



MAR 18 2010

**United States
Department of
Agriculture**

**Food and
Nutrition
Service**

**3101 Park
Center Drive**

**Alexandria, VA
22302-1500**

SUBJECT: SNAP – Employment and Training Education Components, Allowable Costs and Federal Reimbursement

TO: Regional Directors
Supplemental Nutrition Assistance Program
All Regions

The purpose of this memorandum is to clarify some cost principles of the Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) program. This memo builds upon past guidance provided on the funding of education components in the May 27, 2009 memo and the 2006 Q&A Package on E&T Financial Policy.

Many States are contracting with community colleges and using third-party reimbursement models to fund their E&T components. The Food and Nutrition Service (FNS) has received a number of inquiries about allowable costs and 50/50 match money. FNS has some concerns about the costs being charged to the E&T program.

To reiterate long-standing policies and the provisions of OMB Circular A-87, FNS may not be charged more than the general public. If an E&T participant is enrolled at a community college where tuition is \$100 per credit hour for all students, the E&T program cannot be charged \$150 to cover tuition and the additional school overhead or indirect costs. Because the additional \$50 is not charged to non-E&T students, it is an unallowable cost.

Costs not charged to the general public cannot be charged to the SNAP E&T program. Nor can these costs be used as the State share toward the 50 percent Federal reimbursement. Unallowable costs cannot be used to match, or draw down, Federal funds for the administration of the E&T program.

Federal funds can be used to pay for some education and additional support services offered through community colleges, as long as these services are above and beyond those offered to non-E&T students or offered at cost. These components and services must be outlined in the State E&T plan and approved by FNS. Tuition, case management and other support services are allowable costs and can be paid with either 100 percent E&T grant money or 50/50 Federal reimbursement money. Please see past E&T guidance for further detail.

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Please share this information with your State agencies. If you have any questions or concerns, contact Jackie Windfeldt at 703-305-2390 or jackie.windfeldt@fns.usda.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Lizbeth Silberman", with a long horizontal flourish extending to the right.

Lizbeth Silberman
Director
Program Development Division