USDA Food and Nutrition Administration
U.S. DEPARTMENT OF AGRICULTURE



SNAP E&T Fiscal Management Toolkit

May 2026

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SNAP E&T Fiscal Management Toolkit

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Executive Summary

The SNAP E&T Fiscal Management Toolkit provides State agencies with a practical, end-to-end framework for managing program funds strategically, transparently, and in alignment with program goals. Grounded in Federal requirements and informed by State operational realities, the toolkit emphasizes that strong fiscal management is essential to delivering effective SNAP E&T services that help participants build skills, secure employment, and move toward economic independence.

At its core, the toolkit introduces the **SNAP E&T fiscal lifecycle**—a structured, data-driven approach that organizes fiscal management into five interconnected stages: plan, budget, spend, track, and report. Ongoing fiscal monitoring supports all five stages through intentional decision-making, alignment between resources and program priorities, and continuous improvement throughout the fiscal year.

Each stage of the fiscal lifecycle serves an important purpose:

- **Planning** aligns program design with statutory purposes, strategic goals, participant needs, performance data, and available funding.
- **Budgeting** translates the program design and priorities into realistic, compliant financial plans.
- **Spending** ensures funds are used appropriately, with clear documentation and adherence to allowable cost principles.
- **Tracking** enables real-time monitoring of expenditures against budgets to identify risks and opportunities.
- **Reporting** supports accountability and informs future funding decisions through accurate Federal reporting.

Ongoing financial monitoring by State agencies involves regular data review, reconciliation, and engagement with partners across all stages of the lifecycle. This continuous oversight allows States to adjust course during the fiscal year, address under- or overspending, and maintain program integrity.

A key theme throughout this toolkit is collaboration. Successful fiscal management depends on coordinated efforts among SNAP E&T program staff, fiscal and budget teams, contracts and procurement staff, data and reporting experts, and external partners such as intermediaries and providers. Establishing shared processes, clear communication, and aligned expectations enables States to manage funds efficiently and produce accurate, timely reporting.

This toolkit equips States with actionable strategies, key questions, and practical considerations for strengthening fiscal processes, improving data use, and enhancing program performance. By adopting a systematic and collaborative approach to fiscal management, States can maximize available resources, ensure compliance, and deliver high-quality SNAP E&T services that better support participants.

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I. Introduction

States use a mix of local, State, and Federal funding to operate Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) programs that help SNAP participants gain skills, find work, and move toward self-sufficiency. States vary in how they design SNAP E&T programs and invest resources. Strong fiscal management is fundamental for State SNAP agencies to operate effective SNAP E&T programs. Fiscal management is the process of monitoring funds and adjusting operations, as needed, to maximize the use of available resources and ensure a program has enough money to accomplish its goals. Fiscal management requires States to have a deep understanding of SNAP E&T funding sources, including requirements for appropriately using funds and opportunities to support a range of program operations and services. Fiscal management also requires collaboration among SNAP E&T program, fiscal, contracts, and data and reporting staff, as well as intermediaries and providers to maximize available funds and produce accurate fiscal reporting. The SNAP E&T fiscal lifecycle identifies the core aspects of SNAP E&T fiscal management and creates a shared understanding of the stages involved in effectively monitoring SNAP E&T fiscal operations.

SNAP E&T program funds enable States to accomplish the goals they set for the program and participants by implementing the strategy described in the SNAP E&T State Plan (referred to as the State Plan throughout). The Food and Nutrition Service (FNS) uses SNAP E&T data to help allocate funds and set targets for SNAP E&T funding. SNAP E&T operating budgets also enable FNS to understand States' rationale and plans for the use of program funds and help States secure the funds needed to advance their program visions in accordance with statute. Understanding how to use SNAP E&T funding and aligning it with program priorities and needs can help States maximize funding by allocating resources to support the delivery of services needed by participants.

The U.S. Department of Agriculture (USDA) is committed to program integrity, accountability and responsible stewardship of taxpayer dollars. This toolkit allows States to be more intentional and systematic in managing the SNAP E&T fiscal lifecycle to maximize the efficiency and effectiveness of the program, in service of those goals. It provides background on the funding process, explains the fiscal lifecycle, and describes how to practically manage SNAP E&T funding at each stage of the lifecycle.

Reminder: In the spring of each Federal fiscal year (FFY), FNS reviews final work registrants and Time-Limited Participants (TLP) counts. FNS then issues final allocations to States in the Data Analysis and Tracking Application for SNAP Employment and Training (DATASET).

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II. Background

The Food and Nutrition Act of 2008, as amended, requires every State to operate a SNAP E&T program, defined as case management and one or more SNAP E&T components. States operate SNAP E&T programs with support from four types of Federal SNAP E&T funding: 100 percent grant funds, 50/50 administrative funds, 50/50 participant reimbursement funds, and pledge funds. Both 100 percent grant funds and 50/50 administrative funds are for the administrative costs of planning, implementing, and operating a SNAP E&T program. 50/50 participant reimbursement funds are for the reasonable and necessary costs related to participating in SNAP E&T, and pledge funds are for States that pledge to offer a qualifying activity to Time Limited Participants (TLPs) who are in their third countable month.[1] Appendix A includes definitions of each Federal funding source.

States can better plan their annual activities and provide accurate information to FNS when they understand the factors that FNS uses in determining allocations and targets (see an overview in Exhibit II.1).

Reallocations of 100 percent funds. FNS reallocates unexpended 100 percent funds during the Federal fiscal year (FFY) in accordance with 7 CFR 273.7(d)(1)(iii). By November 30 of each FFY, FNS asks States to identify the anticipated amounts of unexpended funds available based on the fourth quarter expenditure report from the previous FFY. On December 15, staff from the Grants Management and Administrative Services (GMAS) Regional offices recover the funds. Next, FNS uses the reallocation formula or priorities for reallocation described in regulations to approve requests for reallocated funds by January 30. Reallocated funds expire by September 30 of the current FFY. Exhibit II.2 below provides an overview of the reallocation process.

FNS staff roles. Ensuring effective E&T Federal fiscal management involves collaboration across several FNS divisions. These staff at the national and regional levels contribute to allocations, the review of budgets and expenditures, and overall fiscal monitoring.

- **SNAP National and Regional Offices.** SNAP E&T national and regional FNS program staff provide guidance and support to States operating SNAP E&T programs. National office staff develop policies and regulations based on the Food and Nutrition Act of 2008, as amended, and subsequent Federal legislation. They also determine allocations and provide fiscal oversight of States. Regional office staff conduct management evaluations and provide technical assistance for effective program operations, including fiscal management.
- **Office of Financial Management (OFM).** OFM is responsible for the wide range of financial, budgetary, accounting, audit liaison, grants making and other related activities of FNS. Within OFM there is one office, the Office of Internal Controls, Audits and Investigations and four divisions.

[1] Time-Limited Participants (also referred to as Able-Bodied Adults without Dependents, or ABAWDS) are individuals aged 18 to 64 who do not meet a Federal exception from the time limit. Time-Limited Participants must work and/or participate in a work program for a total of at least 80 hours per month or participate in workfare for the assigned number of hours, to receive SNAP for more than three months in three years.

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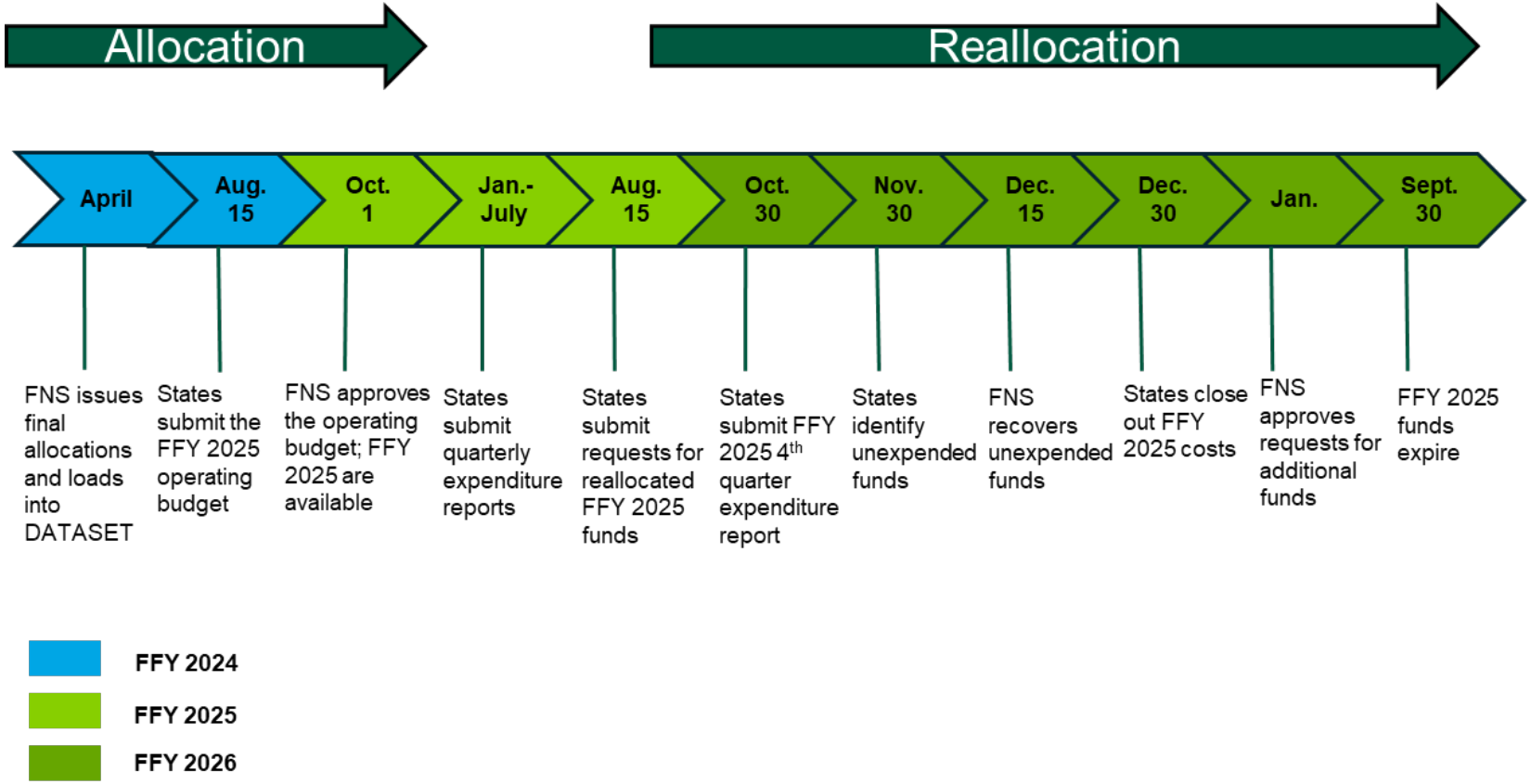
- **National Grants and Fiscal Policy Division (GFPD) staff.** GFPD staff administer grants, develop and interpret all rules regarding financial procedures and accountability for FNS programs, including SNAP E&T. These staff oversee grant management and develop fiscal policy guidance.
- **National Budget Division (BUD).** BUD staff administers processes relating to the agency's annual budget submission and budget execution activities. These staff are responsible for the management of a funds control system for the administrative resources of the agency, including SNAP E&T.
- **Regional GMAS staff.** GMAS staff review State budgets, allocations, requests, and expenditures. GMAS staff approve States' budgets and conduct financial monitoring.

Exhibit II.1. Overview of SNAP E&T funding allocations and targets

	100 percent allocations	TLP pledge allocations	50/50 targets	100 percent reallocations
Factors	The number of work registrants and TLPs in the previous FFY(s)	The number of TLPs in the State compared with the number of TLPs in all pledge States for the most recently available FFY	Actual expenditures over the three most recent FFYs	7 CFR 273.7(d)(1)(iii) establishes the priorities for reallocation
Minimum	$100,000	No minimum; States must submit a request in the State Plan to receive TLP pledge funds	$10,000	No minimum; States must submit a request for additional 100 percent funds
Data source	SNAP E&T Program Activity Report (FNS-583) form and Quality Control data	Quality control data	SF-425/FNS-778	DATASET Resources Tab
Action for States	Validate the number of work registrants and TLPs to receive enough funds to operate the SNAP E&T program	Collaborate with SNAP eligibility staff to review the number of TLPs in the State	Establish efficient financial processes to report complete and accurate annual expenditures	Describe how additional 100 percent funds would help improve or expand SNAP E&T operations and support activities that have the most demonstrable impact on participant employment for the upcoming FFY

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Exhibit II.2. Reallocating 100 percent funds



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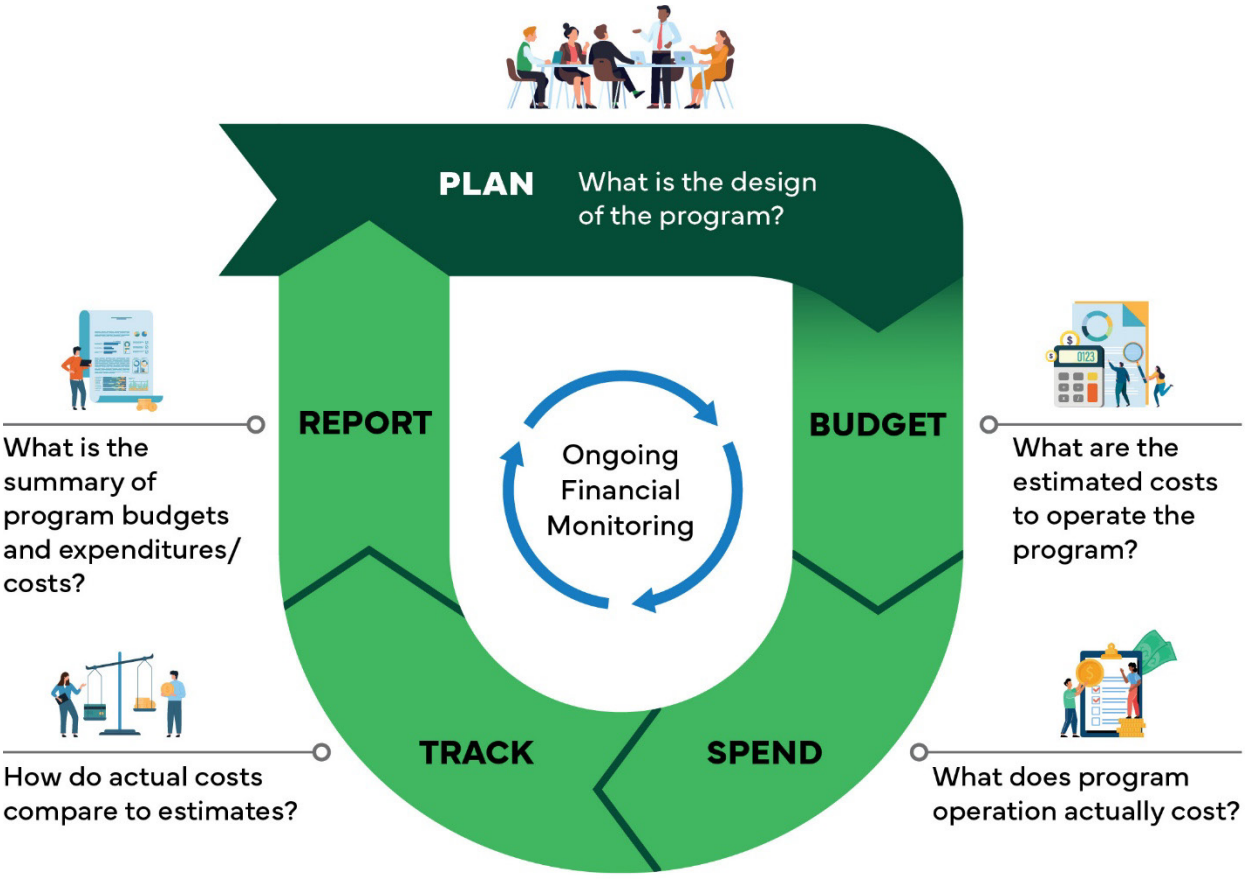
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III. The SNAP E&T Fiscal Lifecycle

Intentionality and data-driven decision making are critical ingredients to successful fiscal management of a State SNAP E&T program. Although each State's context is unique and State agencies have different procedures for financial management, all States navigate a common set of underlying processes, such as budgeting and reporting. This toolkit lays out a common framework—the SNAP E&T fiscal lifecycle—that States can use to promote collaboration, common language, and a systematic approach to effectively and efficiently managing SNAP E&T finances.

There are five stages of the SNAP E&T fiscal lifecycle—plan, budget, spend, track, and report—with ongoing fiscal monitoring throughout. This section provides tips and considerations for how to approach each of these five stages, including questions to ask and answer, data to use, and how States can engage providers and partners in the process. The fiscal lifecycle below in Exhibit III.1 outlines the key questions States should consider at each of the five stages.

Exhibit III.1. The SNAP E&T fiscal lifecycle



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A. Overview of the fiscal lifecycle stages

The fiscal lifecycle is a general financial management strategy for States that is data-driven, proactive, and promotes the intentional alignment of program vision with program resources. State SNAP agencies hold the responsibility for designing, budgeting, and monitoring all financial aspects of the SNAP E&T program. However, there are likely many players across or between agencies that need to be involved throughout the lifecycle. The fiscal lifecycle requires collaboration between State staff, such as individuals who oversee SNAP E&T fiscal, contracting and procurement, and data and reporting, and providers.

PLAN: What is the design of the program? Every year, as part of the State Plan process, States consider the design of their SNAP E&T program for the upcoming FFY and identify places where changes need to be made. This annual planning process is broader than a look at the fiscal elements of the program and should involve strategic design choices about how the program will fulfill its statutory obligations and advance its vision and mission. However, this planning process must be grounded in an accurate understanding of the fiscal state of the program, including the sources of funding available to operate the program.

For example, as part of the planning process, a State might identify a need to onboard a new provider. Planning for this change may involve identifying program gaps in current services, identifying State-specific criteria the provider must meet, conducting outreach to local organizations, assessing provider fit based on program needs, and providing technical assistance to help new providers meet expectations for SNAP E&T.

BUDGET: What are the estimated costs to operate the program? Flowing from the design choices and strategic direction set in the Plan stage, the Budget stage of the fiscal lifecycle connects what States intend to do and how they will do it. Using analysis and results from the previous FFY's fiscal data, States can develop a realistic budget that reflects the priorities and realities of the program. The process of budgeting may lead States to adjust existing provider contracts or change the projected numbers of participants served. The operating budget in the State Plan provides a high-level overview, but it should be supported by a detailed budget that States can use to guide ongoing monitoring throughout the FFY.

SPEND: What does program operation cost? The State SNAP agency and other organizations typically spend both Federal and non-Federal funds to operate the SNAP E&T program. Therefore, an important part of fiscal management is administering an efficient workflow for spending those funds. SNAP E&T providers submit monthly invoices for expenditures to State SNAP agencies. States, in turn, seek Federal reimbursement for expenditures and State SNAP agency costs. Spending in the SNAP E&T program requires that States have ongoing communication with and clear expectations of providers regarding program spending.

TRACK: How do actual costs compare to estimated costs? Tracking expenditures is a critical State function that involves regularly analyzing spending relative to the budget. Individual providers should also be tracking expenditures at a detailed level every month, which can help reveal places where spending is deviating from budget expectations.

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REPORT: What is the summary of program budgets and expenditures/costs? States formally relay programmatic and fiscal information to FNS through the SNAP E&T Program Activity Report (FNS-583 form), Program and Budget Summary Statement: Budget Projection (FNS-366A), SNAP E&T Annual Report, and the quarterly Federal Financial Report (SF 425/FNS-778). States may also engage in other forms of reporting that promote a shared understanding of SNAP E&T finances across program partners—for example, by publishing a quarterly or annual report to their provider networks or maintaining a real-time dashboard of statewide expenditures relative to the budget.

Throughout this lifecycle, States engage in **ongoing financial monitoring**. This includes financial management evaluations (internal State reviews both by State SNAP agency staff as well as between FNS and States), comparing projected expenses with actual expenses monthly, auditing and verifying expenditure data, flagging under- or overspending trends, and communicating with intermediaries, providers, and counties (referred to as "partners" throughout this toolkit). States can make necessary adjustments throughout the FFY, using reconciliation processes and revising provider contracts when necessary. Adjusting contracts could include moving funds between providers and may necessitate an amendment to the State Plan. States should also communicate with providers about their performance to ensure that everyone has a clear understanding of the current fiscal situation, service expectations, and how those align with the number of participants served.

B. Staff roles

Throughout the fiscal lifecycle, States should engage staff across their agency and partners to design and maintain fiscal processes that support the SNAP E&T program. Not all State agency staff and their partners may be familiar with the SNAP E&T program and its requirements. Therefore, SNAP E&T program staff may need to secure buy-in and explain how SNAP E&T works through short trainings, reference materials, and collaborative meetings with State SNAP agency colleagues and partners in the delivery of E&T services. States may find it useful and efficient to schedule regular meetings with fiscal staff that align with SNAP E&T's financial timelines and requirements (for example, in conjunction with quarterly and annual reporting cycles, or the FFY). At a minimum, the following groups should collaborate within States to manage the fiscal lifecycle:

- **SNAP E&T program staff.** SNAP E&T program staff oversee the design and operation of the SNAP E&T program. They coordinate with other State agency staff on all aspects of the program. In addition, they may provide direct SNAP E&T services or serve as the liaisons with SNAP E&T providers. SNAP E&T program staff should ensure funds are spent strategically and decide how to budget program operations. SNAP E&T program staff are also responsible for aligning the budget with actual spending, focusing on the accuracy and appropriateness of projected funding needs, adjusting the budget up or down based on prior year expenses and forecasted needs.
- **Staff who oversee fiscal operations and budgets.** Fiscal staff are experts in State agency funding procedures and general processes related to invoicing. Their expertise is important for setting up fiscal management practices that align with the overall requirements of the State agency and meet Federal requirements.

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- **Staff who handle contracts and procurement.** Contracts and procurement staff typically oversee the State agency's contracting process. These staff write and execute contracts with intermediaries or providers based on the needs and requirements of the SNAP E&T program as well as State regulations. State agency policies and timelines for contracting and procurement may not naturally align with the workflow and timelines for SNAP E&T, so States should work closely with these staff to develop processes that meet SNAP E&T needs and are feasible for contracting and procurement staff.
- **State data and reporting staff.** Data and reporting staff help develop tools such as dashboards or reports to monitor program expenditures and analyze fiscal data. In addition, these staff can help States review data on budgeting and reporting expenditures across Federal SNAP E&T reports.
- **SNAP E&T intermediaries (if applicable).** Intermediaries help States partner with providers and serve participants. It is essential for States and intermediaries to develop a shared understanding of financial processes to avoid confusion about costs and delays in reimbursement. Even though intermediaries may rely on their own fiscal processes, their insights can help States understand the types of fiscal data and fiscal policy guidance that providers need. Then, States can adapt existing processes to support successful partnerships and meet SNAP E&T requirements.
- **SNAP E&T providers.** SNAP E&T providers deliver employment and training services and case management to participants. Providers may also offer participant reimbursements.
- **County agency staff (if applicable).** In county-administered SNAP E&T programs, counties may partner directly with providers and intermediaries. In these programs, it is essential for States and counties to develop a shared understanding of financial processes to avoid confusion about costs and delays in reimbursement. Even though counties may rely on their own fiscal processes, their insights can help States understand the types of fiscal data and fiscal policy guidance that providers need. Then, States can adapt existing processes to support successful partnerships and meet SNAP E&T requirements.

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IV. SNAP E&T Fiscal Management

The fiscal lifecycle provides a framework for SNAP E&T financial management, but it is not a one-size-fits-all set of instructions. Recognizing that every State's fiscal procedures are unique, this section provides information about **why** each stage matters, **what** is involved in each stage, and **how** to manage each stage, including tips, examples, and considerations for States. Fiscal management is a complex process; States are encouraged to examine this guide stage by stage, exploring opportunities for strengthening their own processes in manageable steps.

A. Plan



During the Plan stage, States should consider how well their program is working and what they will change for the upcoming FFY to make it run more effectively. An important question States should be able to answer in this stage is: **What elements of our program are working and what do we want to change?**

To answer this question, States should engage in a series of planning activities with SNAP E&T program, fiscal, contracts and procurement, and data and reporting staff at the State level, as well as any partners involved in direct service delivery. Exhibit IV.1 provides the key questions and activities that will help States during the Plan stage.[2]

Exhibit IV.1. Plan stage key questions and activities

What	How	Why	Source
• To what extent is our program fulfilling its statutory obligations, delivering on its mission, and advancing its vision? • What strengths do we observe? • What are the primary opportunities for growth and strengthening?	• Meet with partners to reflect on priorities for the upcoming FFY	Revisit the vision and mission statements for the SNAP E&T program to help States reflect on the program's guiding principles and what may need to be revised	• Previous and Current Year State Plans • Qualitative information from providers or participants • SNAP administrative data • SNAP E&T program data
• How many participants did the program serve? • Did the estimated number of SNAP E&T participants increase or decrease?	• Collect and review data to better understand what happened during the prior FFY	Understand who the program is serving and whether that aligns with expectations	• Fiscal data • SNAP E&T program data

[2] The Growing and Strengthening series provides additional resources to help States plan for each upcoming FFY.

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What	How	Why	Source
• In the previous FFY, did providers meet their participant and funding targets? If they did not (lower or higher), is that trend expected to continue this FFY? • How and what types of participant reimbursements did providers give participants? • How should targets be adjusted based on those data and expectations? • Should the current set of providers change or service options change?	• Review expenditures to discuss program priorities • Meet with partners to discuss data trends and identify shared priorities	Assess the current set of providers and activities and whether to make changes in the upcoming FFY	• Fiscal data • Qualitative information from providers or participants • SNAP E&T program data
• How does the State collect data from providers to assess ongoing fiscal operations? • How does the current contract and invoice process work for the providers? What could improve? • Should the State require additional or different fiscal reporting from providers? • How will reporting and invoicing processes be communicated or written in provider contracts?	• Review the contract requirements and fiscal reporting from the previous FFY to determine if the information provided meets the State's needs for monitoring and reporting	Evaluate the existing contracts and required reporting, and whether any changes are needed	• Contracts • Provider data and documentation

It is important for States to identify the people who will contribute to the planning process. States should consider engaging people beyond the core State program staff (see Box 1). This could include data and reporting staff, contracts and procurement staff, fiscal staff, intermediary staff, provider staff, county staff, or participants, depending on how the State structures the SNAP E&T program. Every person does not need to be involved in every aspect of planning, but incorporating the perspectives of these staff functions can generate buy-in for the Plan stage. Partners are essential to the Plan stage as they bring insights on what is currently happening in the program and what could change. They are also connected to the participants, employers, and communities in which they live. This helps

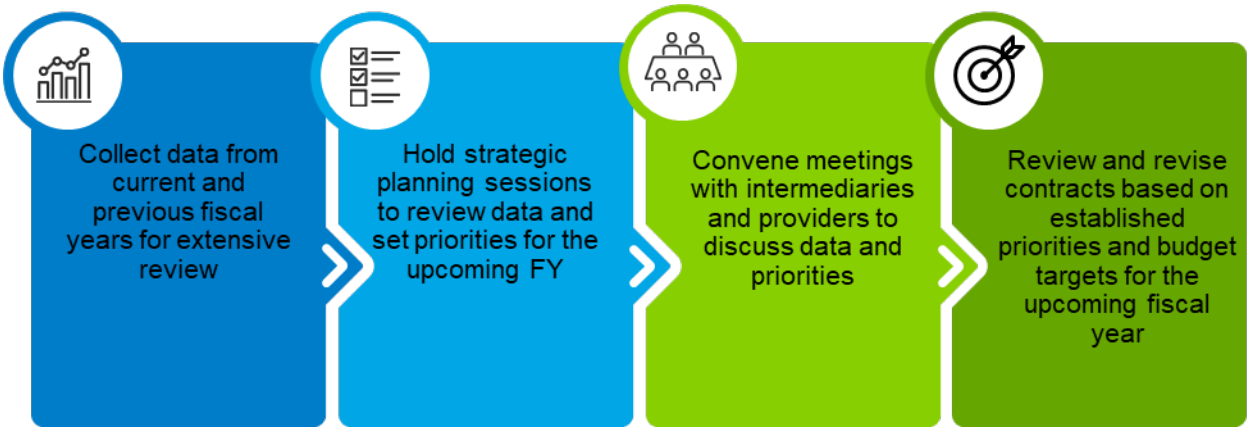
Box 1. Key planning staff and roles

- SNAP E&T program staff lead the planning process, including gathering information to assess what happened in the previous FFY, and set priorities for the next FFY.
- Fiscal staff gather expenditure data, identify costs associated with activities for the program, and help develop guidance for invoicing and monitoring provider costs.
- Contracts and procurement staff work with program staff to identify partners and draft contracts that clearly explain the expectations, including invoicing, cost allocation, and indirect cost rates.
- Data and reporting staff share program data from the previous FFY and contribute to strategic planning sessions.
- Intermediaries, provider, and county staff contribute to strategic planning sessions and provide requested data on costs of delivery of E&T services.

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the State understand how the SNAP E&T program can meet those needs. Exhibit IV.2 shows the types of activities that these staff could engage in as part of the Plan stage.

Exhibit IV.2. Types of activities in Plan stage



1. Review data

Data are essential in the Plan stage. States should use data to assess the previous FFY and seek input to inform priorities for the upcoming FFY. Using data, States should revisit the core elements of their programs and explore the story their data tells about the program. Participation data provides information on the number of participants served, in which component, and through which providers. In addition, fiscal data from providers on the budget, expenditures, and participant reimbursements can help States understand recent spending trends and prepare reasonable estimates for future spending. These data come from a variety of sources, such as SNAP eligibility data, SNAP E&T data, provider reports, fiscal systems, and qualitative data, such as satisfaction surveys or participant interviews.



While fiscal data for the program from a statewide perspective is useful, a review by provider shares essential information for operating the program effectively and efficiently. If providers over- or underestimated the budget, an adjustment to the budget may be necessary to reflect a more realistic estimate of costs. States should examine the costs by the number of participants, services offered, and participant reimbursements by provider. Each provider should have a record and be able to share with the State how SNAP E&T funds supported participants. In addition, States can compare these data to participant satisfaction and whether the program meets their needs.

To review fiscal data as part of the Plan stage, States should collect and compare data across various sources. One way to review data is to compare the quarterly budget projections for prior FFYs against the quarterly reported expenditure data for each of the E&T funding types. In addition, States can consider the number of participants served in the FFY overall. States should examine these data for the program overall and by each provider or component, depending on the goals of the program. Exhibit IV.3 provides examples of the types of fiscal analyses to conduct. Section IV.E defines and provides additional information about the Federal financial reports.

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Exhibit IV.3. Fiscal data review for overall program

Source	Data elements	Use
FNS-366A	• Total funding available for the FFY	• Calculate the budgeted per participant cost • Calculate the difference between the budget and actual expenditures • Calculate the percentage expended of the budget
Operating budget	• Total budget for the next FFY	• Calculate the difference between the previous FFY 's total expenditures and the subsequent FFY's budget • Calculate the subsequent year's budget as a percent of the previous FFY's expenditures
FNS-583	• Total number of SNAP E&T participants	• Calculate the budgeted per participant cost • Calculate the actual per participant cost • Calculate the expended participant reimbursement per participant cost
SF-425/FNS-778	• Total SNAP E&T expenditures • Total 50/50 participant reimbursement expenditures • Unliquidated obligations at the end of the FFY	• Calculate the actual per participant cost • Calculate the difference between the budget and actual expenditures • Calculate the percentage expended of the budget • Calculate the difference between the previous FFY 's total expenditures and the subsequent FFY's budget • Calculate the subsequent year's budget as a percent of the previous FFY's expenditures • Calculate the expended participant reimbursement per participant cost • Identify all undelivered orders and accounts payable

2. Assess needed program changes

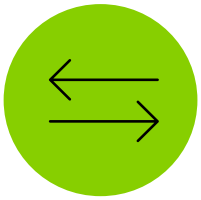
> **Planning a SNAP E&T strategy**
>
> As States set priorities during the Plan stage, Using a Strategy Map to Guide Your SNAP E&T Program in the Growing and Strengthening SNAP E&T programs series may serve as a useful tool to think strategically about decisions.

Building on a thorough review of recent program and fiscal data, States can determine their priorities for the next FFY. This is an opportunity to engage key partners and potentially hold one or more strategic planning sessions to explore goals and set priorities for the upcoming year, including any necessary changes to the case management approach, SNAP E&T components and services, or providers. A few key considerations can help States identify program changes by determining how well the program offerings meet the needs of participants and employers, and how they can adjust operations to better align services.

- **Explore program offerings and current funding.** States can evaluate how well program offerings meet the needs of the community, and whether the current funding levels for services and providers are appropriate. For example, the State may find that a particular component did not have the expected number of participants. During the strategy session, the State could consider potential reasons why expected participation was lower and explore next steps, such as not offering the

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component if participants don't find it valuable or working with the provider to improve participant communication about the services available.



- **Convene partners to review data and discuss priorities.** States should convene partners to review data and discuss priorities for the upcoming FFY. These partners can offer insights for the State to consider as it is setting goals and priorities for the FFY. The meetings also provide an opportunity to gather feedback on processes, challenges, and potential solutions.
- **Develop budget targets based on identified priorities and data review.** Based on the reviewed data and identified priorities, States should identify budget targets for the upcoming FFY. For example, States should consider the amount of the expected 100 percent allocation from FNS, available TLP pledge funding, and 50/50 administrative and reimbursement funds. States should reflect on the data and determine whether they expended all budgeted funds. If the State underspent funds, particularly 50/50 funds, it should realign expectations and set realistic budget targets for the program overall and individual providers
- **Revisit agreement processes, procedures, and language.** States should consider their priorities, data, and budget targets to review and discuss their agreements with providers. This provides an opportunity for the State to ensure its agreements or contracts with all providers reflect the upcoming FFY's program priorities and include the required reporting elements for fiscal management.

3. Collaborate to ensure accurate cost allocation



At the State level, cost allocation involves itemizing costs to the relevant program (in this case, SNAP E&T) and funding source. This will ensure a consistent approach to identifying and assigning costs across SNAP E&T activities and participants. SNAP E&T staff understand the requirements for SNAP E&T funds, whereas State contract and procurement staff likely develop and implement methods for allocating costs for several programs. Collaboration between these staff is key to building a shared understanding of how the State allocates costs for SNAP E&T. This understanding can help States respond to questions from FNS and provide technical assistance to partners.

Partners may have their own procedures for cost allocation, or they may have less experience with allocating costs. States should help all partners identify and use methods for cost allocation that are aligned with Federal program requirements. At a minimum, States should ensure that providers:

- **Document funding sources, including Federal and non-Federal sources used for SNAP E&T.** This information provides a foundation for allocating costs, allowing partners to see the total amounts of funding available for SNAP E&T operations. Providers should share this information with the State SNAP agency during the contracting process. The State SNAP agency does not need to confirm the funding sources with every invoice, but providers should ensure they are available for management evaluations or other contract monitoring activities.

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- **Identify any expenses only associated with SNAP E&T.** Only SNAP E&T-specific expenses can be billed to SNAP E&T. When a cost is exclusive to the SNAP E&T program, a detailed allocation is not necessary to differentiate its uses from other programs.
- **Identify costs that depend on the number of active participants during an invoicing period.** These costs must be estimated during the Budget stage and revisited throughout the FFY. This allows partners to update States with accurate information based on the actual number of participants receiving different services. For example, a provider may estimate that 100 people will participate in Vocational Training, and if only 20 people enroll in the first quarter, the provider should confirm whether it is on track to serve the number of participants it estimated for the FFY because component enrollment affects actual expenditures.
- **Identify costs that do not depend on the number of participants.** These costs must be estimated during the Budget stage and should be consistent throughout the FFY. These are fixed costs that partners will incur to provide SNAP E&T services regardless of the actual number of participants they serve. Box 2 provides examples of these costs.
- **Identify costs shared among SNAP E&T and other programs such as Temporary Assistance for Needy Families (TANF).** These costs must be allocated—in other words, differentiated based on their proportional use across programs. This ensures only the costs associated with SNAP E&T are billed to the program.

Box 2. Example of costs that do not depend on participants

These are costs that are associated with operating the program regardless of the size of a SNAP E&T caseload.

- Internal and external meetings for SNAP E&T operations;
- Staff training for SNAP E&T;
- Invoice preparation, and
- Data entry and reporting.◢

Box 3 provides an example of cost allocation. States should tailor and use cost allocation methods that align with the State budgeting principles and meet the requirements in Appendix A of Part 277, Title 7 and 2 CFR 200.405.

Box 3. Cost allocation example

Provider A offers services to participants in several different Federally funded programs. Review SNAP E&T referral data and provider activity reports to determine the number of SNAP E&T participants served during the billing period:

- 100 total individuals participated in Provider A's on-the-job training.
- 25 of the individuals are enrolled in the TANF program.
- 40 of the individuals are enrolled in SNAP E&T.
- 35 of the individuals are enrolled in a State-funded financial literacy program.

To allocate costs, Provider A bills TANF 25 percent, SNAP E&T 40 percent, and a State-funded financial literacy program 30 percent of all relevant administrative costs for on-the-job training during the billing period because this represents the proportion of the total administrative costs for each of the three funding sources based on participating individuals. Provider A can work with the State SNAP agency to establish the basis for the allocation process, such as previous activity reports. ◢

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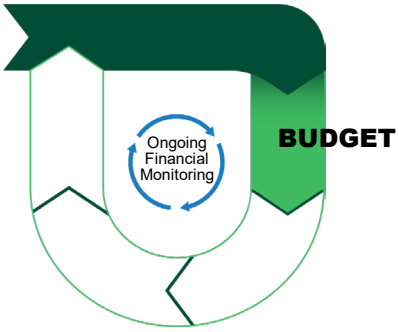
4. Examine agreements with providers and intermediaries



States may provide SNAP E&T services directly to participants, or they may partner with external organizations, such as providers and intermediaries, to deliver these services. Contracts are the foundation of the relationship between the State and its partners, and they set clear expectations for program operations. After reviewing data and identifying priorities for the upcoming FFY, States should reassess existing contracts and, if necessary, update them to reflect what the State needs to conduct proper oversight and planning. For each provider or intermediary, the contract should establish the types of SNAP E&T services to be offered, allowable costs, budget expectations, data and reporting requirements, and invoicing procedures. States may offer training on budgeting, reporting, and invoicing, or develop resources to help providers and intermediaries provide accurate and quality fiscal data. For example, States could create a budget template that clearly outlines the different information providers and intermediaries will need to report, such as salary and equipment costs, the monthly cost to provide a service, and the anticipated number of participants who will receive a service.

B. Budget

States must develop an operating budget with the estimated cost to operate the SNAP E&T program for each FFY as part of the State Plan (7 CFR 273.7(c)(6)(iii)). Beyond meeting this Federal requirement, the budget is also an important tool that States should use to identify the type and amount of funds needed for their programs and how they will spend them. The key question States should be able to answer in this stage is: **What are the estimated costs by funding source to operate the program?**



To develop the operating budget, States coordinate with staff at the State SNAP agency and partners to assess the full costs of operating the program. The Budget stage involves making decisions about how to assign funds based on fiscal information gathered and analyzed, as well as decisions made during the Plan stage. Exhibit IV.4 provides the key questions and activities that will help States during the Budget stage.

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Exhibit IV.4. Budget stage key questions and activities

What	How	Why	Source
What are the State processes or documentation required for developing budgets?	• Document the State process required and establish timelines for completing each step.	Allows the State to complete the budget on time and accounts for State requirements.	• State fiscal requirements
What data will the State review as part of the budget process?	• Develop review process and procedures to complete each FFY; and • Refine as needed.	Provides the information to create a consistent process for review.	• State review procedures
What information does the State need from providers in their budgets for ongoing fiscal monitoring?	• Document and refine ongoing fiscal monitoring procedures to ensure fiscal data requested and collected meet State needs.	Ensures ongoing fiscal monitoring of providers is robust and actionable.	• Operating budget • State monitoring and evaluation requirements
What information does the State need to give providers so that providers can submit consistent and accurate information that is needed to feed into the State's operating budget?	• Provide tools, templates, and resources for providers to submit accurate information.	Eases the budget process and shares the budget requirements upfront; Eliminates the need for additional requests.	• Budget templates • State fiscal requirements
How does the State ensure that all costs and activities have been properly allocated at the State and provider levels?	• Review the current budget submitted by the State and providers to determine whether all included costs and activities are properly allocated.	Assess all costs and activities to ensure all costs have been properly allocated.	• Provider data such as contracts, budgets, cost allocation plans, and other related State or provider data and documentation.
How does the State ensure that all costs are charged only as an indirect or direct cost, and what documentation is required to support indirect costs are charged appropriately?	• Review the current budget submitted by the State and providers to ensure all costs are allowable and are only being charged to the program once, either indirect or direct. • Review all supporting documentation to ensure indirect costs are being charged appropriately	• Ensure costs are only charged to the program once as either a direct or indirect cost. • Ensure indirect costs are charged in accordance with the State or providers' approved plan/methodology.	• Provider data such as contracts, budgets, cost allocation plans, and other related State or provider indirect cost data and documentation.

The SNAP E&T operating budget must meet the requirements outlined in 7 CFR 272.2(c), but generally includes direct program costs, indirect costs, in-kind contributions, and participant reimbursements. These cost categories are defined as:

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- **Direct costs.** Costs associated with providing E&T services, such as the proportional amount of staff salaries based on time devoted to delivering SNAP E&T services and program administration. The State staff wages must relate to the tasks they perform for the SNAP E&T program and may not necessarily be the same as the total wages paid to an individual if they split their time across more than one program. These costs can also include training and education costs, as well as expenses associated with operating the program.

Reminder: FNS has developed fiscal guidance on specific elements of the SNAP E&T program, such as education components and Subsidized Work-Based Learning.

- **Indirect costs.** Costs incurred by a State, contractor, or subcontractor that are necessary for the overall operation of the entity but cannot be directly linked to the SNAP E&T program. The 15 percent de minimis rate may be used as long as there is no Federal negotiated indirect cost rate in place. Per 2 CFR 200.414(f), de minimis indirect cost rates may only be applied to items identified in the entity's modified total direct cost base. By contrast, negotiated indirect cost rates may only be applied to items identified in the entity's direct cost base. Entities without an approved indirect rate can also opt to allocate indirect costs and should be able to confirm that those calculations exclude any costs that are included in the direct costs.
- **In-kind contributions.** Non-cash contributions such as services or property without cost to the State (for example, volunteer time or office space). As provided in 7 CFR 277.4(e), only State agencies can be reimbursed for in-kind contributions.
- **Participant reimbursements.** Funds available to help address barriers to participation in SNAP E&T. In accordance with 7 CFR 273.7(d)(4), States are required to pay for or reimburse participants for expenses that are reasonable, necessary, and directly related to participation in E&T.

1. Collaborate to develop the budget



Within the State SNAP agency, SNAP E&T program staff should oversee the budget process. SNAP E&T program staff may need to coordinate information sessions for providers on State contracting and fiscal reporting requirements. These early steps in the Budget stage can help identify potential roadblocks or areas of caution as program staff compile the budget. SNAP E&T program staff and State fiscal staff may need to collaborate on establishing timelines and approval procedures to ensure each group has sufficient time to review budget inputs, request revisions, and finalize data in alignment with State and Federal deadlines.

Box 4. Budget templates for partners

States should develop budget templates that include clear instructions for partners to complete their SNAP E&T budgets for the upcoming FFY. States should provide technical assistance and answer questions during the budgeting process to ensure the information provided aligns with expectations. Some State agencies may have preexisting budget templates required by fiscal staff. States should provide templates that are free from errors and enable partners to enter the required information easily.

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States should develop their operating budget and the FNS-366A project budget projection (see more information on the FNS-366A in Section IV.E.) using budget projections submitted by providers. To complete both documents promptly and accurately, States should develop templates and documentation requests that will help providers submit accurate budget estimates (see Box 4). The following steps can help States work with providers to prepare the budget:

- **Project the number of participants that providers will serve across the components.** For existing providers, States can suggest that providers review the number of participants served last year and consider any changes that would increase or decrease that number in the upcoming FFY. For new providers, States can help them with their projections by considering the services they offer and how many people they're currently serving who would be SNAP E&T eligible, meaning participants receiving SNAP or participants likely eligible for SNAP.
- **Separate the cost of services.** States can ask providers to estimate the staff time or full-time equivalent (FTE) required for each SNAP E&T service, including SNAP E&T components, case management, and orientation. States and providers can estimate the costs for services by adding the percent FTE and any additional expenses for activities, such as course materials, under Vocational Training.
- **Understand the costs of each component.** States should compare the costs of components relative to the activities included, the length of the component, and the services offered as part of participation. Some components will cost more than others, and States can work with their providers to determine whether the variance in costs is reasonable and to explore the best ways to use resources to support participants effectively. States should ensure that all costs are properly documented and are not charged more than once by any of the entities included in the budget.
- **Apply direct cost allocation principles.** If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the

Box 5. Identifying reasonable, necessary, and allocable costs

Federal regulations under 2 CFR Part 200, subpart E, define reasonable, necessary, and allocable costs, but States can explore a few questions to help confirm that costs satisfy Federal requirements:

Reasonable costs

- Will the State receive a program benefit that reflects the dollar amount spent?
- Is the cost similar to market prices for comparable goods or services in that geographic area?

Necessary costs

- Is the good or service needed to operate the program?
- Can the expense be avoided without adversely affecting program operations?
- Did the expense align with the State's established fiscal policies and practices?

Allocable costs

- Is the cost incurred specifically for the Federal award?
- Does the cost benefit both the Federal award and other work of the recipient or subrecipient, and can it be distributed in proportions that may be approximated using reasonable methods?
- Is the cost necessary to the overall operation of the recipient or subrecipient and is assignable in part to the Federal award in accordance with these cost principles?

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projects based on the proportional benefit However, when those proportions cannot be determined because of the interrelationship of the work involved, then, the costs may be allocated or transferred to benefited projects on any reasonable documented basis.

- **Allocate indirect costs.** All activities that benefit from the recipient's or subrecipient's indirect cost, including unallowable activities and donated services by the recipient or subrecipient or third parties, will receive an appropriate allocation of indirect costs.

After providers have submitted their budgets, States should conduct a thorough review to determine if the budgets include reasonable, necessary, and allocable costs for services. Box 5 includes questions to consider when identifying reasonable, necessary, and allocable costs. In addition, States should review the geographic service area of the provider and the estimated costs for those services. This information should help States identify and address any outliers or concerns based on the budget targets set for providers. States may also assess changes in cost categories compared to the previous year and confirm whether any changes align with expectations based on the decisions made during the Plan stage. States may hold several conversations with providers about the budget to understand estimated costs and receive a final budget from providers.

2. Compile and submit the budget



After reviewing information from partners, States should compile the information to create an overall budget for the SNAP E&T program. States should retain individual provider budgets because they are critical for the Spend and Track stages.

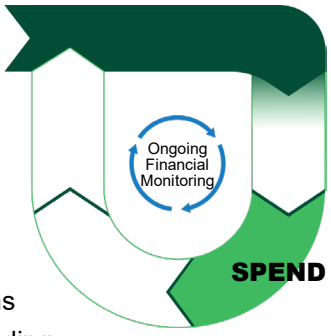
After the State has the information to complete the operating budget, the next step is to enter this information into DATASET. The SNAP E&T Data and Reporting Toolkit provides tips, reminders, and detailed screenshots of the operating budget in DATASET. States should ensure that the supporting documentation is complete for tracking costs and available for financial monitoring and management evaluations. As a reminder, the regulations under 7 CFR 277.12 require that all financial records and supporting documentation pertinent to program funds must be maintained for three years from the date of the final expenditure report for the relevant FFY. Box 6 provides more information about FNS's review of the operating budget.

Box 6. FNS's role in the operating budget

- FNS makes allocations and sets targets for SNAP E&T funding each year.
- FNS reviews operating budget line items, such as salaries or materials, for reasonableness.
- FNS ensures operating budget and the quarterly spending plan provided on FNS-366A is aligned.
- FNS provides feedback on the State Plan, operating budget, and FNS-366A.
- FNS approves budgets, and States receive funding approval through approval of the State Plan and FNS-366A in the current FFY.

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C. Spend



During the Spend stage, States and partners use Federal and non-Federal funds to operate the SNAP E&T program efficiently and effectively. The key question States should be able to answer in this stage is: **How are funds being spent to operate SNAP E&T?**

To answer this question, States should ensure there is a clear understanding of allowable costs among partners and State fiscal staff. The operating budget guides how States will spend SNAP E&T funds each FFY and helps States set expectations with partners. Federal regulations define what States can fund with each type of funding source and establish reasonable and necessary costs eligible for reimbursement (7 CFR 273.7(d)(1)(ii)). States should develop procedures to ensure they receive documentation from partners that allows them to confirm costs comply with Federal requirements. Exhibit IV.5 provides the foundational questions and activities that will help States during the Spend stage.

Exhibit IV.5. Spend stage key questions and activities

What	How	Why	Source
Do provider invoices or other financial documentation reflect allowable E&T costs?	Review invoices and consider if enough information is provided to develop an itemized list of expenses.	Ensures the State meets the SNAP E&T requirements for using each Federal funding source.	• Provider invoices • State Plan
Are the costs reasonable and necessary?	Review invoices and consider if enough information is provided to develop an itemized list of expenses.	Ensures the State has a clear understanding of how and why costs are incurred for SNAP E&T.	• Provider invoices • State Plan
How does the cost per component compare to the approved amounts in the State Plan?	Compare the costs reported to date by providers for each component to the total component cost anticipated for the FFY,	Demonstrates how actual costs may differ from anticipated and identifies potential changes that may be required.	• Provider invoices • State Plan
Do the expenditures align with the number of participants served based on program activity data?	Review invoices and activity reports to explore whether a reasonable number of participants have been served compared to the funds expended.	Helps the State monitor how SNAP E&T funds are used to serve participants.	• Provider activity reports • Provider invoices
Are in-State and out-of-State travel expenditures consistent with the State Plan and applicable State agency travel regulations?	Compare costs on invoices to the anticipated amounts in the State Plan.	Confirms that expenditures are not only allowable but align with expectations and any relevant State polices.	• Provider invoices • State Plan

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1. Understand and document allowable costs



Office of Management and Budget regulations (2 CFR Part 200 and 2 CFR Part 400), SNAP regulations (7 CFR 271 through 285), and FNS policy guidance define allowable costs. States should explore these definitions and develop a clear understanding of the conditions that must be met to consider a cost allowable for SNAP E&T. Because States are ultimately responsible for their SNAP E&T programs, they need to ensure all relevant State agency staff and partners also understand the expectations and requirements for allowable costs. It is encouraged that these conditions are represented as formal expectations for invoicing in provider contracts.

States can use 100 percent and 50/50 funds for administrative expenses. Administrative expenses must be reasonable and necessary and directly related to operations for approved SNAP E&T activities. Allowable administrative expenses include activities such as outreach to individuals enrolled in SNAP, salaries of staff involved in SNAP E&T, office equipment and rental costs, insurance payments, and travel to fulfill SNAP E&T objectives as outlined in the State Plan. States must be able to identify unallowable costs and address issues with partners as soon as possible. Box 7 includes examples of common unallowable administrative expenses under 2 CFR Part 200. Additionally, SNAP E&T funds cannot be used for SNAP certification activities.

Box 7. Sample unallowable administrative expenses

- Costs that are primarily for entertainment, amusement, or social activities;
- Fines, violations, or penalties for failure to comply with Federal, State, or local laws;
- Costs of general government;
- Legislative expenses;
- Payments to third parties as part of an indemnification agreement;
- Commencement and convocations;
- Executive lobbying, and
- Student activity costs.

2. Administer invoicing processes



50/50 funds are reimbursement funds, which means that partners incur expenses and subsequently submit invoices for reimbursement from the State based on an agreed-upon schedule. Therefore, States must closely review invoices before them for their expenses. Invoicing processes will vary based on State agency and provider requirements, but all States can complete a few key steps to create efficient and effective invoicing processes for SNAP E&T:

- **Identify supporting documentation.** States must maintain fiscal records for at least the three most recent FFYs plus the current FFY (7 CFR 277.12). States should identify the documentation they will need from organizations that submit invoices to be able to provide an itemized list of expenses charged to the E&T program. These expectations regarding invoicing and required documentation should be clearly outlined in the provider's contract to avoid confusion. An important question to consider is whether the information supplied by providers is sufficient to answer questions during internal and FNS

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management evaluations. Box 8 provides examples of documentation that States should maintain and collect from organizations that submit invoices.

Box 8. Sample supporting documentation

- Cost allocation plan;
- Indirect cost rate agreement;
- All transactions invoiced for SNAP E&T, including the date the expense occurred, description of the expense, funding source requested/used, date the State was billed, and date the expense was paid;
- Invoices for participant reimbursements, including the participants who received them, the month the reimbursement was received, and the amount and use of the reimbursement;
- Description of the approach for billing facilities and administration costs;
- Payroll and time and effort records for staff whose wages are paid for using SNAP E&T funds, and
- Breakdown of the actual cost per component.

- **Determine State agency requirements and expectations for partners.** Most State agencies have their own requirements for invoicing. State SNAP E&T program staff can collaborate with staff who oversee fiscal operations within their State to identify information they need to process invoices and set a reasonable timeline for reimbursement that aligns with their capacity and SNAP E&T program needs. After identifying State agency requirements, States should meet with partners and set expectations for invoicing, including when partners must submit an invoice and how quickly States can process their invoices and provide reimbursement. For example, States may request monthly invoices from providers and set an expectation for the timeline to process invoices internally and reimburse providers.

3. Draw down, reimburse, and reinvest.

Throughout the Spend stage, States continuously assess expenditures, reimburse partners, and make strategic decisions to maximize Federal funding available.

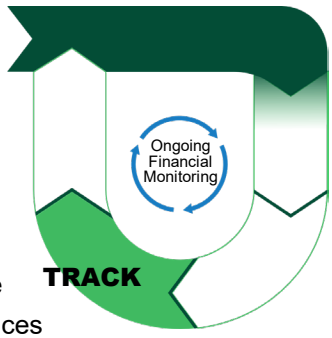
Reminder: During management evaluations, FNS will request States' supporting documentation and ask that States provide information to support their program expenditures.

After States receive their final allocations and targets, FNS must approve their State Plans before States can access the funds. The availability of Federal funds is contingent upon the completion of the Federal appropriations process. States spend these funds throughout the FFY on all allowable costs incurred for administering the SNAP E&T program.

SNAP E&T's reimbursement model for 50/50 funds is unique. States and partners identify sustainable, non-Federal funding sources to utilize up front on SNAP E&T activities. SNAP E&T 50/50 funds can reimburse States for expenses, and States can also reinvest 50/50 funds as non-Federal dollars for the upcoming FFY.

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D. Track



During the Track stage, States monitor spending and proactively manage program finances. Regular tracking allows States to identify and address issues in real time and provide up-to-date information to FNS, facilitating fiscal accountability and accurate reporting. The key question States should be able to answer in this stage is: **How do actual costs compare to estimated costs?**

To answer this question, States should develop internal processes that will provide the information they need to track finances throughout the FFY. For example, invoices from providers show States the amounts actually spent to carry out activities in the approved State Plan, which can be compared to the budget to assess whether spending is on track or not. Exhibit IV.6 provides the foundational questions and activities that will help States during the Track stage.

Exhibit IV.6. Track stage key questions and activities

What	How	Why	Source
What percentage of the budget has been spent?	• Total expenditures divided by approved budget.	Compares expenditures to the overall budget and identifies the amount of funds available for the remainder of the FFY.	• FNS-366A • Invoices
How does spending compare across geographic areas, such as counties?	• Sum of costs for providers and intermediaries that provide services in each county.	Shows how program expenditures vary and identifies potential gaps or opportunities for growth.	• Invoices
• How much has each provider or intermediary invoiced? • How does this compare to the budget expectations?	• Sum of costs for each provider and intermediary. • Calculated difference between budgets and actuals.	Shows how funding varies across different providers and intermediaries and raises potential questions.	• Provider contracts or agreements
What is the cost per participant overall, by provider, and by activity?	• Total expenditures divided by total number of participants. • Total provider expenditures divided by number of participants served by the provider. • Total expenditures for the activity divided by number of participants reported in the activity.	Shows how SNAP E&T funders are used to serve participants and shows trends or variations to explore.	• Invoices • Provider activity reports

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What	How	Why	Source
• What is the cost per component overall and by provider? • How does this compare to the State Plan?	• Total expenditures for the component divided by number of participants reported in the component. • Total expenditures for the component for each provider divided by number of participants reported in the component by each provider.	Ensures providers accurately budget and expend funds.	• Invoices • Provider activity reports • State Plan

1. Review data



Tracking helps States avoid surprises and address questions or concerns about fiscal integrity in real time. During the Spend stage, States expend program funds, approve invoices, and reimburse partners. Based on the agreed-upon frequency for invoicing and the requirements for Federal fiscal reporting, States should establish an approach for tracking spending throughout the FFY. For example, if States request monthly invoices from partners, they can review expenditures monthly or every other month to ensure spending aligns with budget expectations. States may also establish a schedule for reviewing fiscal data with partners (such as quarterly) that includes both a review of their individual-level spending and total spending for the SNAP E&T program relative to the budget.

Reminder: If States identify a need to shift costs from their approved budget, they must contact their Regional office staff to confirm whether the change will require the submission and approval of a State Plan amendment.

Existing Federal or State reports for collecting financial information can provide a foundation for tracking fiscal information, but States may also consider more detailed reports to explore the financial story of their program. States can create a tool using Microsoft Excel or develop a custom dashboard or report in their management information system to pull specific data elements that will provide a comprehensive view of SNAP E&T funding. Exhibit IV.7 provides example data elements that States can use to track their fiscal operations.

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Exhibit IV.7. Sample data elements for tracking fiscal operations

Source	Data elements	Use
State Plan	• Number of participants projected to participate in SNAP E&T. • Number of participants projected to participate per component. • Projected cost per component.	• Compare anticipated and actual per participant costs. • Compare anticipated and actual component costs. • Compare anticipated and actual component costs.
FNS-366A	• Anticipated quarterly cost. • Total funding available for the FFY. • Total funding available for each Federal funding source.	• Compare anticipated and actual costs per quarter. • Compare anticipated and actual costs overall. • Compare anticipated and actual costs per Federal funding source.
Operating budget	• Funding available to each provider	• Compare anticipated and actual costs for each provider.
Activity reports	• Number of participants served by provider. • Number of participants served in each component.	• Compare anticipated and actual per participant costs by provider. • Compare anticipated and actual component costs.
SF-425/FNS-778	• Total SNAP E&T expenditures per quarter. • Total SNAP E&T expenditures by funding source.	• Compare anticipated and actual costs per quarter. • Compare anticipated and actual costs per Federal funding source.
Invoices	• Total expenditures for each provider • Total expenditures for each component	• Compare anticipated and actual component costs.

2. Examine and reset expectations



Based on regular reviews of spending data, States will be able to identify whether they are on track relative to the budget or are at risk of overspending or underspending their available funding. With this information, States can coordinate with their partners to explore any potential mismatches between the amount of funding budgeted and the actual expenses to date. States also reconcile costs and work to shift funds to the areas of highest need during the FFY. In some cases, States may need to revise intermediaries' or providers' budgets during the FFY to account for deviations in spending relative to the budget. Box 9 provides tips for reconciling costs. If States believe they will underspend or overspend, they can also coordinate directly with their Regional office staff to discuss options and potential next steps.

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Box 9. Reconciliation tips

Identify the providers currently expected to ***underspend*** the funds available, and discuss:

- Are you receiving more or fewer referrals than anticipated?
- Are participants declining to participate after you contact them? If so, why?
- Are participants dropping off after enrolling? If so, why?
- What activities are in demand for SNAP E&T participants? How do these compare to the activities in demand at your organization overall?
- How can we boost the number of participants served? Are there other activities that could be approved for SNAP E&T?

  Should we modify the budget to reduce the amount of funds available for this FFY?

Identify the providers currently expected to ***overspend*** the funds available, and discuss:

- Are there more participants enrolling than anticipated? If so, what do you think has promoted enrollment?
- What is the cost per activity for SNAP E&T participants? Does this vary from the budget, and if so, why?
- What activities are in demand for SNAP E&T participants?
- Are participants achieving their goals and anticipated outcomes? If not, are there services or program elements that need more investment or should the efficacy of the program be re-examined?
- Do you have the capacity to serve more participants if more funding is available?
- Would increasing the budget allow you to be more fully reimbursed for the SNAP E&T services you're providing at your current levels?
- Are indirect costs being charged appropriately?◢

E. Report

During the Report stage, States submit data to FNS on the amount of funds spent and remaining on a quarterly and annual basis (7 CFR 277.11). Accurate Federal financial reporting is essential to operating an effective SNAP E&T program. Reporting promotes shared accountability between States and FNS, ensuring that States collect and review critical information partners regularly and that FNS has access to data to assess and understand the fiscal status of each State and the SNAP E&T overall. The key question States should be able to answer in this stage is: **What is the summary of program budgets and expenditures/costs?**



Collecting and analyzing fiscal data help States make more informed decisions about program improvements and changes. Information collected as part of the Report stage are key elements that feed back into the Plan and Budget stages of the fiscal lifecycle. Exhibit IV.8 provides the foundational questions and activities that will help States during the Report stage.

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Exhibit IV.8. Report stage key questions and activities

What	How	Why	Source
How much time is needed to compile data across State agency data systems?	Meet with data and reporting, and fiscal staff in the State agency to understand their processes and share needs for SNAP E&T reporting.	Helps the State develop realistic internal timelines and promote timely report submissions.	• Qualitative information from State agency colleagues.
What factors affect how funds are spent throughout the FFY?	Review previous fiscal data and meet with providers and intermediaries to discuss internal schedules for service delivery.	Ensures the State understands how to spread its operating budgets and anticipated quarterly costs.	• Previous SF-425/FNS-778 reports. • Qualitative information from providers and intermediaries.
• What percentage of the budget is expended by quarter? • How does this compare to anticipated quarterly spending?	Compare the quarterly expenditures to the total FFY operating budget and the quarterly budgets.	Demonstrates the accuracy of the program budget and identifies opportunities for improvement.	• FNS-366A • Operating budget • SF-425/FNS-778
How do anticipated costs compare to actual costs for the program overall?	Compare the expenditures to the total FFY operating budget.	Ensures the State is accurately budgeting and expending funds to meet the needs of SNAP E&T participants.	• Operating budget • SF-425/FNS-778

1. Understand the reporting requirements

States provide fiscal data to FNS on budgets and expended funds throughout the FFY. States report fiscal data on the following forms:



- **State Plan operating budget.** The operating budget includes information on funding levels, funding sources, and contracts that States identify to deliver SNAP E&T services in the upcoming FFY (7 CFR 273.7(c)(6)(iii)).
- **FNS-366A Program and Budget Summary.** SNAP State agencies' fiscal staff submit the FNS-366A form to request the amount of funds for each Federal funding source needed to operate their SNAP E&T programs by quarter. The FNS-366A approved by FNS Grants Management & Administrative Services (GMAS) staff represents the Federal funding available to States for the upcoming FFY (7 CFR 273.7(l)(4)).
- **Standard Form (SF) 425 Federal Financial Report /FNS-778 Financial Status Report.** SNAP State agencies' fiscal staff submit the SF-425/ FNS-778 form to report the financial status of a State's program spending, including the total Federal shares of SNAP E&T funding source outlays, unliquidated obligations, and expenditures from each quarter (7 CFR 273.7(d)(7)). Appendix A includes a glossary with definitions of data elements on these forms.

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Understanding the timelines for reporting to FNS can help States prepare and receive the input they need from providers to ensure timely submission of the information. States submit their operating budgets in DATASET, while the other financial reporting forms are available in the Food Programs Reporting System (FPRS). Exhibit IV.9 provides more information on the purpose, staff involved, timing, and systems for each of the financial reporting forms that States submit to FNS.

Exhibit IV.9. SNAP E&T fiscal reporting

	SNAP E&T Operating Budget	FNS-366A	SF-425/FNS-778
What	Annual budget that describes planned costs needed to operate the SNAP E&T program by providers, expenses, and funding source	Annual report that describes planned quarterly costs by funding source to request Federal SNAP E&T funds	Quarterly and annual reports describing the actual expenditures of Federal SNAP E&T funds
Who	States with input from fiscal staff and intermediaries and/or providers	States with input from fiscal staff and intermediaries and/or providers	States with input from fiscal staff and intermediaries and/or providers
When	August 15th and ongoing if an amendment is made during the FFY	August 15th and ongoing if an amendment is made during the FFY	Due 30 days after the end of the quarter and 90 days after the end of the fiscal year
How	DATASET	FPRS	FPRS

2. Validate the data and submit reports



State reporting is a critical tool of FNS to communicate the impact of the E&T program to leadership, Congress, and the public. How E&T funds are spent, and the outcomes of that investment, are central to understanding the story of E&T in each State.

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In each of the financial reports, States should enter accurate data so FNS can understand the program and provide support and appropriately anticipate funding levels for subsequent FFYs. Inaccurate data can cost the program money and limit the flexibility of the program structure. Accurate reporting depends on efficient and effective State processes and tools for documenting and tracking expenses across their partners.

Reminder: FNS uses values from the financial status report to inform the next FFY's 50/50 targets and the amount of 100 percent funds available for reallocation.

Validate the data. Data validation helps ensure all reports provide accurate information for both States and FNS. Errors can result in additional work for States in responding to FNS inquiries and updating reports to address questions. When errors are not caught, they can result in inaccurate funding and potential loss of future flexibility. To validate data and catch errors before they are submitted to FNS, States can look at trends in the data across years and compare values across all Federal financial reports. Comparing values for the current FFY to the numbers reported in the previous three FFYs can help States catch any irregularities and explore whether the numbers align with expectations. States should also conduct checks of supporting documentation to understand whether the reported data are accurate for the cost of services participants receive and participant reimbursements. Validation processes will vary across States. Exhibit IV.10 presents a few key questions that can help all States validate their fiscal data.

Exhibit IV.10. Questions to consider for data validation

What	How
State Plan operating budget	
Do the total amounts for each funding source align with final allocations and targets?	Compare budget totals to the final allocation memo.
Do the total amounts of each funding source provided for each provider align with expectations based on the projected number of participants and types and number of components for each provider?	Compare provider budget projections, participant projections, and anticipated component offerings in the budget and the individual information shared by providers.
How does the upcoming FFY operating budget compare to the current FFY?	Compare the upcoming FFY operating budget to the current FFY operating budget.
If States anticipate spending more or less in the upcoming FFY, what program changes drive this?	Compare the upcoming and current FFY State Plans, reviewing elements such as the total number of participants, total number of providers, types of components, and geographic areas.
Are current program funds being spent as expected?	Compare the current FFY operating budget to the expenditures reported on the SF-425/FNS-778.
FNS-366A	
Do the total amounts for each funding source align with final allocations and targets?	Compare the quarterly budget totals for each funding source to the final allocation memo.
Do the amounts reported in the FNS-366A match the approved operating budget?	Compare the quarterly budget totals to the approved operating budget totals.

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What	How
SF-425/FNS-778	
Are the total amounts reported on the form supported by provider data submitted to the State?	Compare the total expenditures with the sum of expenditures from provider invoices.
Do the total amounts of expended funds for each funding source align with the budget?	Compare the total expenditures for each funding source to the FNS-366A.
Do the unliquidated obligations accurately reflect the undelivered orders and accounts payable?	Compare the unliquidated obligations to pending invoices or information in the State fiscal data system.

Submit the reports. Once the State has the information to complete fiscal reporting forms, the next step is to complete the relevant form in DATASET or FPRS. The SNAP E&T Reporting and Data Resource provides tips, reminders, and detailed screenshots of the operating budget in DATASET. It is critical to maintain complete supporting documentation to effectively track costs, support ongoing financial monitoring, and prepare for future management evaluations.

F. Ongoing financial monitoring

States are responsible for ensuring that partners understand the requirements of SNAP E&T funding. Financial monitoring involves a set of routine processes that specific staff are responsible for throughout the FFY to proactively manage program finances and provide a timely response to issues that arise. Ongoing financial monitoring ensures that States are prepared for fiscal reporting and have the funds needed to deliver uninterrupted SNAP E&T services to participants. Financial monitoring underlies all five stages of the SNAP E&T fiscal lifecycle and is supported by an overarching approach to providing oversight, accountability, and quality assurance for financial management practices with providers, counties, intermediaries, and other partners. Although not a discrete stage, this section identifies how States can develop a consistent approach – including roles and responsibilities – for financial monitoring.

Determine who holds responsibility. Ongoing monitoring requires States to have an internal process that describes how they will continuously monitor the fiscal operations of the program overall and for each provider. Box 10 provides key questions that States can explore as they monitor operations. SNAP E&T program staff should decide who among their team will be responsible for implementing and ensuring that ongoing monitoring is completed. For example, SNAP E&T program staff should identify who among their team will determine the frequency of and schedule ongoing meetings with State fiscal, data, and reporting staff and partners.

Establish clear and consistent communication. Throughout the FFY, States should be in frequent communication with partners about their fiscal performance. Within the State agency, staff should have an established schedule for meeting with fiscal and contracts staff to assess and monitor the administrative costs and performance of the program and each SNAP E&T provider. States can also develop various communication tools, such as standard reports, meetings, or dashboards with providers to review their financial performance. Staff can work with FNS to understand the financial reporting timelines and receive clarification of any fiscal questions as they are working within their own agency and with providers.

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Box 10. Questions to consider for ongoing monitoring

- What is the plan for financial monitoring? How will the State ensure compliance among intermediaries, providers, and counties (if applicable) with program policies and procedures?
- How will intermediaries and counties monitor subcontractors that provide SNAP E&T services?
- Who will conduct financial monitoring? How can State program and fiscal staff collaborate to carry out monitoring activities?
- What internal procedures do States have for conducting management evaluations or financial reviews of counties, intermediaries, and/or providers? On what schedule?
- What information technology resources and tools can be deployed to automate analysis and provide efficient ways of conducting financial monitoring? What capabilities do intermediaries, providers, and counties (if applicable) have to do this within their organizations?
- When issues or errors are identified, what is the process within the State to investigate and correct them?
- What proactive strategies can the State employ to promote best practices regarding financial management among intermediaries, providers, and counties (if applicable)? For example, providing technical assistance on accounting systems and cost allocation methods, convening and sharing best practices, replicating a model approach by one provider to other providers, etc.



Regular communication ensures that everyone has a clear understanding of the current fiscal situation, service expectations, and how those align with the number of participants served. For example, a State may establish a quarterly workgroup of all the State agency staff that handles fiscal data and reporting. The workgroup reviews the monthly invoices, activity reports, and administrative costs before the workgroup meeting. During the meeting, staff can discuss whether the providers are meeting their participation and spending goals, whether providers are invoicing appropriately, and if they are reporting accurately.

Oversee providers, intermediaries, and counties. One of the core responsibilities of State agencies that operate SNAP E&T programs is overseeing partners. Ongoing financial monitoring is one aspect of the broader program oversight States provide and focuses on ensuring partners invoice for allowable costs and share required data in accordance with agreed-upon timelines established in their contracts. During ongoing financial monitoring, States can identify and address questions with providers as they surface. For example, if a provider submits supporting documentation that does not confirm the invoiced expenses are allowable costs for SNAP E&T, States can request more information from the provider and work with them to ensure the costs are allowable and supporting documentation meets contractual expectations.

Adjust agreements as needed. Through ongoing financial monitoring, States may consider any adjustments to agreements, funding, or participation expectations. If providers are not reaching the intended population or if their expenditures do not align with expectations, States can adjust contracts and undertake reconciliation processes. For example, if one provider in the State is underspending its funds and another is overspending, the State could conduct a monitoring visit to the providers. During the visit, the State would review documents, talk with staff, and participants to understand why the provider

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was under- or overspending. Based on the State's assessment, they could reallocate funds between providers. States could then work with FNS to amend their State Plans to reflect any changes to provider contracts.

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V. Other Relevant Resources

This toolkit is meant to offer best practices and strategies that States can adapt to the context of their unique SNAP E&T programs. It is one of many resources available to help States operate more effective SNAP E&T programs. Additional resources related to financial management are forthcoming. States can access other SNAP E&T tools and resources on the FNS website.

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Appendix A. Fiscal Management Glossary

This glossary defines key terms for SNAP E&T fiscal management used throughout this toolkit. It defines terms related to SNAP E&T financial reports and requirements, as well as terms used more broadly in discussions of SNAP E&T operations and management.

A. Key financial terms

Federal funding sources

- **SNAP E&T program grant (100 percent) funds** (7 CFR 273.7(d)(1)(i)). States receive a share of $103.9 million in Federal grant funds.[3] These funds are for the administrative costs of planning, implementing, and operating an E&T program in accordance with the approved State Plan. E&T grant funds are distributed based on a formula that takes into account the number of work registrants and Time-Limited Participants in each State.
- **Fifty percent administrative (50/50) funds** (7 CFR 273.7(d)(2)). States may claim reimbursement from FNS for 50 percent of their allowable administrative costs that exceed the amount of available 100 percent funds.
- **Fifty percent participant reimbursement (50/50) funds** (7 CFR 273.7(d)(4)). States use these funds to claim reimbursement from FNS for 50 cents per every dollar that States (and their providers) expend on participant reimbursements (reported separately as dependent care and transportation/ other supports).
- **Pledge funds** (7 CFR 273.7(d)(3)). States that pledge to offer a qualifying activity to SNAP participants subject to time-limited benefits and who are in their third countable month can receive a share of an additional $20 million in Federal E&T funds.[4] A State must make the request to become a pledge State in its annual E&T plan.

SNAP E&T financial reports

- **SNAP E&T State Plan Operating Budget** (7 CFR 273.7(c)(6)). State SNAP agency staff submit the SNAP E&T State Plan Operating Budget annually in DATASET. The operating budget includes information on funding levels, funding sources, and contracts that the States identify in order to deliver SNAP E&T services in the upcoming FFY.
- **FNS-366A Program and Budget Summary** (7 CFR 273.7(l)(4)). SNAP State agencies' fiscal staff submit the FNS-366A form to indicate the amount of funds for each Federal funding source needed to operate their SNAP E&T programs by quarter. The FNS-366A approved by FNS Grants Management & Administrative Services (GMAS) staff represents the Federal funding available to States for the upcoming FFY. The total Federal funding amount approved in the FNS-366A must match the Federal funding amount in the approved SNAP E&T State Plan Operating Budget.

[3]This amount is authorized in section 16(h)(1) of the Food and Nutrition Act of 2008, as amended as of October 2025.

[4]This amount is authorized in section 16(h)(1) of the Food and Nutrition Act of 2008, as amended as of October 2025.

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- **Standard Form (SF) 425 Federal Financial Report / FNS-778 Financial Status Report** (7 CFR 273.7(d)(7)). SNAP State agencies' fiscal staff submit the SF-425/ FNS-778 form to report the financial status of a State's program spending, including the total Federal shares of SNAP E&T funding source outlays, unliquidated obligations, and expenditures from each quarter.

Cost categories

- **De minimis rate**. Recipients and subrecipients that do not have a current Federal negotiated indirect cost rate (including provisional rate) may elect to charge a de minimis rate of up to 15 percent of modified total direct costs (MTDC). The recipient or subrecipient is authorized to determine the appropriate rate up to this limit. When applying the de minimis rate, costs must be consistently charged as either direct or indirect costs and may not be double charged or inconsistently charged as both. Once elected, the recipient or subrecipient must use the de minimis rate for all Federal awards until the recipient or subrecipient chooses to receive a negotiated rate.
- **Direct costs**. Costs associated with providing E&T services, such as the proportional amount of staff salaries based on time devoted to delivering SNAP E&T services and program administration. The State staff wages must relate to the tasks they perform for the SNAP E&T program and may not necessarily be the same as the total wages paid to an individual if they split their time across more than one program. These costs also include training and education costs as well as expenses associated with operating the program.
- **Indirect costs**. Costs incurred by a State, contractor, or subcontractor that are necessary for the overall operation of the entity but cannot be directly linked to the SNAP E&T program. The Federal de minimis indirect cost rate of 15 percent can be used on federally funded projects in the absence of a rate approved by a cognizant agency. The 15 percent standard rate may be used indefinitely and is determined by multiplying 0.15 by the modified total direct costs.
- **In-kind contributions**. Non-cash contributions such as services or property without cost to the State (for example, volunteer time or office space). States should only include in-kind contributions for State SNAP agencies in the budget.
- **Modified Total Direct Cost (MTDC)**. MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $50,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of $50,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs and with the approval of the cognizant agency for indirect costs.
- **Participant reimbursements**. Funds available to help support participants with participation in SNAP E&T. In accordance with 7 CFR 273.7(d)(4), States are required to pay for or reimburse participants for expenses that are reasonable, necessary, and directly related to participation in E&T.

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Other financial terms

- **Allocable costs**. Allocable costs are assignable to that Federal award or other cost objective in accordance with the relative benefits received.
- **Deobligation**. The cancellation, downward adjustment, or deletion of a previously recorded obligation. Such adjustments may be attributable to cancellation of a project or contract, price revisions, corrections of amounts previously recorded, or differences between obligations previously recorded and payments made.
- **Drawdown**. The amount of Federal funds that States have drawn from the Treasury. This amount should align with the outlays.
- **Necessary costs**. Necessary costs are incurred to carry out functions of SNAP E&T; cannot be avoided without adversely affecting program operations; do not duplicate existing efforts; and are the net cost after applicable credits.
- **Obligation**. A binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.
- **Outlay/Expenditure**. The amount of Federal funds a State reports it has spent. Outlays occur when a Federal agency issues checks, disburses cash, or makes electronic transfers to liquidate (or settle) an obligation.
- **Reasonable costs**. Reasonable costs provide a program benefit generally commensurate with the costs incurred; are in proportion to other program costs for the function the costs serve; and are what a prudent person would incur in like circumstances.
- **Unliquidated Obligation**. The balance remaining from the amount of orders placed; contracts or other binding agreements awarded; or services rendered after making any payments or processing deobligations. Unliquidated obligations (ULOs) consist of undelivered orders and accounts payable. An undelivered order is an obligation for goods that have not been received or services that have not been performed.

B. Key operations and management terms

- **Assessment**. Assessment should include an in-depth evaluation of employability coupled with employment goals and skills assessments.
- **Case management**. Case management includes a set of services to guide and support E&T participants as they engage with a SNAP E&T program. Case management services can include, but are not limited to: comprehensive intake assessments, individualized service plans, progress monitoring, or coordination with service providers.
- **Component**. A SNAP E&T component is a broad category of employment or training activities defined by 7 CFR 273.7(e)(2).
- **Intermediary**. An intermediary provides support to State agencies by centralizing and performing a number of required and essential administrative tasks that a State agency would otherwise be required to do (note: intermediaries may not perform certification tasks like screening and issuing SNAP

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notices). Thus, an intermediary may increase capacity and support E&T programs by leveraging established leadership roles, key partnerships, and expertise within the workforce and employment and training arena.

- **Mandatory SNAP E&T participant**. A mandatory SNAP E&T participant is a work registrant who does not meet a State-specific exemption from SNAP E&T, meaning they are required to participate as a condition of eligibility for SNAP, and is referred to a SNAP E&T program by the State agency.
- **Provider**. Providers are organizations that sign an agreement with State agencies or intermediaries to provide SNAP E&T services.
- **Referral**. The regulations at 7 CFR 273.7(c)(2), require that after the eligibility worker determines that an individual meets State-specific criteria to be referred to E&T, the State agency must refer that individual to E&T. Essentially, referral to E&T is the process State agencies use to inform individuals that they are E&T participants and to provide them with information on how to access E&T. As part of the referral process, the State agency must explain the next steps for accessing E&T.
- **Screening**. Screening for referral to E&T is defined at 7 CFR 271.2 as “an evaluation by the eligibility worker as to whether a person should or should not be referred for participation in an employment and training program. This activity would not be considered an approvable E&T component.” The regulations at 7 CFR 273.7(c)(2), require that the State agency screen all work registrants to determine whether it is appropriate, based on the State agency’s criteria, to refer the individual to an E&T program.
- **Services**. SNAP E&T services include SNAP E&T components, case management, assessment, and orientation available to SNAP E&T participants.
- **SNAP E&T program**. All SNAP E&T programs must provide case management and at least one E&T component.
- **Time-Limited Participants (TLPs)**. TLPs (also referred to as Able-Bodied Adults without Dependents, or ABAWDS) are individuals aged 18 to 64 who do not meet a Federal exception from the time limit. Time-Limited Participants must work and/or participate in a work program for a total of at least 80 hours per month or participate in workfare for the assigned number of hours, to receive SNAP for more than three months in three years.
- **Voluntary SNAP E&T participant**. A voluntary E&T participant is a SNAP recipient who is exempt from mandatory SNAP E&T participation, but chooses to pursue SNAP E&T.
- **Work registrant**. A work registrant is a SNAP applicant or recipient aged 16 to 59 who must comply with the general work requirement because he or she does not meet one of the Federal exemptions from the general work requirement.

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