



Food Distribution
National Policy Memorandum

United States
Department of
Agriculture

Food and
Nutrition
Service

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Alexandria, VA
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DATE: May 11, 2010
POLICY NO: FD-106 The Emergency Food Assistance Program (TEFAP)
SUBJECT: Tracking and Notification Requirements for TEFAP Foods for Audit Purposes

This policy memorandum is to clarify the audit-related tracking and notification requirements for TEFAP State agencies and Eligible Recipient Agencies (ERA) that further distribute or pass-through TEFAP food or funds to ERAs and are subject to audit requirements under 7 CFR Part 3052. Non-Federal entities that expend less than \$500,000 a year in Federal awards are exempt from audit requirements; however, the organization’s records must be available for review or audit by appropriate officials of the Federal government, pass-through entity, and/or General Accounting Office. These tracking and notification requirements do not apply to ERAs that only distribute TEFAP foods directly to eligible recipients.

Per 7 CFR Part 3052.105, a *Federal award* is Federal financial assistance provided to non-Federal entities, either directly from Federal awarding agencies, or indirectly (through pass-through entities, such as State agencies or ERAs). Further, as defined in section 3052.105, *Federal financial assistance* is assistance that non-Federal entities receive or administer, including grants and Department of Agriculture (USDA) foods. Under both of these definitions, TEFAP food and administrative funds are considered *Federal awards*.

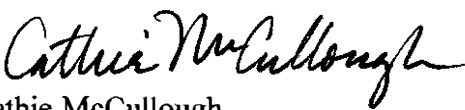
Under 7 CFR Part 3052.400(d), pass-through entities, such as TEFAP State agencies or ERAs that further distribute TEFAP food or funds to other ERAs, must identify the Federal awards made to all subrecipient ERAs as described below. When this information is not available, the State Agency or other pass-through entity must provide the best information available to describe the award.

When a State agency or ERA distributes or “awards” TEFAP food or funds to a subrecipient ERA (i.e., a food bank, food pantry, community action agency, etc.) the State agency or distributing ERA is required to identify the award made to each subrecipient ERA. Per 7 CFR Part 3052.400(d), the State agency or distributing ERA will identify the Federal TEFAP awards it makes by notifying each subrecipient ERA of the Federal award’s Catalog of Federal Domestic Assistance (CFDA) title and number, the award name and number, the amount, and the award year at the time of the subaward. TEFAP food and administrative funds are separate CFDA numbers, and awards made under these two programs must be identified separately. Refer to Policy Memorandum FD-104, Value of USDA Foods for Audits, for more information on how to value TEFAP foods for audit purposes.

State agencies and pass-through entities that received TEFAP food or funds under the American Recovery and Reinvestment Act of 2009 (ARRA) are required, per 2 CFR section 176.210, to separately identify both regular and ARRA TEFAP food or funds awarded to the recipient, when both regular and ARRA food or funds are provided for the same program. In situations where State agencies or pass-through entities are not able to separately identify or distinguish ARRA TEFAP food or funds from regular TEFAP food or funds, awarding entities should provide the best information available to describe the award, such as a description of how the award amount was determined or an estimate of the award amount.

The following CFDA titles and numbers should be used when identifying TEFAP awards (regular and ARRA food or funding):

TEFAP Component	CFDA Title	CFDA Number
Administrative funds	Emergency Food Assistance Program (Administrative Costs)	10.568
Foods	Emergency Food Assistance Program (Food Commodities)	10.569


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