



# Food Distribution National Policy Memorandum

United States  
Department of  
Agriculture

**DATE:** AUG 16 2012

Food and  
Nutrition  
Service

**POLICY NO:** FD-124: The Emergency Food Assistance Program (TEFAP)

**SUBJECT:** Determining Local Agency Reviews

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TEFAP regulations at 7 CFR 251.10(e)(1) require that State agencies monitor program compliance with all applicable Federal and State requirements. As a part of States' monitoring responsibilities, per 7 CFR 251.10(e)(2)(ii), each year TEFAP State agencies are required to review at least one-tenth or 20, whichever is fewer, of all Eligible Recipient Agencies (ERA) that receive TEFAP foods and/or administrative funds through an agreement with another ERA. To fully identify all such ERAs, each TEFAP State agency is required to maintain a list of all ERAs operating in the State (see Food Distribution National Policy Memorandum FD-123). TEFAP State agencies must efficiently manage their resources to meet Federal monitoring requirements and promote program integrity. Therefore, FNS recommends that State agencies use the following two-fold approach to determine which ERAs will be reviewed each fiscal year.

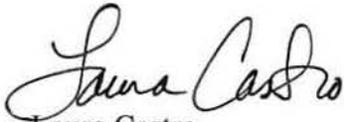
1. *An annual risk-based assessment.* All ERAs should be evaluated on their level of risk for waste, fraud, and abuse of TEFAP resources; those ERAs identified as being "high-risk" should be reviewed. States are encouraged to include risk factors such as value of USDA Foods or amount of administrative funds received, history of complaints and/or program violations, length of time operating TEFAP, length of time since last review, known turnover of ERA director and/or key staff, and/or other applicable factors when formulating their assessment.
2. *A random sample.* All ERAs not selected for a review based on their level of risk should be subject to selection in a random sample for that year. To the extent possible, State agencies should attempt to review a different sample of ERAs during each review cycle.

State agencies should choose at least half of the ERAs to be reviewed based on a risk-based approach and use a random sample approach to determine the remaining reviews. FNS recommends that State agencies implement this approach for reviews conducted beginning in Fiscal Year (FY) 2013. State agency reviews of ERAs under

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direct agreement with the State agency are not subject to the recommendations in this memorandum. Reviews of ERAs under agreement with the State agency must be conducted in accordance with TEFAP regulations at 7 CFR 251.10(e).

A handwritten signature in black ink that reads "Laura Castro". The signature is written in a cursive, flowing style.

Laura Castro  
Director  
Food Distribution Division