



DEC 4 2012

United States  
Department of  
Agriculture

Subject: Reporting Expenditures of Supplemental Nutrition Assistance Program (SNAP) Funding in Connection With A-133 Single Audits

Food and  
Nutrition  
Service

To: Regional Administrators  
All Regions

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This memorandum provides guidance on reporting expenditures of SNAP funds in order to comply with reporting requirements of Office of Management and Budget (OMB) Circular A-133 and OMB guidance implementing the American Recovery and Reinvestment Act of 2009 (ARRA). It updates our October 26, 2011 subject memorandum. That document pertained to A-133 audits of Fiscal Year 2011, but concluded with a promise to provide updated information for use by State agencies in preparing documents related to future A-133 audits. Such information pertaining to Fiscal Year 2012 audits is provided herein.

I. SNAP Benefits (CFDA 10.551).

A. Guidance for States.

A State shall report its total expenditures for SNAP benefits in the body of the Schedule of Expenditures of Federal Awards (SEFA) and in Part III, Item 9 (Federal Awards Expended During the Fiscal Year) of the Single Audit Data Collection Form (SF-SAC). In addition, the State shall include the following statement as a Note to the SEFA:

“The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households’ income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for 10.95 percent of USDA’s total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2012.”

B. Guidance for Counties.

A county must NOT report expenditures for SNAP benefits in its SEFA or its SF-SAC. This is because SNAP benefits are provided exclusively by electronic benefits transfer (EBT). In an EBT environment, there is no pass-through of Federal funds for SNAP benefits as these funds do not pass through the hands of county agencies. Rather, benefits

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are processed and expenditures determined by State-level EBT systems. With respect to counties, therefore, SNAP benefits do not meet the definitions of "Federal award" and "Federal financial assistance" in section 105 of A-133 (codified by USDA at 7 CFR section 3052.105).

II. SNAP Administrative Funds (CFDA 10.561).

Data held in the FNS National Data Base and Food Programs Reporting System indicate that States have closed-out their awards of SNAP administrative funds made available under the Recovery Act. Therefore, no expenditures of such funds should appear in the SEFA or SF-SAC for an audit of a State or county fiscal year ending on or after June 30, 2012.

III. Conclusion.

In addition to reauthorizing the Child Nutrition Programs, the Healthy, Hunger-Free Kids Act (HHFKA) of 2010 (Public Law 111-296) imposed a clear sunset date for USDA's authority to provide SNAP benefits at the enhanced level prescribed and funded by section 101 of the Recovery Act. Section 442 of the HHFKA specifies that the enhanced Recovery Act benefit level shall be terminated not later than October 31, 2013, or when the regular Thrifty Food Plan (TFP) level reaches the enhanced Recovery Act level, whichever occurs first. Previous legislation had mandated and funded the enhanced benefit levels through March 31, 2014.

As long as additional Recovery Act funds are made available for this purpose, State agencies must report expenditures for SNAP benefits in their SEFAs and SF-SACs as described above. We will furnish annual updates to the national aggregate percentage of expenditures for SNAP benefits supported by Recovery Act funds as long as needed to inform State agencies. Please note that this extension applies only to Recovery Act funds made available for SNAP benefits; no such funds have been made available for SNAP administrative costs since September 30, 2010.

Please ensure that this memorandum is shared with your SNAP and Financial Management staffs, SNAP State partners, their auditors, your OIG contacts, and any other interested parties.

Please direct inquiries on this matter to Lael Lubing, Director, Grants and Fiscal Policy Division, at (703) 305-2161 or [lael.lubing@fns.usda.gov](mailto:lael.lubing@fns.usda.gov).

  
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