced the physical activity dimension of SNAP-Ed by inserting “and physical activity” into section 28(b) of the FNA. This action recognizes physical activity promotion as an integral part of SNAP-Ed. Costs incurred for that purpose are allowable, subject to the following guidance.

Allowable costs include activities that educate participants and promote physical activity, such as providing the SNAP-Ed audience with information and encouragement to make physical activity part of their lifestyle. Allowable purchases may include inexpensive physical activity equipment such as stability balls, hand weights, jump ropes, hula hoops to use in ongoing physical activity in conjunction with nutrition education provided to the low-income target audience. States should consult their Regional SNAP-Ed Coordinator about reasonable physical activity-related interventions for SNAP-Ed.

### *The following form the basic principles of SNAP-Ed policy on physical activity:*

- Educational and program materials developed to promote and reinforce physical activity for all target audiences should include messages that link nutrition and physical activity, and explain the associated health benefits of active lifestyles.
- All programming such as workshops, conferences, and trainings for SNAP-Ed that encourages physical activity also should include promotion of healthy eating patterns. Activities may include physical activity demonstration for the SNAP-Ed audience and training for staff to develop skills to help SNAP-Ed participants.
- FNS program cooperators may use nutrition education funds to develop nutrition education and physical activity material that is reasonable and necessary for SNAP-Ed purposes. Generally physical activity materials should include a nutrition education message that promotes healthy eating and link nutrition and physical activity. FNS encourages the use of existing materials, especially existing FNS and CNPP materials, and ones available through the SNAP-Ed Connection, CDC, and other Federal Government agencies. Using or adapting successful interventions developed by others is preferable to developing new materials.
- FNS program cooperators are encouraged to coordinate with community, faith-based, youth, recreational, and other organizations, whose primary

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mission is to make regular opportunities for physical activity accessible and actively promote and coordinate such activities.

- FNS encourages PSE interventions that promote and support physical activity

### ***Examples of Beyond the Scope for SNAP-Ed Physical Activity Education and Promotion Costs***

Examples of unallowable costs include, but are not limited to, costs incurred for: health club, gym, or fitness class membership fees; large expenditure equipment (e.g., bicycles, treadmills, ellipticals, weight sets, etc.); facilities (rental or modifications); and instructors for continuing exercise classes.

### ***Examples of Acceptable Physical Activity Education and Promotion Costs***

SNAP State agencies may make physical activity education and promotion coupled with nutrition education available to the SNAP-Ed audience in a variety of ways. States may develop or adapt existing educational materials to teach physical activity concepts coupled with nutrition-related messaging or collaborate with partners on physical activity PSE change efforts in schools, child care, or communities as examples.

Physical activity education and promotion as part of nutrition education sessions in SNAP may include provision of advice, demonstrations (instructional in nature), nutrition education integrated into ongoing physical activity sessions, and community resource information, in order to encourage the SNAP-Ed population to engage in regular physical activities.

CDC Division of Nutrition, Physical Activity, and Obesity Physical Activity Web page provides a range of resources at <http://www.cdc.gov/physicalactivity/index.html>.

Community physical activity information for youth is available at:

[http://www.cdc.gov/healthyouth/physicalactivity/toolkit/factsheet\\_pa\\_guidelines\\_communities.pdf](http://www.cdc.gov/healthyouth/physicalactivity/toolkit/factsheet_pa_guidelines_communities.pdf).

### ***Gardening***

Food-based gardening is a beneficial activity that leads to the economical production and consumption of healthy and fresh food. Costs for the rental or purchase of garden equipment (tractors, etc.) or the purchase or rental of land for garden plots are not allowable. The purchase of seeds, plants, and small gardening tools and supplies, such as fertilizer and potting soil, to assist in developing school and community food gardening projects are allowable SNAP-Ed costs. Educational supplies, curricula, and staff salaries to teach food gardening concepts that reinforce the beneficial nutrition and physical activity aspects of food gardening are allowable costs. Staff salaries to establish and maintain community food gardens, i.e., in low-income housing projects or schools may be allowable but should be submitted to FNS for prior approval. Provision of time for food garden maintenance is an example of an opportunity for community

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participation in addition to SNAP-Ed funding. Participants may use program benefits to purchase seeds and plants for individual food gardening purposes. FNS encourages State agencies to coordinate with the Federal, State, local, and private initiatives that create sustainable food gardens as PSE efforts to benefit schools and communities through collaborative efforts. SNAP-Ed providers can play an instrumental role in community food gardening for the low-income population. More information about community gardening is available here:

<http://www.cdc.gov/healthyplaces/healthtopics/healthyfood/community.htm>

### *Farmers Markets*

**Farmers Markets offer multiple opportunities to partner with SNAP-Ed providers. States have the flexibility to implement PSE change efforts using multi-level interventions for nutrition education and obesity prevention services at farmers markets.** Examples include:

- Working to bring farmers markets to low-income areas, such as advising an existing market on the process for obtaining Electronic Benefits Transfer (EBT) machines to accept SNAP benefits
- Providing obesity prevention interventions at farmers markets serving low-income communities
- Partnering with organizations that offer incentives for the purchase of fresh produce at Farmers Markets
- Conducting food demonstrations and sharing appropriate recipes with shoppers
- Consultation and training with farmers and farmers market managers on increasing access to and promotion of fruits and vegetables, whole grains, and low-fat dairy

**Note that SNAP-Ed funds may not be used to provide the cash value of financial incentives, but SNAP-Ed funds can be used to engage farmers markets and retail outlets to collaborate with other groups and partner with them.**

**New: Food service and safety are regulated by State and/or local agencies. All food service activities must follow guidelines set out by cognizant agency (state or local) responsible for oversight of food service. End of new material.**

### *Breastfeeding*

All SNAP-Ed activities that address the topic of breastfeeding must be planned and implemented in collaboration with the State WIC agency and State Breastfeeding Coordinator. The WIC Program should have the lead and primary role in all breastfeeding activities with SNAP-Ed supplementing existing WIC activities. A written agreement such as an Inter-agency Agreement or Memorandum of Understanding stating the degree of collaboration and the specific responsibilities of WIC (i.e., staff, duties, and time) and SNAP-Ed shall be signed by all collaborating agencies and

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maintained for inspection. SNAP-Ed can advance breastfeeding in its programming through such activities as working on lactation policies and promotion at low-wage work sites, child care facilities, or other community venues. More information about breastfeeding promotion is available at the Surgeon General's Call to Action to Support Breastfeeding at

<http://www.surgeongeneral.gov/library/calls/breastfeeding/calltoactiontosupportbreastfeeding.pdf>, the WIC Works Resource System at <https://wicworks.fns.usda.gov/breastfeeding>, and CDC's breastfeeding page at <http://www.cdc.gov/breastfeeding/>.

### ***Nutrition Education Reinforcement Materials***

Nutrition education reinforcement materials refer to products given to the SNAP-Ed audience or those closely associated with SNAP-Ed. Such items convey nutrition messages and promote healthy nutrition and physical activity practices and may include for example measuring cups or pedometers. These items must have a direct relationship to program objectives and the desired nutrition or physical activity behavior change. Terms used to describe these items include enhancement items, home reinforcements, incentives, and educational extenders. Such items are allowable costs only if they are reasonable and necessary, contain or reinforce nutrition and physical activity messages, and are of nominal value.

FNS shall apply the general rules for determining the allowability of costs, as described in OMB guidance, paramount among which are the reasonable and necessary cost tests. Program reinforcement materials for nutrition education also should:

- Have a clear, relevant, and useful connection to particular FNS/SNAP nutrition education or obesity prevention messages;
- Contain an educational message or have a use that is directly relevant to reinforce behaviors among the SNAP-Ed target audience;
- Have nutrition education and obesity prevention messages;
- Have value as nutrition education and obesity prevention aids;
- Be offered only after weighing and assessing other relative needs and cost effectiveness;
- **New:** Be of nominal value of \$5.00 or less per item **End of new material**; and
- Not be used solely for marketing or staff morale boosters.

If the reinforcement material is designed for physical activity promotion, it should be provided in conjunction with relevant nutrition and physical activity messages. Items that would be considered not allowable include: celebratory items and items designed primarily as staff morale boosters; items that are not reasonable or necessary and/or have no nutrition education message; and any program incentive item intended for persons who are not SNAP-eligible or potentially SNAP-eligible. **New:** Knives are not

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considered acceptable NERI items. Knives should only be used for recipe preparation for food demonstrations or direct education classes. **End of new material.**

### Administrative Efforts

#### *College and University Students*

##### *Eligibility for SNAP Benefits and SNAP-Ed Services*

Most able-bodied students ages 18 through 49 who are enrolled in college or other institutions of higher education at least half time are not eligible for SNAP and therefore not eligible to receive SNAP-Ed. However, a student may be able to get SNAP benefits and participate in SNAP-Ed if otherwise income eligible and he/she:

- Gets public assistance benefits under a Title IV-A program;
- Takes part in a State or federally financed work study program;
- Works at least 20 hours a week;
- Takes care of a dependent household member under the age of 6;
- Takes care of a dependent household member over the age of 5 but under 12 and does not have adequate child care to enable him/her to attend school and work a minimum of 20 hours, or to take part in a State or federally financed work study program; or
- Is assigned to or placed in a college or a certain other school through:
  - A program under the Workforce Investment Act of 1998;
  - A program under Section 236 of the Trade Act of 1974;
  - An employment and training program under the Food and Nutrition Act; or
  - An employment and training program operated by a State or local government;
- Is a single parent enrolled full time in college and taking care of a dependent household member under the age of 12, if otherwise eligible.

#### *Scholarships and Tuition*

2 CFR 200.466 makes a distinction between scholarships, fellowships and other similar financial transactions, and tuition remission and similar work/study payments. For scholarships, costs may only be charged if (1) the purpose of the scholarship is for training of selected students, and (2) approval is granted by the grantor agency. There would need to be a necessary and reasonable judgment for approval of any scholarship payment shown as a cost to SNAP-Ed. In general, this is not a cost that would be necessary and reasonable for the purposes of SNAP-Ed. In the event the scholarship is based on research activity, FNS would normally not accept the cost as being necessary and reasonable. The primary function of SNAP-Ed is teaching nutrition education to the SNAP-Ed target audience. While basic research may be a commendable activity for developing new methods or data, it is beyond the basic purpose of this grant.

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Tuition remission on the other hand may be allowable in whole or in part, depending on the situation. The criteria for approval are:

- There is a bona fide employer-employee relationship between the student and the institution for the work performed;
- The tuition or other payments are reasonable compensation for work performed and are conditioned explicitly upon the performance of necessary work. Again any research activity should be carefully reviewed and in most cases will not be approved due to the fundamental differences in our grants and other grants provided for nutrition education; and it is the institution's practice to similarly compensate students in non-Federally funded activities as well as Federally-funded grants.

Students who are working on SNAP-Ed under a tuition remission situation shall account for their time, as would any full time or part time staff. The financial review of this charge shall take into account both the type of work performed and the number of hours worked. As with any charge, tuition remission can only be charged by the percentage of time that the student or employee worked on SNAP-Ed. If the student is working 50 percent of their time on SNAP-Ed, only 50 percent of the tuition may be charged to FNS. Again, a necessary and reasonable judgment should be made as to the purpose of the work and its impact on SNAP-Ed.

#### ***Documentation of Staff Time and Effort***

**New:** Weekly time and effort reporting is required by staff (cost share and salaried staff) devoting less than 100% of their time to SNAP-Ed. While the Circulars (A-21 and A-87) do not specify the frequency of the time reports (personnel activity report), FNS chose to require weekly time sheets for all staff working less than 100% of their time on SNAP-Ed. Circular A-87 does set a monthly cycle as the maximum period for time reports, however, we require weekly cycles.

Employees devoting 100% of their time to SNAP-Ed do not need to maintain weekly time sheets; however semi-annual time and effort certification by a supervisor is required.

Circulars identify the signature authority as the supervisor or primary investigator. Although time devoted to SNAP-Ed must be recorded and signed by the employee on a weekly basis for staff devoting less than 100% time, certification of the time sheets may occur on a bi-weekly basis. Certification may be completed by someone who is knowledgeable of the employee's duties and their work with SNAP-Ed. This could be a SNAP-Ed Implementing agency/SNAP-Ed subcontractor employee, another designated person, or the cost-share employee's supervisor (i.e. school principal for a teacher contributing cost share to SNAP-Ed). The certifying employee must sign the time sheets bi-weekly and may use electronic signatures in bulk, up to 20 sheets (one employee per sheet) per transmittal.

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There are other options for personnel activity reporting. States may use time studies or other methods, approved by FNS, to account for time spent working on FNS programs.

In addition, time documentation forms must reflect after the fact reporting and may not be completed in advance of the activity and later certified by the employee. OMB Circulars A-87 (2 CFR 225) and A-122 (2 CFR 230) for States and non-profits state that support reports must reflect an after the fact determination of activity as noted in the below information taken from A-122 (2 CFR 230):

➤ *The reports must reflect an after-the-fact determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards. (Appendix B Item 8.m.(2)(a))*

OMB Circular A-21(2 CFR 220) for Educational Institutions mentions that any method for tracking personnel costs *must recognize the principle of after the fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. (Section J.10.b.(2)(b))*

**Time documentation forms should be available for review during Management Evaluations or upon request of the Regional Coordinator.**

### **End of new material.**

Standards for documenting Staff time also come from 2 CFR 200.430 (i), which is excerpted below. Consultation with Regional Office staff will be necessary as the changes related to the Uniform Guidance are implemented.

(i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for Institute of Higher Education {IHE}, this per the IHE's definition of Institutional Base Salary {IBS});

(iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;



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(v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and

(vi) [Reserved]

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

(viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:

(A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;

(B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and

(C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal awards based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

(ix) Because practices vary as to the activity constituting a full workload (for IHEs, IBS), records may reflect categories of activities expressed as a percentage distribution of total activities.

(x) It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.

For States, local governments, and Indian tribes, substitute processes or systems for allocating salaries and wages to Federal awards may be used in place of or in addition to the records described above if approved by the cognizant agency for indirect cost. Such systems may include, but are not limited to, random moment sampling, "rolling" time studies, case counts, or other quantifiable measures of work performed.

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State agencies may submit alternative methods of calculating time with appropriate justification for consideration by the FNS Regional Office. The FNS region may consider and approve alternative methods of calculating time that provide a reasonable assurance of accuracy of the time estimate. Time records need not be submitted with the Plan but should be maintained by the project for audit.

### ***Indirect Costs***

Indirect cost is a general term for certain types of costs that are incurred by the grantee or sub-grantee in support of other allowable activities that are charged directly to sponsoring Federal or State funding agencies. These indirect costs (also called overhead costs) are determined through a variety of rates or “cost allocation plans” that detail how the costs are to be shared by the funding agencies.

Indirect cost rates are documented through an indirect cost plan, which is approved by a cognizant agency. A cost allocation plan, also approved by a cognizant agency, is a more extensive plan that combines many different allocations.

Historically indirect cost plans were reviewed and approved by a cognizant agency officially assigned by OMB. Typically OMB assigned cognizance to the Federal funding agency that had the largest dollar amount involvement with the specific grantee. Within that agency there was an office known as the Division of Cost Allocation or DCA. Due to budget cuts, the DCA no longer reviews or approves indirect costs for sub-grantees. Recently, these costs were claimed without any Federal review. FNS has determined that under the new Uniform Guidance, the primary grantee (normally the State agency) is responsible for review of indirect costs submitted by their sub-grantees. This policy is currently implemented by other Federal agencies, including the Departments of Education, Labor, and Health and Human Services.

FNS will accept indirect costs established through an indirect cost plan approved by the appropriate State agency. We retain the right to review any and all such plans. In the event a State agency has approved a plan that is determined to be unacceptable, indirect costs charged through that plan may be disallowed.

If a cost can be directly attributed to one grant, then that cost may not be included in either an indirect cost plan computation or any cost allocation plan. Indirect cost rates are normally computed through a process where all indirect costs are added together and then divided by the Modified Total Direct Costs. This results in a percentage which is applied to each grant as its share of the indirect or overhead costs. For example, if indirect costs total \$16,000 and the Modified Total Direct Costs total \$100,000, then the indirect cost rate would be 16 percent. Each grant would then be charged 16 percent of the total direct costs chargeable to that grant. In a cost allocation plan, usually meant for a larger grantee, various costs are pooled and then allocated to the various grants operated. Indirect costs may be claimed by grantees for the cost of activities operated

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by sub-grantees. This would result in two indirect cost rates being applied to the grant. In most cases, the rates are restricted to the first \$25,000 of any flow through grants or contracts. This is provided for in the construction of the Modified Total Direct Costs used in development of the indirect cost rates.

If a grantee has an approved indirect cost plan or cost allocation plan, it should note the indirect cost rate agreement in its SNAP-Ed Plan. FNS may request documentation in support of the submitted indirect cost rate. The State agency should ensure that documentation from either the federally assigned cognizant agency or the State review process will be available for FNS review if requested.

FNS will accept indirect cost rates for colleges and universities that have been approved by the appropriate cognizant entity. Unless justification is provided, only the off-campus rates may be used. If additional categories such as “other sponsored activities” are covered, FNS will not accept “instructional rates” without justification. In most SNAP-Ed Plans, only one rate may be used for each program charged. As a result, any justification for using either the “on-campus” or “off-campus rate” should be based on where the majority of the allowable activities take place. In the case of SNAP-Ed, the allowable activities are defined as those activities that provide nutrition education to the SNAP eligible population. Other activities, such as research and data analysis, are not the primary purpose of SNAP-Ed and should not be used in determining where the majority of the activities take place. Indirect costs at colleges and universities are limited to 26 percent of Modified Total Direct Costs, based on 2 CFR 200 Appendix III.

Small local agencies may not have staff with the expertise to develop indirect cost rates. Local agencies that do not have a cognizant agency to review and approve their rates may apply to the State agency for approval to use a rate developed either by or for the local agency. They may obtain contracted accounting services as an allowable program cost. Any costs of determining the indirect costs are themselves allowable costs and may be included in the Plan budget as either direct or indirect costs. The State agency should indicate, within the SNAP-Ed plan, its acceptance of the indirect cost rate. The FNS Regional Office may accept or reject use of the rate based on the rate computation documents. If the State agency does not accept the responsibility for approving the indirect cost rate, or disapproves the rate, the FNS Regional Office will not accept the rate.

State agencies are responsible for ensuring that indirect costs included in the State SNAP-Ed Plan are supported by an indirect cost agreement approved by the appropriate cognizant agency and are claimed in accordance with that agreement.

### ***Cost of Travel and Conference Attendance***

Travel expenditures are a variable cost. In order to be considered for funding, the request shall provide a direct and clear link to providing quality SNAP-Ed programming

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for the SNAP-Ed audience. States are reminded that they may use a portion of their SNAP-Ed allocation for State agency travel for the same purpose. Agencies must provide the following information for all travel included in the SNAP-Ed budget:

**Travel Destination:** Travel requests should be identified for in-state and out-of-state purposes. States should note the destination of the meeting, training, or conference attendance.

### **Travel Purpose and Justification**

- Justify the purpose of the travel request.
- Describe how attendance is necessary to achieve SNAP-Ed program goals and objectives and how the travel request supports the State's SNAP-Ed goals and objectives.
- Demonstrate how information will be disseminated to in-state educators, collaborators, and SNAP office staff.
- Number of Staff Attending
- Identify and justify the number and type of staff making the travel request.
- **New:** For attendance at national level conferences, the request should be limited to no more than four (4) staff persons per State. When travel to a national conference is similar in cost to local travel due to locality, States may submit a request to their respective Regional Office for consideration of limited attendance beyond four staff.
- For attendance at regional conferences or meetings, with attendance invitations limited to a specific area, no more than six (6) staff persons are allowed per State.
- For attendance at State or local conferences or meetings with attendance limited to a specific area within State borders, no more than eight (8) staff persons are allowed per State. **End of new material.**

**Per Diem Rates:** The standard State or Federal per diem rates shall be applied. In addition, all travel restrictions found in the OMB regulations (e.g., no first-class tickets, etc.) shall be followed.