



COMMODITY SUPPLEMENTAL FOOD PROGRAM
POLICY AND PROCEDURE MANUAL

SUBJECT: Administrative Costs	Chapter: 8
	Section: 8.2
REFERENCES: 7 CFR parts 247.25 and 3019 and OMB Circular A-122	Page: 1 of 2
	Revised: 8-2010

PURPOSE: To provide guidance for the use of the Missouri Commodity Supplemental Food Program administrative funds.

POLICY: Funds provided to local agencies may be used to cover administrative costs identified in OMB Circular A-122 that MDHSS determines to be necessary to carry out the Program within their jurisdiction.

PROCEDURES:

- A. Local agencies shall submit a budget annually projecting the amount of administrative funds to be expended based on project caseload authorizations.
- B. Some examples of allowable costs include:
 - 1. Storing, transporting, and distributing foods;
 - 2. Determining the eligibility of program applicants;
 - 3. Program outreach;
 - 4. Nutrition education;
 - 5. Audits and fair hearings;
 - 6. Monitoring and review of program operations; and
 - 7. Transportation of participants to and from the local agency, if necessary.
- C. Local agencies wishing to use CSFP program funds to purchase equipment valued at or above \$500.00 must obtain prior written approval from the State Agency by submitting Attachment 8-2 – Request for Authorization of Equipment Purchases. Describe how the purchase will be made in a manner to provide open and free competition. The State Agency must obtain prior written approval from the USDA MPRO for equipment purchased in whole or in part with federal funds in excess of \$5,000.00. Examples of equipment include automated information systems, automated data processing equipment, and other computer hardware and software.



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- D. In addition to those costs determined to be unallowable by the principles contained in the OMB circulars under References above, specific examples of unallowable uses of administrative funds in CSFP include:
1. The cost of alteration of facilities not required specifically for the program; and
 2. Actual losses that could have been covered by permissible insurance (through an approved self-insurance program or by other means).
- E. Local agencies must follow the procedures contained in 7 CFR 3019 for procuring property, equipment, or services with CSFP funds and for their disposition. The State agency is the responsible authority regarding the settlement of all contractual and administrative issues arising out of procurements for CSFP.
- F. All costs claimed on attachment 8.1, the Record of Expenditures and Administrative Claim, must be supported with appropriate documentation as prescribed in OMB Circular A-122, Attachment B paragraphs 1 through 52. The distribution of salaries and wages must be supported by personnel activity reports. Attachment 8.4 may be used or other reports that meet the following standards per OMB Circular A-122, Attachment B paragraph 8, Compensation for personal services:
1. The report must reflect an *after-the-fact* determination of the actual activities of each employee, whose compensation is charged, in whole or in part, directly to CSFP. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to CSFP.
 2. The report, or other available documentation, must account for the total activity for which employees are compensated and which is required in fulfillment of their obligations to the organization.
 3. The report must be signed by the individual employee, or by a responsible supervisory official, affirming that the distribution of activity represents a reasonable estimate of the actual work performed during the period covered.
 4. The reports must be prepared at least monthly and coincide with one or more pay periods.