

UNITED STATE DEPARTMENT OF AGRICULTURE  
FOOD AND NUTRITION SERVICE  
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

2013

# EMPLOYMENT AND TRAINING TOOLKIT



***A TOOLKIT TO HELP  
STATES CREATE,  
IMPLEMENT AND  
MANAGE DYNAMIC  
E&T PROGRAMS***

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# INTRODUCTION

# INTRODUCTION

The purpose of this toolkit is to provide State agencies with the know-how and resources to plan and implement Employment and Training (E&T) Programs under the Supplemental Nutrition Assistance Program (SNAP, formerly called the Food Stamp Program). In 1987, Congress established the Food Stamp Employment and Training Program to assist able-bodied food stamp recipients in obtaining employment. From its conception, the purpose of the E&T Program has been to help SNAP households gain skills, training, work, or experience that will increase self-sufficiency.

There have, however, been changes in the population served by SNAP. The recent economic recession has resulted in a vast number of newly unemployed individuals who are turning to the national social safety net for nutrition assistance and work support. While some SNAP clients need assistance with job search training and basic skills, other clients would benefit more from vocational training that would enhance their ability to obtain regular employment. This toolkit can assist State agencies in developing a dynamic E&T program to meet this wide range of needs.

The Food and Nutrition Act (the Act) of 2008 gives State agencies a great deal of flexibility in designing their E&T program. State E&T programs must include at least one of the following: 1) A job search program; 2) a job search training program, consisting of activities such as job skills assessment, job clubs, etc.; 3) workfare programs; 4) work experience or training; 5) State, local or Workforce Investment Act (WIA) work programs; 6) education programs such as Basic Adult Education, GED preparation, and English as a Second Language classes; and 7) self-employment. State agencies also have discretion the geographic coverage of their E&T programs. The great range of options enables variety across States, but it can also be confusing. Section 1 of this toolkit reviews the basics of SNAP work requirements and the E&T program. Section 2 covers essentials of an E&T component and goes into depth on specific E&T components.

Section 3 of this toolkit will focus on State E&T options, such as targeting voluntary participants and work supplementation.

## USE OF THIS TOOLKIT

This toolkit is designed to help State agencies create new SNAP E&T programs. Some of the material in this toolkit is tied directly to the Act and SNAP regulations. Other material, such as checklists, State-specific examples and recommendations are not Federal requirements and are meant to be resources that may help States better meet the employment and training needs of

low income households. This toolkit is a living document, posted on the E&T PartnerWeb Community. Links within the document lead to other sections of the document itself or helpful Internet resources.

As a living document, this toolkit will be updated periodically to reflect new information on best practices, updated resources and changes to Federal legislation. If you have comments or questions on this toolkit, you can contact your Regional Office for more information. FNS encourages States to share tools that can be included in future updates to this toolkit, such as sample contracts, evaluation forms, or proposals that will improve the efficiency and effectiveness of SNAP E&T programs.

## **ACKNOWLEDGEMENTS**

FNS would like to acknowledge and thank the staff, State partners and non-government organizations that reviewed various drafts of this document. Thank you for your thoughtful review and helpful comments.

# SECTION 1: E&T BASICS

***E&T 101***

# E&T BASICS

## OVERVIEW

The Food and Nutrition Act (the Act) of 2008 provides that the purpose of the Employment and Training (E&T) program is to provide Supplemental Nutrition Assistance Program (SNAP) participants opportunities to gain skills, training or experience that will improve their employment prospects and reduce their reliance on SNAP benefits. Additionally, the E&T program offers a way to allow SNAP recipients to meet work requirements stipulated in the Act. The Act mandates that all nonexempt SNAP recipients register for work. State agencies have the authority to determine which local areas will operate a SNAP E&T Program and, based on their own criteria, whether or not it is appropriate to refer these individuals to the Program.

The Act and SNAP regulations provide State agencies with a great deal of flexibility in designing the employment and training services they wish to offer SNAP recipients. Each State agency must develop and operate an E&T program that consists of one or more of the employment and/or training components covered in [Section 2](#) of this toolkit. The program must be approved by the Food and Nutrition Service (FNS) through a State E&T Plan<sup>1</sup>. A review of 15 States by the Government Accountability Office (GAO) in 2003 found that SNAP E&T participants were generally hard to employ because of a lack of education, a limited employment history, and because some SNAP recipients subject to work requirements are prone to substance abuse or homelessness. A State should tailor its E&T program to meet the needs of its participants and the local economy, thereby increasing the likelihood of recipients gaining self-sufficiency.

Federal funding for E&T Programs is contingent upon approval of a State E&T Plan by FNS and the availability of Federal funds. Detailed information on the State E&T Plan can be found in the [E&T Handbook](#).

FNS has observed that the demand for E&T services increases during a weak economy as more SNAP clients are underemployed or unemployed and need additional training or skills to increase their employability. Experts predict that SNAP participation will remain high even as the economy improves before eventually leveling off. Now, more than ever, SNAP E&T is

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<sup>1</sup> The State E&T Program Handbook can be found at:  
<http://www.fns.usda.gov/snap/rules/Memo/Support/employment-training.htm>

important to the livelihood and self-sufficiency of clients and also the State and local economy. E&T programs should be designed to meet the needs of an ever-changing local job market.

The box below shows that most States offer job search through their E&T program. In a healthy economy, job search may be effective at helping work-ready SNAP clients find employment. In a weaker economy, however, job search may not be as effective. This toolkit will provide ideas, guidelines and tools to help State agencies tailor the SNAP E&T programs for their State.

**% OF STATES OFFERING SPECIFIC E&T  
COMPONENTS (FY2012)**

<b>68%</b>	Independent job search
<b>66%</b>	Job search training (job clubs, resume workshops, etc)
<b>32%</b>	Workfare/work experience
<b>17%</b>	Work placements (on-the-job training, apprenticeships)
<b>66%</b>	Education (basic education, ESL, GED, vocational education)
<b>9%</b>	Self-employment
<b>36%</b>	Job retention services

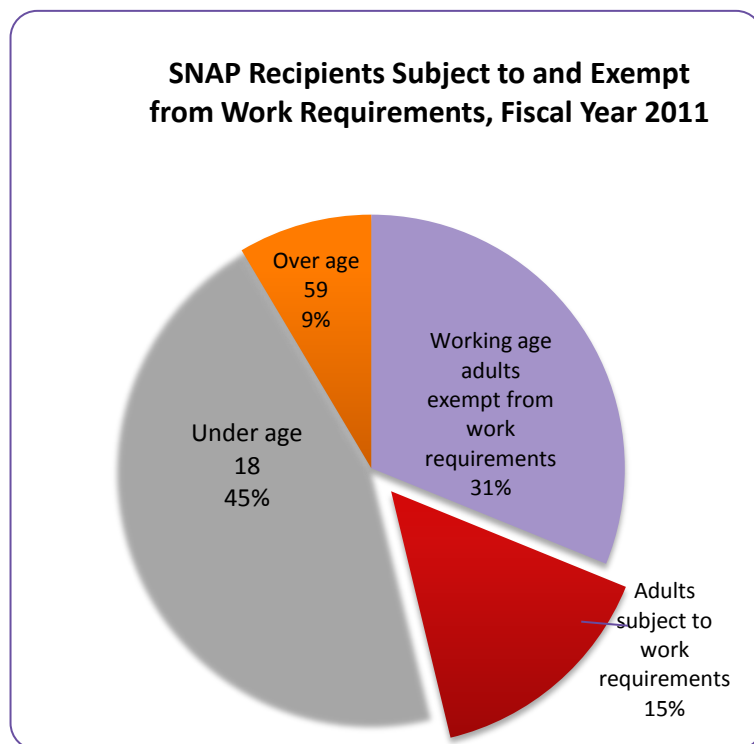
*For components by State, please see Appendix E*



## SNAP WORK REQUIREMENTS

As a condition of SNAP eligibility, individuals must comply with SNAP work requirements unless otherwise exempt. **WORK REQUIREMENTS** include: registering for work at time of application and every 12 months thereafter; participating in a E&T program if assigned by the State agency; participating in a workfare program if assigned by the State agency; providing information on employment status; reporting to an employer if referred by the State agency; accepting a bona fide offer of suitable employment; and not voluntarily quitting a job without good cause or reducing work hours to less than 30 hours per week.

As illustrated in the graph at right, only a small percentage of SNAP clients are actually subject to work requirements. The majority of SNAP clients are exempt due to age, ability and availability. 15% of all SNAP participants in FY 2011 were subject to the work requirements. About 54% of SNAP clients were exempt due to age. Another 31% of clients were working age adults but exempt because of a disability, caring for a dependent under the age of 6 or because they were already working at least 30 hours a week.



Source: U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2011, by Mark Strayer, Esa Eslami, and Joshua Leftin

The terms “work registrants” and “mandatory E&T participants” are often confused or used interchangeably. However, it is important that State agencies understand the difference between these two terms, as their meanings are very distinct and have corresponding provisions in the SNAP regulations.

### Work Registrants

Work registrants are SNAP clients who have not met any Federal exemptions from SNAP work requirements and are therefore required to register for work or be registered by the State agency. Work registrants are not necessarily mandatory E&T participants. Federal exemptions include SNAP applicants or recipients who are:

- ✓ Under age 16 or over age 59;
- ✓ Physically or mentally unfit for employment;
- ✓ Subject to and complying with work requirements for other programs (i.e. TANF);
- ✓ Caretaker for dependent child under age 6 or an incapacitated individual;
- ✓ Receiving unemployment insurance compensation;
- ✓ Participating in a drug or alcohol treatment and rehabilitation program;
- ✓ Employed 30 hours a week;
- ✓ A student enrolled at least half time.

### **Mini-Simplified SNAP**

Section 26 of the Act gives States the option to carry out a simplified SNAP. A simplified SNAP is an option that allows State agencies to implement the rules and procedures established under its Temporary Assistance for Needy Families (TANF) Program or SNAP rules and procedures, or both. A mini-simplified SNAP is a subset of the broader simplified SNAP authority and allows a State agency to replace its TANF or SNAP work-related rules with the other program's rules. These rule changes are limited to households receiving both TANF and SNAP. This option does not change SNAP E&T financial rules.

### **E&T Participants**

**MANDATORY E&T PARTICIPANTS** are SNAP clients who have not met any Federal exemption, are work registered in the State, and are referred by the State agency to an E&T program. States have the option to serve exempt clients that volunteer for an E&T program. However, States are not required to serve every individual who volunteers.

### **FAST FACTS**

#### **Work Registration**

All SNAP recipients that do not meet a Federal exemption, as described in 7 CFR 273.7, must work register in their State. Most States include a general work registration statement on the SNAP application.

#### **State Exemptions from E&T Participation**

SNAP recipients who are not exempt from work registration via a Federal exemption, may meet a State specific E&T exemption. Exemptions vary by State and include geographic location, pregnancy and low-English proficiency. It is important to note that if a SNAP recipient meets a State E&T exemption the recipient should still be work registered with the State.

#### **Mandatory E&T Participant**

SNAP recipients that do not meet Federal or State exemptions are considered mandatory E&T participants if referred to an E&T program. State agencies may refer these clients to their State's E&T program or, if appropriate, to a specific E&T program component.

### Identifying E&T participants

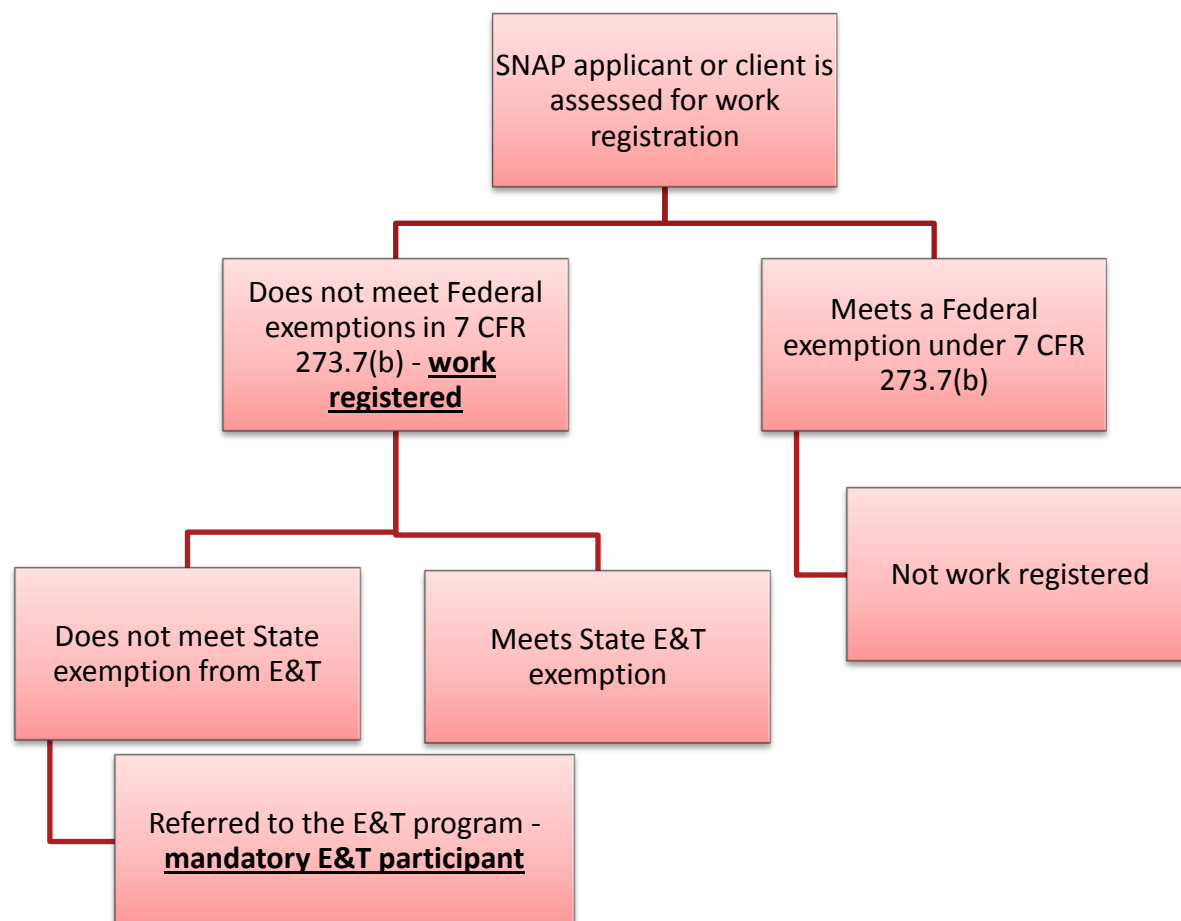
Once a State agency has determined a SNAP applicant is eligible for benefits, the State agency must determine if the client is subject to SNAP work requirements.

First, **Federal exemptions** from SNAP work requirements are considered. If the client does not meet any Federal exemption, the State **work registers** the client.

Next, **State exemptions** are considered. If the client does not meet any State exemptions, the client may be referred to a State E&T program or, if appropriate, a specific E&T program component.

A client is counted as an E&T participant once he or she is referred to and begins an E&T component or is referred, fails to comply without good cause, and is sent a Notice of Adverse Action. The chart below illustrates this process for mandatory E&T participants. Federal or State exempted SNAP participants may volunteer for an E&T program.

### Flow chart demonstrating the process for identifying mandatory E&T participants:



## ***FAQs on Exemptions***

### **ARE ALL ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWDs) MANDATORY PARTICIPANTS?**

No. E&T programs can help ABAWDs remain eligible for SNAP, but ABAWDs are not necessarily mandatory participants. If an ABAWD meets a State E&T exemption, he or she is not required to participate in an E&T component. As noted on the previous page, States have the authority to exempt individual work registrants or categories of work registrants from E&T participation. However, State E&T exemptions do not absolve ABAWDs from the time limit provided in [7 CFR 273.24](#). Participation in a qualifying E&T component effectively “stops” the time clock that limits ABAWDs to 3 months of SNAP benefits within a 3 year time span.

### ***Example***

State A exempts all homeless adults from participation in its E&T program. Joe, a homeless ABAWD residing in State A, is certified for SNAP benefits. Joe lives in a county without an ABAWD waiver and is subject to the time limit. In order to “stop” the time clock that limits ABAWD participation, Joe must volunteer for a SNAP E&T program, work 20 hours a week, or participate in another qualifying work program in order to remain eligible for SNAP.

### **IS THERE AN AGE LIMIT ON WHO CAN BE SERVED?**

Under SNAP regulations, a person younger than 16 years of age or a person over the age of 60 is exempt from work registration. Some 16 or 17 years olds are mandatory work registrants (those who are the head of a household and are not in school or “an employment training program” at least halftime). Exempt 16 and 17 year olds, and individuals over 60 may volunteer for E&T. However, all E&T components must have a prompt path to employment and the participant must be old enough to work upon completion of the program.

E&T cannot pay for services that are already available to the participant through a State entitlement program. For example, services appropriate to high school aged children are likely available through the State school system or public programs, and therefore not eligible for E&T funding.

## E&T FUNDING

There are three types of E&T funding:

### GRANT ALLOCATION

*The allocation of 100% Federal funding is based on a formula mandated by SNAP regulations. Ninety percent of the grant is based on the number of State work registrants relative to nationwide statistics. The remaining ten percent is based on the number of ABAWDs in a State. Funding is NOT based on the number of participants in an E&T program.*

**E&T Program Grants** - FNS provides State agencies with grant money to fund the administrative costs of an E&T program. In FY 2012, FNS allocated a total of \$90 million. These grants often called 100 percent money, because it is 100 percent Federal funding and must be used on the planning, implementation and operation of a State E&T program. 100 percent money cannot be used for any participant reimbursements, such as transportation, uniforms, or childcare. E&T grants vary based on State work registrants and the number of ABAWDs in a State. No State receives less than \$50,000.

A State agency is not obligated to spend all of its E&T grant money. If these funds have not been spent by the end of the Federal fiscal year, FNS can reallocate the unobligated, unexpended funds to State agencies that request additional 100 percent grant money. Additional allocation is subject to availability.

**ABAWD grants** - \$20 million is dedicated to State agencies that pledge to serve all at risk ABAWDs in the last month of the 3-month time limit by placing them in a qualifying component. The Act defines qualifying components. Qualifying components include education, training and workfare. Job search is not a qualifying component, but it can be offered as part of other E&T components as long as it comprises less than half of the total required time an ABAWD spends in E&T components. ABAWD grants are allocated based on the number of ABAWDs in each participating State as a percentage of ABAWDs in all the participating States. These figures are taken from FNS quality control data.

**50 Percent Reimbursements** - There are two kinds of 50 percent reimbursement that a State agency can claim. The first kind is a 50 percent reimbursement for **ADDITIONAL ADMINISTRATIVE COSTS** for the planning, implementing and operating of an E&T program. A State agency does not have to spend the entirety of its 100 percent E&T grant before claiming a 50 percent reimbursement for additional administrative expenses, however, spending the 100 percent Federal grant first makes more sense from a financial management standpoint.

The second kind of 50 percent reimbursement that a State agency can claim is for **PARTICIPANT REIMBURSEMENTS**. The Act and SNAP regulations require that State agencies reimburse E&T participants, including E&T volunteers, for all expenses that are reasonable, necessary and

directly related to participation in an E&T component. The Federal government will reimburse 50 percent of State agency payments for allowable expenses. Here are some examples of participant reimbursements:

- Dependent care costs
- Transportation expenses
- Books or training manuals
- Uniforms
- Personal safety items required for participation

State agencies may establish a cap on participant reimbursements. Caps can vary within States as well. For example, if one area of the State has higher transportation costs than others, such as a metropolitan area with bus vouchers versus a rural area where participants need gas cards, the State agency can set different caps on transportation to meet local needs.

For specific information on education reimbursements, please see Appendix D.

*FOR THE FOLLOWING FAQs ON E&T FUNDING, AND MORE – SEE [Appendix D](#)*

**If the number of people participating in an E&T program falls, will the State agency's allocation be reduced for the coming year?**

**What State or private spending can be used as the State share for a 50/50 reimbursement?**

**What can the 100 percent grant be used for?**

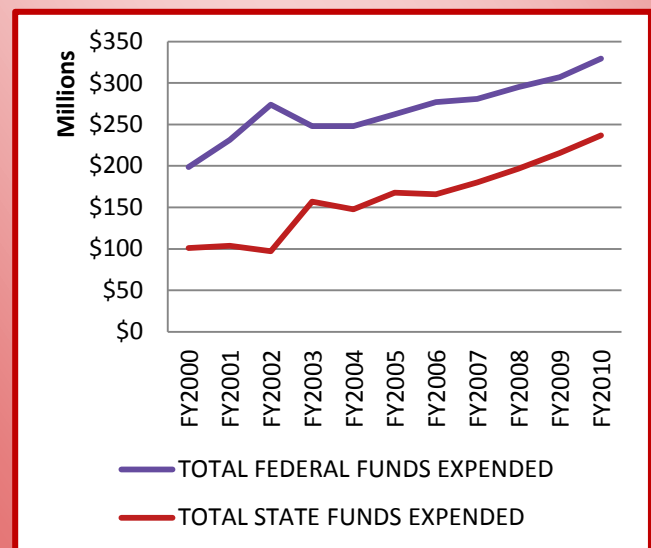
**What can 50/50 administrative funds be used for?**

**Are there expenses that neither 100 percent grant money nor 50/50 administrative reimbursement money can be used for?**

**Can a State agency draw down Federal 50 percent reimbursement by using an unallowable cost as a match?**

### FAST FACTS

Since FY 2003, E&T spending has steadily increased. E&T grants are capped at \$90 million so the increase in spending is due to a rise in 50% reimbursements. Over three quarters of 50% reimbursement goes toward administrative reimbursements. Less than 20% of all E&T spending goes toward participant reimbursements.



## SECTION 2: ESSENTIALS OF AN E&T PROGRAM

*THE BUILDING BLOCKS  
OF YOUR E&T  
PROGRAM*

# ESSENTIALS OF AN E&T PROGRAM

## AN OVERVIEW OF THE E&T PROGRAM

At application, an individual is screened to determine whether or not he/she is exempt from the Supplemental Nutrition Assistance Program (SNAP) work requirements. If he/she is not exempt from Federal or State work requirements, the State may refer the individual to an Employment and Training (E&T) program or a component, if appropriate. Although components are often the focus of E&T programs and plans, there are several “behind-the-scenes” aspects, or essential characteristics, of an E&T program that are laid out in the following pages.

**Screening for work requirements by an eligibility worker at application or recertification does not qualify as a component. Prior to referral to an E&T program, a SNAP participant is “screened” to determine whether he/she is either exempt from E&T requirements. Screening is not an allowable E&T expense.**

## ESSENTIAL CHARACTERISTICS OF A SNAP E&T PROGRAM

The Food and Nutrition Act (the Act) of 2008 provides that State agencies be given maximum flexibility in designing their E&T programs. This intent has been preserved throughout all revisions and amendments to the legislation. However, there are some Federal requirements for E&T programs.

An E&T program is a package of services, which includes assessment, component activities, participant reimbursements and follow-up. The following essentials can be offered through a State agency or one of its partnering organizations:

- ✓ **PURPOSE.** The purpose of the E&T program and its components is to assist SNAP participants in gaining skills, training, work or experience that will increase their ability to obtain regular employment. The components of an E&T program should be designed to help a SNAP client move promptly into employment.
- ✓ **ASSESSMENT.** A SNAP client must be assessed prior to placement in an E&T component. Assessment should include an in-depth evaluation of employability skills coupled with counseling on how and where to search for employment. This can be done by an E&T counselor, case

**E&T education components must improve basic skills or employability and have a direct link to employment.**



manager, or an E&T service provider. Please note that the assessment is to evaluate the employment skills of an E&T participant, not to determine whether the participant is subject to the SNAP work requirements. The latter is part of the SNAP certification process. The assessment is an allowable E&T expense, but it is not an E&T component.

Based on the assessment, mandatory participants or voluntary participants must be evaluated to determine whether or not it is appropriate, based on State agency's criteria, to refer the individual to a specific E&T component.

✓ **CHECK FOR TANF PARTICIPATION.** Before placement in a component, there must be a mechanism to ensure that the participant is not a TANF recipient. E&T funds cannot be used to serve TANF participants. Note: VT, WI, CO and UT are authorized to spend a limited amount of E&T funds on TANF recipients.

✓ **PLACEMENT.** After screening and assessment, an E&T participant is placed in a component. Activity placements must be appropriate for the individual's skill level, experience and career goals.

✓ **PARTICIPATION TRACKING.** E&T participation must be tracked and reported on FNS-583 form. The level of participation depends on the component and satisfactory compliance is defined by the State.

A general rule of thumb is that the level of effort for job search be comparable to 12 hours a month of search, applying and interviewing for two months and less in workfare or work experience if the household's benefit divided by the minimum wage is less than this amount.

***FNS will approve components requiring less than 12 hours a month if it advances the purpose of the program.***

***State agency cannot mandate more than 120 hours per month, but both mandatory and voluntary participants can choose to participate for an unlimited amount of additional hours.***

✓ **FAILURE TO COMPLY PROCEDURES.** The State agency must disqualify mandatory E&T participants who fail to comply, without good cause, with component requirements. Compliance in an E&T component is defined by the State agency but at minimum should include some level of effort to perform the first act required by the component, i.e. attending the first job club session or making the first job contact. A failure to comply disqualification applies only to mandatory participants and not to voluntary participants.

✓ **PARTICIPANT REIMBURSEMENTS.**

Mandatory and voluntary participants must be reimbursed for reasonable and necessary expenses directly related to participation in the E&T component.

✓ **OUTCOME MEASURES.** The State agency should measure E&T participation outcomes to determine whether a component is meeting the purpose of the E&T program, which is to make participants more employable. States have flexibility to identify what outcome measures to collect.

***Mandatory participants are not required to participate in an E&T component if their participation expenses exceed the State's allowable reimbursement amount.***

***Voluntary participants should be informed that expenses in excess of the State's allowable reimbursement amount will not be paid with E&T funds.***

## ASSESSING E&T PARTICIPANTS FOR COMPONENTS

A State agency must assess a client's skill level, aptitude, interests and supportive service needs in order to determine what, if any, will be the most effective E&T component for that client. E&T components are meant to assist members of a SNAP household in obtaining relevant training, education and/or skills that will increase the likelihood of securing employment.

### *Methods of Conducting an Assessment*

An assessment can be completed in a variety of ways. Some States use a one or two page form that the client completes. Others allow the E&T coordinator to objectively assess the client in-person. Some State agencies partner with other related programs/offices (WIA, One-Stop Career Centers) or non-government agencies to provide a more comprehensive assessment.

Regardless of how the assessment is given, the following is a list of skills/knowledge that could be examined with suggested assessment tools:

✓ ***Literacy Level***

- Standardized tests, one-on-one interview/observations (i.e. client's ability to read and complete forms in case file).

✓ ***Communication Skills (including English proficiency)***

- Standardized test, one-on-one interview

✓ ***Education***

- Questionnaire, resume or one-on-one interview

✓ ***Employment History***

- Questionnaire, resume or one-on-one interview

✓ ***Employment-Related Skills, Abilities and Interests***

- Questionnaire, one-on-one interview, or online assessment

✓ **Employment Barriers and Steps Necessary to Overcome Barriers**

- Questionnaire or one-on-one interview

**Local Resources**

Many local workforce investment boards have extensive resources for assessment. State agencies can partner with local workforce boards and One-Stops to maximize existing, experienced and local resources.

**Online Resources**



**Career One Stop** (Department of Labor) – offers career resources and workforce information to job seekers, students, businesses, and workforce professionals to foster talent development in a global economy. State agencies may wish to have clients use the *Skills Profiler* tool to determine employment-related skills/abilities and career goals.

<http://www.careeronestop.org/>

**POST ASSESSMENT**

*Developing an Employment Plan*

While not a requirement for SNAP E&T participants, many States create **employment plans** (EP) for each client to document the services the State/county will provide based on the clients interests and goals that were uncovered in the employment assessment. The assessment may already be developed and in use by other employment programs (i.e. WIA). Many agencies treat the EP as an agreement that clients must follow or be sanctioned for a failure to comply. An employment plan could include the following:

- ☐ Employment objective (should be consistent with assessment)
- ☐ Activities to be undertaken (i.e. E&T components) to achieve objective
- ☐ Tentative dates, times and locations for each activity
- ☐ Hours of activity required each week
- ☐ Services provided by agency (child care, transportation)
- ☐ Statement of client's responsibilities/consequence of failing to comply
- ☐ Signature of client and Eligibility Worker/E&T Coordinator

## E&T COMPONENTS

An E&T program offered by a State agency must include one or more of the components listed in this section. State agencies have the discretion to design a unique component that meets the purposes of E&T but are encouraged to design programs within the following categories to facilitate the reporting process.

### ***E&T components At-A-Glance:***

- **Job search**
- **Job search training**
- **Workfare**
- **Work experience**
- **Education**
- **Self-employment training**
- **WIA**
- **Job retention**

### **Job Search**

The job search component requires participants to make a pre-determined number of inquiries to prospective employers over a specified period of time. The component may be designed so that the participant conducts his/her job search independently or within a group setting. Past guidance from FNS suggests that the job search component entail approximately 12 contacts with employers per month for two months. E&T programs have historically placed a heavy emphasis on job search to connect work-ready participants to jobs. However, many believe that job search may not be as effective during a weak economy and that additional training may be needed to help the work-ready obtain regular employment.

Almost all States offer a job search component. Traditional job search is one of the least administratively burdensome and inexpensive E&T components because most of the responsibility rests with the participant, rather than with staff or instructors. The State agency defines compliance requirements for the job search component.

In **VIRGINIA**, the State agency considers a job search contact legitimate when the participant submits a resume or application to an employer or has a face-to-face interview with a potential employer. The job contact must be in an area of work for which the participant is reasonably qualified. Virginia operates its job search component through the State E&T agency, One Stop service centers and contracted service providers.

### **Job Search Training**

Job search training is a component that enhances the job readiness of participants by teaching them job seeking techniques, increasing job search motivation and boosting self-confidence. This component may consist of job skills assessments, job finding clubs,

*In FY2012,*  
**35**  
*States offered job search training*

job placement services, or other direct training or support activities.

Job search training requires a greater amount of resources than job search because of the administrative effort required to run job clubs, job placement services and training activities.

**PENNSYLVANIA** runs a job search training component that prepares participants for job search by teaching interview techniques, resume writing, workplace etiquette and employer expectations. Additional activities include job clubs, workshops and seminars. These services are offered through Pennsylvania's local County Assistance Offices or its E&T partner agencies.

### Workfare

Workfare is a component in which SNAP recipients are required to work off the value of their household's monthly SNAP allotment through an assignment at a private or public non-profit agency as a condition of eligibility. In lieu of wages, workfare participants receive compensation in the form of their household's monthly benefit allotment. The primary goal of workfare is to improve employability and encourage individuals to move into regular employment while returning something of value to the community. Workfare assignments cannot replace or prevent the employment of regular employees. Workfare assignments must provide the same benefits and working conditions provided to regular employees performing comparable work for comparable hours.

*In FY2012,  
**14**  
States operated a  
workfare  
component.*

The **TEXAS WORKFORCE AGENCY** runs the State's E&T program and has oversight of the E&T workfare component. E&T services are administered by 28 local Workforce Development Boards. Texas uses the workfare component to keep nonexempt Able-Bodied Adults without Dependents (ABAWDs) eligible for SNAP benefits in lieu of a State-wide waiver of the time-limit restriction. Workfare placements are offered jobs with public and non-profit entities, including community-based organizations. Local workforce boards work with SNAP clients and local businesses to ensure that clients gain valuable work experience and that local workforce needs are met.

ABAWDs can also elect to participate in self-initiated workfare to fulfill their work requirement if this is a State option. In a self-initiated workfare program, ABAWDs voluntarily participate and find their own workfare job assignments to remain eligible for SNAP. Under this option, the ABAWD is responsible for arranging to have his/her participation reported to the caseworkers and for verifying workfare hours. State agencies may use a range of SNAP allotments and corresponding fixed participation hours in lieu of requiring each participant to work the number

of hours equal to the monthly household allotment divided by the higher of the applicable Federal or State minimum wage. Very few States offer this option.

## Work Experience

The work experience component is designed to improve the employability of participants through actual work experience and/or training. The goal of this experience is to enable participants to move into regular employment. In contrast to the workfare component, work experience placements can be with private, for-profit companies. Work experience assignments may not replace the employment of a regularly employed individual, and they must provide the same benefits and working conditions provided to regularly employed individuals performing similar work for equal hours. State agencies can place E&T participants in work experience positions with private sector entities. However, households that include work experience participants must not be required to work more hours monthly than the total obtained by dividing the household's monthly SNAP allotment by the higher of the applicable Federal or

*In FY2012,*

**18**

*States included  
work experience  
as an E&T  
component.*

State minimum wage. Depending on the amount of the household's monthly SNAP allotment, mandatory E&T participants can be required to work up to 30 hours per week, and the individual's total hours of participation in both work and non-work components is limited to 120 hours per month.

Approximately half of all E&T participants in the State of **NEW YORK** participate in a work experience component. New York E&T participants in the work experience component are assigned to public and private nonprofit agencies. Work experience placements include unpaid internships that are a part of non-graduate school curriculum. These work experience placements serve a useful public purpose and do not result in displacement of currently employed workers. New York is an ABAWD pledge State and uses work experience placements to help at-risk ABAWDs gain valuable work skills while remaining eligible for SNAP benefits in lieu of a State-wide waiver of the time-limit restrictions.

## Education

The education component includes a wide range of activities that improve basic skills and the employability of SNAP participants.

Acceptable E&T **EDUCATIONAL ACTIVITIES** are programs that improve basic skills or otherwise improve employability. Such programs include Adult Basic Education (ABE), basic literacy, English as a Second Language (ESL), high school equivalency (GED), and occasionally post-secondary education. FNS will only approve educational components that establish a **DIRECT LINK** to job-readiness. E&T funds can be used to pay for tuition and mandatory school fees charged to the general public. E&T funds cannot be used to pay for State or local education entitlements. For more information on funding education components, see Appendix D, [Question 2.C](#)

*Vocational Training and Basic Education are the most commonly offered educational activities, followed by English as a Second Language classes and high school equivalency certificates.*

Many States offer **VOCATIONAL TRAINING** courses as part of their E&T education component. These training programs improve the employability of participants by providing training in a skill or trade, thereby allowing the participant to move directly and promptly into employment. Acceptable vocational training programs should have a direct link to the local job market.

Additional information on education activities can be found in [Appendix A](#).

**FLORIDA** runs its E&T program through Regional Workforce Boards. These workforce boards reach out to local employers to identify available jobs in the community and find vocational training programs that meet these needs. Regional workforce boards pay vendors directly for vocational training, books, uniforms and other expenses that are reasonable and necessary for participation in the vocational training component. E&T program funds are used to pay tuition after the individual participant has attempted to secure Federal financial aid (not including student loans), such as a Pell Grant. Florida documents E&T participation in vocational training programs through signed timesheets and student progress reports.

*In FY2012,*

**35**

*States planned to offer an education component*

### Self-Employment Training

Self-employment training is a component that improves the employability of participants by training them to design and operate a small business or another self-employment venture.

Very few States offer this E&T component. **WISCONSIN** designed a self-employment component that is intended to help individuals with sound business ideas but who lack the skills and knowledge to successfully create and implement a plan for self employment. E&T

participants receive technical assistance in developing business plans and in creating financial marketing plans. Participants also learn how to access small business grants and other business support services.

## WIA

This component includes job training services that are developed, managed, and administered by State agencies, local governments, and the business community under the Workforce Investment Act (WIA). Activities include basic skills training (GED, literacy), occupational skills training, on-the-job training, work experience, job search assistance, and basic readjustment services.

*In FY2012,*

**12**

*States planned to incorporate WIA services into their E&T programs.*

**COLORADO** coordinates its E&T program with WIA and other training resources through inter-agency agreements to maximize resources and reduce duplication. WIA provides job search assistance and educational training to SNAP E&T participants through non-financial agreements.

## Job Retention

*In FY2012,*

**19**

*States planned to offer job retention services to E&T participants.*

The Food and Nutrition Act of 2008 introduced job retention services as an allowable E&T component. The job retention component is meant to provide support services for up to 90 days to individuals who have secured employment. Only individuals who have received other employment/training services under the E&T program are eligible for job retention services.

FNS is working on a proposed rule that will lay out services included in a job retention component. Until this rule is finalized, States have discretion in the job retention services they wish to offer. Job retention reimbursements must be reasonable and necessary and can include clothing required for the job, equipment or tools required for a job, relocation expenses, transportation and child care.



## SECTION 3: E&T PROGRAM OPTIONS

***STATE OPTIONS:  
ADAPTING YOUR  
PROGRAM TO FIT  
LOCAL NEEDS***

# E&T PROGRAM OPTIONS

State agencies have a great deal of flexibility in an E&T program design and operation. Other sections of this toolkit describe potential E&T components and the basic criteria for an E&T component. This section will explore some options for an E&T program and discuss best practices and lessons learned from the experience of other States.

## SERVING VOLUNTEERS

### OVERVIEW

The Food and Nutrition Act (the Act) of 2008 and SNAP regulations allow States to serve volunteers who are exempt from mandatory E&T participation but choose to pursue training and employment resources. States determine exemptions from mandatory E&T participation and some States have decided to focus E&T resources on voluntary, rather than mandatory, E&T participants.

Voluntary participants differ from mandatory participants in that they elect to participate in an E&T program; therefore, they cannot be disqualified for failure to comply. State agencies that focus on voluntary rather than mandatory participants may save administrative time because eligibility workers spend less time determining non-compliance and good cause, issuing Notice of Adverse Action letters, and rescheduling missed appointments with clients. Less time spent on these activities translates to more time and resources that can be dedicated to SNAP service delivery. If a voluntary participant repeatedly fails to comply with an E&T component, the State agency may discontinue services to that individual or place him in a different component.

Some States have asked whether they can match community college student rosters against the SNAP rolls and claim reimbursement for matched students who are participating in an educational activity. This is not allowable. To be considered an E&T participant, an individual must knowingly volunteer for the E&T program, be assessed by the State agency or its partner organization, and then placed in an approved and appropriate E&T component.

Many States have revamped their E&T programs to attract volunteers. Wisconsin is an example of a State that recently tailored its SNAP E&T program to attract more volunteers. For more information, see the case study below.

### **CASE STUDY: WISCONSIN**

Wisconsin re-gearred its E&T program in 2008 to focus on voluntary participants. The State agency hoped to save administrative costs by cutting out the time and expense of sanctions in the E&T program. Initially, E&T participation rapidly decreased, dropping to almost half of the participation the year before. In response, program administrators brought program participation back up by:

- Shifting E&T services to meet consumer preferences;
- improving the quality of services; and
- launching an aggressive campaign to increase awareness of E&T services among those eligible.

To further save State costs, E&T agencies in Wisconsin partner with third-party service providers who put up local dollars and receiving a 50 percent Federal reimbursement for the services they provide. One of these partnerships includes local banks that are willing to fund special accounting classes for SNAP E&T volunteers. These classes prepare SNAP E&T participants for entry-level positions at financial institutions. The program has been a great success with participants, who received marketable skills and training. Although Wisconsin's re-design is relatively new, the State anticipates a significant increase in participation as both participants and funders see positive results and spread word about the impact of the program.

## INCREASING THE VISIBILITY OF E&T PROGRAMS

E&T **ADMINISTRATIVE FUNDS** can be used to promote E&T activities to eligible participants. It is especially important for State agencies trying to engage voluntary participants in E&T to get the word out. To maximize these efforts, a State agency should consider its target audience and how best to reach this population.

### *Tips:*

- ✓ Use case managers or eligibility workers to spread information about the E&T program to new SNAP clients.
- ✓ Get SNAP clients while they are still in the office. An E&T coordinator located at a SNAP certification center can discuss E&T opportunities with SNAP clients and immediately enroll volunteers in the E&T program. Location is important.
- ✓ Consider asking partners to distribute information about E&T. For example, food banks, vocational and technical training centers and community centers can be places to reach potential volunteers.
- ✓ Use a trusted messenger for E&T outreach, such as a community leader, who can dispel myths about the program. Another trusted messenger may be a former E&T participant that successfully completed an E&T component and found employment. This individual could speak at community centers and sharing her success story to encourage potential E&T volunteers.

### *Key Messages – What Volunteers Need to Hear*

Enticing SNAP clients to volunteer for a SNAP E&T program can be challenging. Part of this challenge is overcoming the negative image of work programs. Mandatory E&T programs are sometimes associated with strict work requirements and penalties; if one fails to comply with the work requirement, she loses her SNAP benefits. It is important to convey the positive aspects of an E&T program to potential participants. The State agency may want to promote a new or different message about its E&T program. For example:

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***“You have a strong chance of getting a job by volunteering for this program.”***

To increase the likelihood of participants finding a job after participating in an E&T program, E&T activities should have a link to the local labor market.

### *Questions to consider:*

- What are the top growth occupations in my State?

- Are these occupations appropriate for SNAP clients?
- What are the training requirements to get these jobs?
- Do we have the capacity to provide this training or do we need to partner with a local agency?
- How can I highlight our job placement statistics and profile successful participants?

**TIP!** Participants want assurance that they have a much better chance of finding a job after completing an E&T program. Establishing a good track record will build program credibility and attract future volunteers.

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### **“We provide support services.”**

Support services, such as dependent care, transportation and other participant reimbursements can provide a strong incentive for volunteers. If a volunteer wants to participate in a job search training class, but lacks the means to get to the class, he or she may decide to skip it.

#### **Questions to consider:**

- What are appropriate supportive services for my E&T activities?
- What is the target client demographic for my E&T activity and what are appropriate support services to accommodate this demographic?
- What support services are most appealing to volunteers?
- Do we have the capacity to provide these support services? Do we need to cap services?

**TIP!** It is important to clearly articulate support services and any limitations of these services to clients up-front.

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### **“There are no penalties for volunteers, no failure.”**

Although mandatory E&T participants are disqualified from SNAP for a failure to comply with E&T requirements, States cannot disqualify or sanction voluntary participants for a failure to comply. It is important to emphasize this distinction to potential volunteers. Remind voluntary participants that it is okay to make mistakes; they can come back later to succeed.

#### **Questions to consider:**

- How can we effectively promote this message to our SNAP clients?

- How will we handle volunteers that do not comply?

**TIP!** If a volunteer repeatedly fails to comply with E&T requirements, the State has the option to discontinue E&T services to this volunteer.

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For tips on media outreach and marketing strategies, see the FNS [Outreach Toolkit](#).

## FAQS ON SERVING VOLUNTEERS

### MUST A STATE REIMBURSE VOLUNTARY PARTICIPANTS FOR PARTICIPATION EXPENSES?

Yes, but reimbursements can be limited. The Act and SNAP regulations require that a State agency reimburse participants (this includes volunteers) in its E&T program for expenses that are reasonable and necessary to participation. The State agency will reimburse the actual costs of transportation and other costs (excluding dependent care) directly related to participation in the E&T program **up to the maximum level of reimbursement** established by the State agency.

A State agency may set its own reimbursement level for E&T participant expenses. FNS will reimburse the State agency for 50 percent of allowable costs. Types and levels of reimbursements should be included in the State E&T Plan.

### CAN A STATE AGENCY CREATE A STANDARDIZED REIMBURSEMENT PACKAGE FOR VOLUNTEER E&T PARTICIPANTS? FOR EXAMPLE, IF A VOLUNTEER IS PLACED IN A VOCATIONAL EDUCATION PROGRAM, CAN THE STATE GIVE HIM OR HER A STANDARDIZED REIMBURSEMENT PACKAGE TO COVER TUITION, BOOKS, TRANSPORTATION AND CHILDCARE?

Generally, no. A State agency must reimburse the actual costs of transportation and other costs that it determines to be necessary and directly related to participation in the E&T program up to the maximum level of reimbursement established by the State agency. Not all E&T participants incur the same costs for participation in an E&T component. For example, two volunteers may be placed in a vocational education course; one volunteer may need reimbursements for books and transportation while the other volunteer only needs reimbursement money for books because they bike to class. The E&T program can only pay for the actual cost of participation.

A State agency may create a method for participant allowances that reflects the approximate costs of participation and this method must be approved by FNS through the State E&T plan. This method must be reasonable and verifiable. If a State has an

approved method to provide participation allowances, it must still give participants an opportunity to claim actual expenses up to the maximum level of reimbursements established by the State agency.

**CAN A STATE LIMIT THE NUMBER OF VOLUNTEER PARTICIPANTS IT SERVES?**

SNAP regulations do not limit the number of volunteers that can participate in an E&T program. State agencies can choose to limit the number of people they serve through their E&T program. This includes the number of volunteers.

For example, a State could limit the number of volunteers it will serve based on existing resources and financial capacity.

This information should be included in the State E&T plan.

**WE HAVE VERY LITTLE FACE-TO-FACE INTERACTION WITH SNAP CLIENTS BECAUSE THEY SUBMIT APPLICATIONS ONLINE AND ARE INTERVIEWED OVER THE PHONE. HOW CAN I REACH POTENTIAL VOLUNTEERS?**

There are many ways to spread the word about your E&T program without face-to-face recruitment. Information about the E&T program can be included right on the SNAP application website or added to electronic transmissions regarding benefits. Partner agencies can also reach out to SNAP participants with information about the advantages of E&T services.

# PARTNERSHIPS & THIRD-PARTY REIMBURSEMENTS

## AN OVERVIEW OF PARTNERSHIPS

A State agency can partner with local agencies to provide E&T services, or in some cases, to operate a substantial portion of the E&T program. The term “partner” implies shared responsibilities in terms of the program’s operation and often with program financing. Many State agencies have adopted a model where the E&T partner puts up funding for the allowable costs of an E&T component. The State agency can use 100 percent Federal grant money or leverage 50 percent Federal reimbursement funds to pay for partner services. These arrangements are often referred to as third-party reimbursement models.

Partnerships vary in the distribution of responsibilities between the State agency and its partner agency. In a more restricted model, a partner agency delivers the services of an E&T component, such as job search training or GED preparation. Under this model, a State agency refers clients to its partner agency but the State agency retains responsibility for recruitment, assessment, placement and tracking. The partner agency may put up the cost of allowable E&T services and is then reimbursed by the State agency.

In a more comprehensive model, a partner agency takes on the State agency’s responsibility for recruitment, assessment, placement and tracking in addition to offering E&T activities. In this model, the partner agency could put up the cost for program operations including assessment, case management, E&T activities and participant reimbursements. The State agency would then reimburse the partner for allowable E&T expenses.

In either model, partnering agencies may put up funds for the allowable costs of E&T components and receive reimbursement with either 100 percent Federal grant money or 50 percent Federal reimbursement money. Many States use these models because the State agency is able to conserve limited resources while expanding the services available to SNAP E&T participants.

A State agency does not have to exchange money with a third-party provider to establish a partnership. Several State and local agencies refer clients to local programs and organizations without a monetary exchange. However, financial support can provide an incentive for partners and it also guarantees that specific and pre-determined services will be provided to E&T participants.



## ESTABLISHING A PARTNERSHIP

A State agency should take several items into consideration before embarking on a new partnership. There are two very important factors a State agency must consider in evaluating the capacity of an E&T partner agency. The administrative requirements of an E&T program can be strenuous on smaller agencies and organizations. Potential partners should be assessed for the capacity to **ASSESS, PLACE AND TRACK** participants and to **TRACK COSTS** and **INVOICE** a Federal program. Capacity can be examined under service capacity and financial capacity.

- **SERVICE CAPACITY**

- **E&T ACTIVITIES.** Does the partner agency offer appropriate and allowable E&T activities or will it have to create new activities for SNAP E&T clients?
- **VERIFICATION.** Can the partner verify that a participant is receiving SNAP benefits and not receiving cash assistance from a Title IV-A (TANF) program? E&T funds must not be spent on households receiving cash assistance.<sup>2</sup> Some State agencies have worked out agreements so that the partner agency has limited, view-only access to SNAP client records. In other arrangements, the partner agency provides the State agency with a list of participants on a monthly basis so that the State can verify participation before reimbursements are issued. Ultimately, it is the State's responsibility to ensure that SNAP E&T participants are not receiving TANF.
- **ASSESSMENT.** Does the partner agency have the ability to assess and place E&T participants in appropriate E&T activities?
- **SUPPORT SERVICES.** What support services can the partner agency provide? Support services can include case management, early intervention, career counseling, participant reimbursements, referrals to additional programs and services.
- **MONITORING PARTICIPATION.** Can the partner agency monitor and report on the participation of SNAP E&T clients? This is important for State agency reporting to FNS and also for the State agency to evaluate performance outcome measures.

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<sup>2</sup> The Food and Nutrition Act of 2008 permits four States to spend a capped amount of E&T funds on TANF recipients. These States are Vermont, Wisconsin, Colorado and Utah.

- **FINANCIAL CAPACITY**

- **FINANCIAL RESOURCES.** Does the partner agency have the cash-flow to support an E&T program? Will it be able to handle delays between outlays and reimbursement?
- **FEDERAL GRANT REQUIREMENTS.** Does the partner agency have experience with a Federal grant? Will it be able to track Federal funds and guarantee that the source of matching funds is non-Federal and allowable?
- **COST ALLOCATION.** Does the partner agency already allocate costs to other Federal, State or local grants? Does the cost allocation plan charge all grants consistently?
- **STAFF TIME.** Does the partner agency have the capacity to track and invoice for staff time spent on the E&T program? The partner agency must keep time records in order to bill for its staff.
- **RECORD RETENTION.** Can the partner agency store records for State audits and reviews?

New programs, designed solely for E&T participants are the easiest to administer and invoice. It is possible for a partner agency to expand existing programs to accommodate SNAP E&T participants but this requires greater administrative oversight and cost-tracking capacity.

A partner agency must charge the Federal government consistently with how other participants, local, State or Federal grants are charged in accordance with Federal grant circulars. If a service is offered at no cost to non-E&T participants and it is not allocated to any other grant, a partner agency cannot charge the E&T program for this service.

For example, a YMCA center has a computer lab open to the public at no charge. The YMCA does not cost allocate the operating expenses of this lab to any grant. If a SNAP E&T participant uses this computer lab, the YMCA cannot charge the E&T program because no one else is charged for lab use. The services provided by an E&T partner agency are reimbursable if the cost of these services is allowable and consistently charged to the general public or to other grants.

E&T partnerships can be complex and laborious to establish, but States with established partnerships, such as Washington State, have found the end product of these partnerships well worth the effort. E&T partnerships can help clients achieve self-sufficiency. See the following case study for more information on Washington's E&T partnerships.

## CASE STUDY: WASHINGTON

In 2005, the State of Washington redesigned its E&T program by working with FNS and partner agencies to capitalize on existing expertise and expand the services available to E&T participants. One of the leading partners in this project, the Seattle Jobs Initiative, identified 5 questions that should be asked before creating a new E&T partnership. See the box at right.

Partner agencies can provide any element of an E&T component, including case management, job search training, education services or work experience. As of FY 2011, Washington had partnerships with 14 community colleges and 6 community-based organizations (CBOs). One of the core strengths in this design is that most E&T participants are co-enrolled at community colleges and CBOs, receiving educational services as well as support services crucial to success.

In FY 2010, Washington spent over \$18 million on its E&T program, with \$8.4 million in Federal reimbursement funds for third-party providers, or community partners. Since 2005, Washington's E&T program has served over 13,000 individuals and achieved a job placement rate of 53% with an average wage of \$10.43 per hour for working participants.

In March of 2010, FNS determined that some of the costs being charged to Washington's SNAP E&T program were unallowable. Community colleges were charging the E&T program for the actual cost of instruction for E&T students to draw down a 50% Federal reimbursement. Although Washington cannot claim the cost of instruction as an E&T expense, colleges use other allowable funding sources extensively and the State, its partners and FNS are working to identify additional allowable costs that will maintain the program's growth.

As one of the first States to pioneer the third-party reimbursement model with E&T partners, Washington has shown that community partners, such as colleges and community-based organizations, are willing to design special programs and commit additional resources to serve E&T clients. The experience in Washington also underscores the importance of ongoing and open communication between the State and FNS, where the State and agency have worked together closely since the inception of this program.

### 5 Partnership Questions from Washington

1. Does the agency have the capacity to verify that participants are receiving SNAP benefits?
2. Is the agency already serving a significant number of SNAP clients?
3. Does the agency have sufficient administrative infrastructure to track client participation?
4. Can the agency track costs and appropriately allocate expenses?
5. Does the agency have the staff and resources to manage E&T program requirements? Or will this require significant investment?

The following page outlines steps a State agency can take to develop an E&T partnership. In the first step, the State agency determines how much responsibility it wants to confer to a partner agency, this includes the services that a partner agency could provide. These decisions are the start of a “partnership packet”, a tool that can provide potential partner agencies with a list of the State agency’s expectations for the partnership.

Sample List for a Partnership Packet:

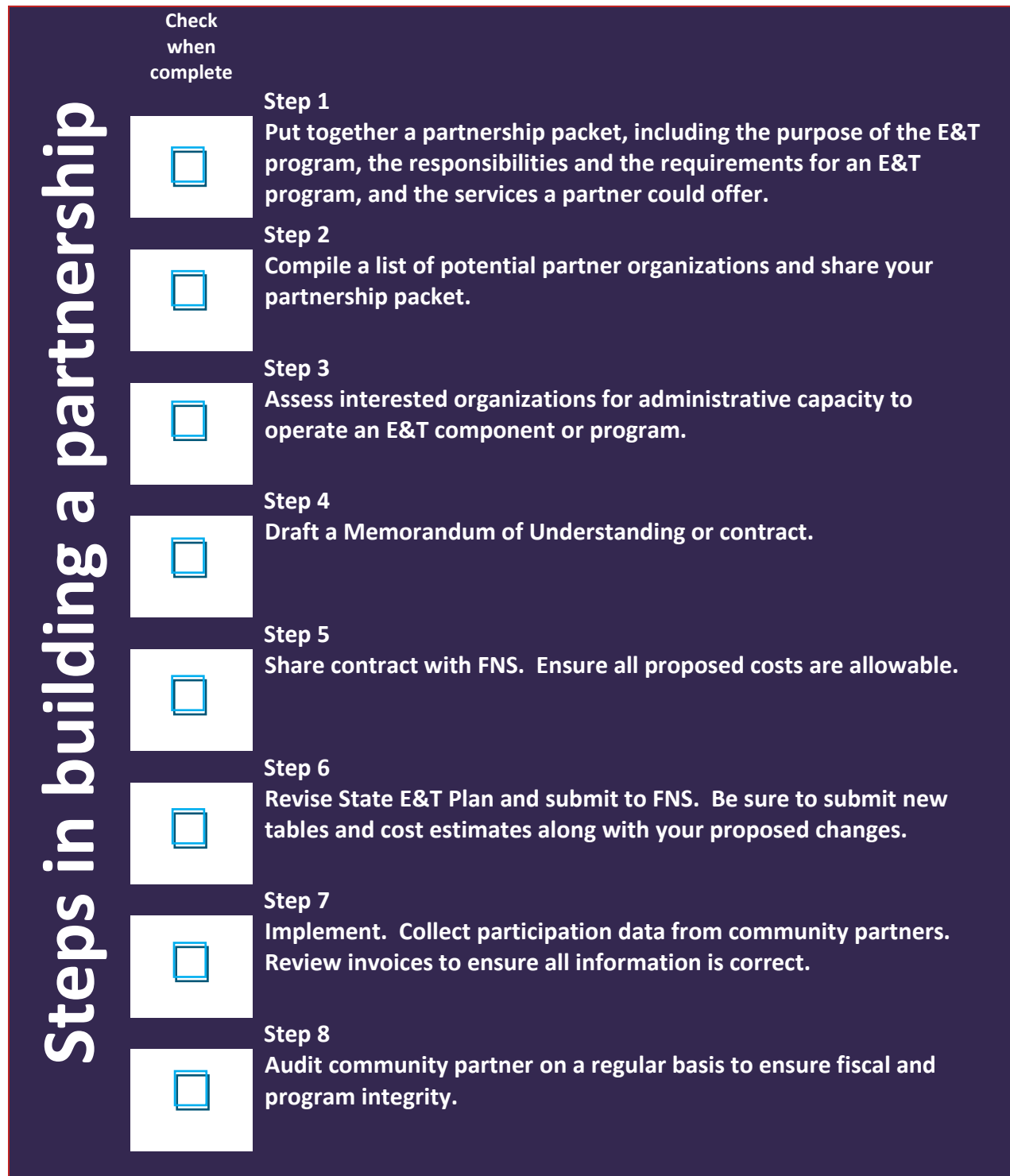
<b>State Responsibilities</b>	<b>Partner Agency Responsibilities</b>	<b>E&amp;T Services</b>
<ul style="list-style-type: none"> <li>Recruit &amp; refer clients to E&amp;T services</li> <li>Confirm SNAP E&amp;T eligibility on a monthly basis</li> </ul>	<ul style="list-style-type: none"> <li>Assess and place E&amp;T clients in appropriate, allowable activities</li> <li>E&amp;T case management</li> <li>E&amp;T component activities</li> <li>Track &amp; report client participation</li> <li>Issue participant reimbursements</li> <li>Track allowable costs &amp; maintain records according to Federal and State grant rules</li> </ul>	<ul style="list-style-type: none"> <li>Job search training</li> <li>GED preparation classes</li> <li>ESL training</li> <li>Work support services, such as transportation vouchers, uniforms and child care</li> </ul>

Next, State agencies can develop a list of potential partner agencies. The following table lists a few potential E&T partner agencies.

<b>Potential E&amp;T Partners</b>	
<b><i>Community-based Organizations</i></b>	<b><i>Education Institutions</i></b>
Food banks Religious institutions Homeless shelters	Community Colleges Vocational Training Centers GED Preparation Centers Remedial learning centers
<b><i>Local Businesses</i></b>	<b><i>Other Non-Profits</i></b>
Banks Factories Hospitals	Libraries The Boys and Girls Club Rotary Club

## STEPS IN BUILDING A PARTNERSHIP

FNS recommends the following steps when starting a partnership initiative.



## COST POLICIES FOR PARTNERSHIPS

OMB Circulars and SNAP regulations govern the use of Federal E&T funds. General cost principles are outlined in [Appendix C](#) of this toolkit and also in the Frequently Asked Questions in [Appendix D](#). This section of the toolkit will draw on past guidance and apply E&T financial policy specifically to third-party providers or sub-grantees.

Each year, State agencies receive a Federal grant for the administration of their E&T programs. Additional administrative expenses are reimbursed at 50 percent. All administrative costs must be reasonable and necessary to operate approved E&T activities. Because these additional expenses are reimbursed, E&T is not a “match” program.

FNS reimburses a State agency for half of all allowable administrative E&T costs in excess of its E&T grant. The same principle applies to partner agencies. The State agency can fund all of the administrative costs at a partner agency with 100 percent E&T grant money, or the partner agency may put up the cost of operating an E&T program and the State can pass-through the 50 percent Federal reimbursement funds to the partner agency.

### *Essential Cost Principles for E&T Partnerships*

- ✓ E&T expenses must be directly related to an **APPROVED E&T PROGRAM** component.
- ✓ Costs must be reasonable and necessary. A cost is **REASONABLE** if, in its nature and amount, it does not exceed that which a prudent person would pay under the circumstances prevailing at the time the decision was made to incur this cost.

**NECESSARY** costs are incurred to carry out essential functions, cannot be avoided without adversely affecting program operation, and do not duplicate existing efforts.

- ✓ E&T funds may not be used for SNAP eligibility determination, sanction activities, participant wages, or meals eaten away from home. These expenses are prohibited by SNAP regulations (at 7 CFR 273) and cannot be charged to the E&T program.

When identifying allowable costs in a third-party reimbursement model, start with the following three questions:

1. Are the proposed services appropriate for E&T?
2. What is the source of the partner agency funding? Is this an allowable match?
3. Are other Federal, State and local programs charged the same? Is there consistency in how services are billed?

## SUPPLANTING VS. SUPPLEMENTING

Educational activities and expenses are singled out by the Act and Federal regulations. FNS may not be charged more than the general public (or what the client would pay if not participating in E&T) for an educational activity. Section 6 (d)(4)(H) of the Act states:

*“Federal funds made available to a State agency for purposes of the component authorized under subparagraph (B)(v) [educational programs or activities] shall not be used to supplant non-Federal funds used for existing services and activities that promote the purposes of this component.”*

This provision was included because Congress and FNS wanted to focus Federal financial support for State educational activities on E&T components that represented new efforts to enhance the employability of SNAP participants, rather than supplant State funds for existing activities.

In terms of educational expenses at an institution of education, the non-supplanting clause means that FNS may not be charged for the difference between the actual costs of instruction and the tuition and fees that are charged to the general public. If a subsidy is available to all students at no cost but charged to the E&T program, E&T participants are being treated differently than other students and in so doing State funds are supplanted.

Federal E&T reimbursements can be used to SUPPLEMENT, rather than supplant, State or local funding for existing education services or activities. Supplementing means to go above and beyond the educational services provided at no cost to non-E&T participants.

✓ The State must retain **OVERSIGHT** of E&T components provided by partner agencies; the State is responsible for submitting the requests for Federal reimbursement and reporting directly to FNS.

✓ Federal funds may not be used to **SUPPLANT** non-Federal funds for existing educational activities. *See box at left.*

**WHAT IF AN EDUCATIONAL ACTIVITY IS NORMALLY AVAILABLE AT NO COST TO PARTICIPANTS BECAUSE IT IS FUNDED BY A STATE OR LOCAL GOVERNMENT, BUT SPACE AND FUNDS ARE LIMITED AND MORE CLASSES WOULD BE REQUIRED TO SERVE E&T PARTICIPANTS? CAN A STATE AGENCY USE E&T FUNDS TO PAY FOR ADDITIONAL CLASSES?**

If the educational activity is a State or local entitlement, the answer is no. For example, if a State or local government guarantees that all adults, age 21 and under, are entitled to a GED at no cost and the State funds this activity, E&T funds cannot be used to pay for these services nor can the funds the State provides be used as a match. In another example, a State commits to pay for 30 percent of the operational expenses at its universities and community colleges. In this example, E&T funds cannot be used to pay for or reimburse any portion of that commitment and the State commitment cannot be used as a match to draw down Federal E&T reimbursement.

**WHAT IF A COMMUNITY-BASED ORGANIZATION OFFERS EDUCATIONAL ACTIVITIES AT NO COST TO PARTICIPANTS? CAN A STATE AGENCY USE E&T FUNDS TO PAY FOR E&T PARTICIPANTS AT A COMMUNITY-BASED ORGANIZATION?**

Yes, a State agency may use E&T funds to pay for educational activities at community-based organizations. For example, a community-based organization offers adult basic education and relies on charitable donations or grants to fund these activities. The State agency may use E&T funds to pay for E&T participants that receive these services, however, the community-based organization would need to figure out the per student cost of its educational activity and allocate costs to the E&T program accordingly.

If the community-based organization charges other grants for these services, the E&T program must be charged consistently with how the other grants are charged. Costs charged to the E&T program must be reasonable and necessary. Funds used for a match must not be from a Federal source and cannot be used to meet the matching requirements of another program.

If the community-based organization provides services that are funded through a State or local entitlement, E&T cannot be charged for these services. For example, all adults in the State are entitled to free GED classes and the State provides funds to community-based organizations that offer these services; the community-based organizations in this example cannot bill SNAP E&T for GED classes.



## Partnerships with Institutions of Higher Learning

State agencies may decide to establish partnerships and third-party reimbursement models with institutions of higher learning. Community colleges provide a variety of short-term education programs with a direct link to employment, making them a popular partner for the SNAP E&T program. *More information on allowable education activities can be found in [Appendix A](#).* While community colleges may be a very suitable E&T partner, SNAP E&T funding rules for education are complex. The SNAP E&T program is subject to Federal grant rules. In addition, the Act prohibits State agencies from using Federal E&T funds to supplant non-Federal funds for existing educational activities (see text box on previous page). In an effort to clarify these rules, FNS has developed a table of DOs and DON'Ts for partnerships with institutions of higher learning.

DOs	DON'Ts
Charge for in-kind expenses <sup>3</sup> - Only government entities may be reimbursed for in-kind contributions per SNAP rules. If a community college is part of State or local government, it may charge for in-kinds such as a volunteer instructor or donated space. These expenses must be charged consistently and must be directly related to the SNAP E&T program. School overhead, or the cost of instruction, is not an in-kind cost. An example of in-kind costs might be volunteers offering tutoring services. See <a href="#">Appendix C: In-Kind Costs</a> and the <a href="#">FAQs</a> .	Charge for the cost of instruction above and beyond the cost of tuition. This is considered supplanting. The cost of instruction cannot be used as a match to draw down Federal funds.
Use either 100 percent grant or 50 percent reimbursement funds to pay for E&T-specific administrative support at the school (excluding participant reimbursements).	Charge for services provided for free to non-SNAP students.
Cost allocate for allowable E&T expenses; the partner agency must cost allocate consistently and not charge only FNS for services offered to other grant programs.	Use student-paid tuition as a match.
Charge for E&T specific services.	Charge for non-E&T services or expenses.

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<sup>3</sup> In-kind costs are defined by the Federal government as non-cash transactions and are usually charges for volunteers or space. Space used specifically for E&T functions may be charged if it is provided through a non-cash transaction, i.e. space provided free of cost to the school. Normally space at a school would not be a non-cash transaction since there would be an appropriate charge through the school's accounting or billing practice.

## CHECKLIST FOR CONTRACTS

There are specific Federal requirements for any grantee of Federal funds. These requirements are outlined in the OBM circulars. Below is a list of items that FNS strongly recommends a State agency include in any contract or Memorandum of Understanding with an E&T partner agency. As a reminder, all State E&T contracts must be made available to the Regional Office upon request.

### *Contracts should include (recommended):*

<input type="checkbox"/>	<b>Scope of Services</b>	A section on the scope of services, outlining the responsibilities of the State agency and the partner agency. For the purposes of an E&T component, this section must identify who will assess E&T participants, place participants, monitor progress, issue E&T participant reimbursements, etc.
<input type="checkbox"/>	<b>Fiscal Responsibilities</b>	This section must clearly identify who will pay for what and outline allowable expenditures. If the partner agency is putting up money for the project, this section must explain that the State agency will <b>not</b> be providing the <b>non-Federal share</b> . This is very important if the partner agency will be providing the State share of funding for the project.
<input type="checkbox"/>	<b>Invoice Method and Frequency</b>	This section describes how often invoices will be submitted (monthly, quarterly, etc.). State agencies should receive a detailed invoice from the E&T partner. For agreements with institutions of higher learning, FNS recommends that the university or community college invoice for tuition based on the withdrawal deadline for classes.
<input type="checkbox"/>	<b>Recoupment Clause</b>	If the program involves payment upfront, such as tuition at a community college, there should be a protocol for students who lose SNAP benefits mid-way through a class/program and are no longer eligible for E&T services.
<input type="checkbox"/>	<b>Performance and Outcome Measures</b>	This section should detail how the partner will monitor performance, how performance outcomes will be reported and how often.
<input type="checkbox"/>	<b>Audits</b>	Details on how often the third-party provider will be audited and what an audit entails.
<input type="checkbox"/>	<b>Legal Binding</b>	This section should outline the Responsibilities of the Agreement, which both parties sign in acceptance.  Signatures of appropriate personnel from the third-party provider and the State agency agreeing to the terms of the contract.

***The following are Federal requirements for contractual agreements (7 CFR 277.14(j)):***

<input type="checkbox"/>	<b>Termination Provisions</b>	Termination provisions for circumstances beyond the control of the contractor or termination due to lack of Federal funding.
<input type="checkbox"/>	<b>Copyright Provisions</b>	Any Audio/Visual material, IT software, or other works that the Federal government pays for must be provided with a non-exclusive royalty free right to use and to authorize others to use these materials. The State is free to copyright the material.
<input type="checkbox"/>	<b>“Additional Adherence”</b>	Additional adherence to various Federal contract provisions, including clean air/clean water, Equal Employment Opportunity compliance, Copeland Anti-kickback Act, and the Davis-Bacon Act for wages and salaries. These items can be grouped together in a general statement that Federal procurements rules and regulations will be followed; however the first and second provisions should be stated explicitly in the contract.
<input type="checkbox"/>	<b>Record Retention</b>	Records should be retained for a minimum of three years for auditing purposes.
<input type="checkbox"/>	<b>Clause on Disclosure</b>	Language should specify that program records will be made available to State and/or USDA FNS upon request.

# WORK SUPPLEMENTATION PROGRAMS

Section 16(b) of the Act gives State agencies the option to implement work supplementation programs. In these programs, the cash value of public assistance benefits, plus SNAP benefits, is provided to an employer as a wage subsidy to be used for hiring and employing public assistance recipients. The goal of work supplementation programs is to promote self-sufficiency by providing public assistance recipients with work experience to help them move into non-subsidized jobs.

State agencies must receive FNS approval prior to implementing a work supplementation program. SNAP regulations at 273.7(l) detail requirements for a State agency work supplementation plan. Here are some of the fundamental requirements:

- ✓ Individuals participating in the program must not be employed by the employer at the time the individual enters the program;
- ✓ The wage subsidy received under the program must be excluded from household income and resources during the term the individual is participating in work supplementation;
- ✓ The household must not receive a separate SNAP allotment while participating;
- ✓ An individual participating in work supplementation is excused from meeting other SNAP work requirements;
- ✓ The work supplementation program must not displace any persons currently employed who are not supplemented or supported;
- ✓ The work supplemented employees must receive the same benefits as similarly situated co-workers and placements must meet the requirements of the Fair Labor Standards Act and other applicable employment laws.

Only households that receive cash assistance and SNAP benefits are eligible to participate in a work supplementation program. A household participating in a work supplementation program does not receive SNAP benefits on an EBT card. However, in cases where the wages paid are less than the allotted benefits, the household is entitled to a supplemental issuance. For example, if a participant is only working part-time or a participant misses work because of illness, and does not receive at least the amount of the SNAP allotment from wages, the State agency shall provide the amount of the allotment in excess of the wage subsidy as a supplement to the participant. The State agency cannot provide subsidies in the form of cash.

Both full and part-time jobs qualify for work supplementation or support programs. Wages for work supplementation or support programs must be set at the applicable Federal or state minimum wage or higher.

How is a work supplementation program funded?

FNS pays the cash value of a participating household's SNAP benefits to a State agency with an approved work supplementation plan. The State agency is responsible for establishing procedures to pay employers and for processes that ensure accountability. States are required to report the amount of benefits contributed to employers as a wage subsidy on the FNS-388, State Issuance and Participation Estimates; FNS-388A, Participation and Issuance by Project Area; FNS-46, Issuance Reconciliation Report; and the FNS-778 Federal Financial Report.

FNS also pays for the administrative costs associated with a work supplementation program. States must report administrative costs associated with work supplementation programs on the FNS-366A, Budget Projection and FNS-778 Federal Financial Report.

# APPENDICES

Additional  
Resources on Cost  
Policy, Partnerships  
and More

# APPENDIX A: EDUCATION COMPONENTS IN-DEPTH

The Food and Nutrition Act (the Act) of 2008 states that the purpose of the Employment and Training (E&T) program is to assist members of the Supplemental Nutrition Assistance Program (SNAP) households in gaining skills, training, work, or experience that will increase their ability to obtain regular employment. Acceptable education programs are those that improve basic skills, such as adult basic education, literacy training or English as a Second Language coursework.

Education components were added to the Act as a way to improve the job search capacity of SNAP E&T participants. The Food and Nutrition Service (FNS) has observed that the demand for education components increases during a recessive economy as more SNAP clients are underemployed or unemployed and compete for a limited number of jobs. The increased interest in E&T education components has raised many questions on allowable costs and participant expenses. The purpose of this appendix is to lay out allowable education expenses for E&T.

E&T education activities must have a direct link to employment and help SNAP participants move promptly into employment. The expenses associated with an E&T education activity must be reasonable and necessary. It is expected that all other sources of funding for education will be explored, including other educational grants such as the Pell grant but excluding student loans, before E&T funds are used for tuition.

## ALLOWABLE EXPENSES FOR EDUCATION COMPONENTS

The following chart includes expenses that are most commonly associated with education components. It is not an all-inclusive or comprehensive list of allowable education expenses but should provide State agencies and potential community partners with a starting point for planning an E&T education component. All expenses must be approved in the State E&T plan.

State E&T Expense Category	Funding Method	Comments
State Administrative costs, including in-kind expenses for volunteer services and donated spaces.	100 percent E&T grant or 50/50 administrative reimbursement	State may seek reimbursement for 50 percent of admin costs before it has expended the 100 percent grant although this is not recommended unless the State is sure the entire 100 percent grant will be spent.
Other State agency as service provider.	100 percent E&T grant or 50/50 administrative reimbursement	Can include administrative costs and in-kind contributions.

State E&T Expense Category	Funding Method	Comments
Non-governmental partner administrative costs (excluding in-kind costs).	100 percent E&T grant or 50/50 administrative reimbursement	In-kind contributions do not count as an expense from non-governmental agencies. These expenses cannot be reimbursed.
Case management	100 percent E&T grant or 50/50 administrative reimbursement	Case management can be the responsibility of the E&T office or a third-party provider. Charges for case management are allowable after the E&T participant has been referred to the education component and charges to the E&T program cannot include case management under SNAP or another program.
Tuition/fees	100 percent E&T grant or 50 percent administrative reimbursement, or participant reimbursement (depends on how tuition is paid, directly to school or to student)	Tuition must be the same for E&T participants as for students not participating in SNAP E&T. FNS will only pay for what is charged to the general public and not the overhead or total cost of instruction.
Transportation	Participant reimbursement (50 percent State, 50 percent Federal)	State can set a cap for transportation reimbursements and determine how these reimbursements will be paid.
Child care	Participant reimbursement (50 percent State, 50 percent Federal)	Child care reimbursements cannot exceed the local market rate.
Eye care/dental care	Participant reimbursement (50 percent State, 50 percent Federal)	Only if reasonable and necessary – what a prudent person would pay under similar circumstances and necessary for participation in the E&T program.
Books	Participant reimbursement (50 percent State, 50 percent Federal)	This could be an administrative expense if the books are purchased by the institution and provided at no cost to E&T participants. Similar to tuition.
Uniforms, tools and equipment	Participant reimbursement (50 percent State, 50 percent Federal)	
Overhead expenses of an institution of higher learning (includes universities, community colleges, adult education centers, etc)	Unallowable	Overhead or operation expenses are normally covered by State or local funds and not charged to individual participants. E&T funding cannot be used to pay these costs nor can these expenses be put up as a State or local share for 50/50 reimbursement.
Personal computers	Unallowable	
Living stipend	Unallowable	
Purchase of a car	Unallowable	
Other expenses not directly related to participation in the education component	Unallowable	
Student loans	Unallowable	The student is responsible for re-paying these loans in the future



# APPENDIX B: ALLOWABLE E&T PARTICIPANT REIMBURSEMENTS

The following is a list of items and information on the allowability of 50/50 reimbursement. Items marked as "Almost Always" or "Sometimes" assume the item is required for successful participation in an E&T program's component. *All* E&T allowable costs must be **reasonable and necessary**. State agencies must provide, in their annual State E&T Plans, detailed information about which expenses they propose to reimburse beyond the traditional ones.

Item	Almost Always	Sometimes	Never	Notes
Automobile Insurance			X	
Automobile Ownership/Operator Taxes (tag, title, license)			X	
Automobile Purchase			X	
Automobile Repairs		X		Capped or limited to a reasonable amount.
Background Checks		X		Only if required for a job.
Books	X			Must be necessary to complete E&T training session/educational coursework.
Clothing for job interviews	X			
Clothing required for a job		X		As part of a job retention component (up to 90 days).
Course Registration Fees	X			
Dental Work		X		Minor work, such as a cleaning; Not major work such as oral surgery, bridge work, braces, dentures, etc.
Dependent care costs	X			
Drug/Alcohol Counseling or Therapy			X	Unnecessary due to exemption status.
Drug Tests		X		Only if required for a job.
Equipment		X		Must be necessary to complete E&T component or job retention component (up to 90 days).
Fingerprinting		X		Only if required for a job.
Gasoline	X			
Legal Services		X		
Licensing and bonding fees for work exp./placement	X			

Living Stipends			X	
Medical Services		X		Usually unnecessary due to exemption status, but allowable if required for a job (i.e. TB test).
Mental Health Treatment			X	Unnecessary due to exemption status.
Personal Computers			X	
Personal safety items	X			Must be necessary to complete E&T training session/educational coursework.
Relocation Expenses			X	
Student Activity Fees		X		Only if required to participate in class.
Student Loans			X	
Test Fees		X		Must be directly associated with an E&T component.
Tools		X		Must be necessary to complete E&T training session/educational coursework.
Training Materials	X			Must be necessary to complete E&T training session/educational coursework.
Transportation expenses (i.e. public transportation fare)	X			
Tuition/Fees		X		<a href="#">See March 2010 Guidance Memo</a>
Uniforms	X			Must be necessary to complete E&T training session/educational coursework.
Union Dues		X		Must be necessary for job.
Vision Needs (Eye Glasses or Eye Exam)		X		

# APPENDIX C: COST PRINCIPLES

Allowable costs are specified under the Office of Management and Budget (OMB) regulations at 2 CFR part 225 (OMB Circular A-87), 2 CFR 220 (OMB Circular A-21), 2 CFR 215 (OMB Circular A-110) and 2 CFR 230 (OMB Circular A-122), Departmental rules at 7 CFR 3016 and the Supplemental Nutrition Assistance Program (SNAP) rules at 7 CFR 277. To be allowable, all costs charged to Food and Nutrition Service (FNS) shall be **VALID OBLIGATIONS** of the State, local government or sub-grantee and shall be **NECESSARY AND REASONABLE** as charges under an approved SNAP E&T plan. Charges to the Employment and Training (E&T) program must be **CONSISTENT** with charges to other Federal and State grants, awards and activities.

## GETTING STARTED

Different OMB circulars lay the ground work for the cost policies of specific entities. For the purposes of the E&T program, there are four sets of significant OMB circulars and Federal regulations that E&T coordinators should be familiar with:

**OMB Circular A-21**, Cost Principles for Educational Institutions (05/10/2004) [HTML](#) or [PDF](#) (109 pages, 263 kb), [Relocated to 2 CFR, Part 220](#) (30 pages, 384 kb)

**OMB Circular A-87**, Cost Principles for State, Local and Indian Tribal Governments (05/10/2004) [HTML](#) or [PDF](#) (57 pages, 199 kb), [Relocated to 2 CFR, Part 225](#) (18 pages, 362 kb)

**OMB Circular A-110**, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (11/19/1993) (further amended 09/30/1999, [Relocated to 2 CFR, Part 215](#) (32 pages, 243 kb))

**OMB Circular A-122**, Cost Principles for Non-Profit Organizations (05/10/2004) [HTML](#) or [PDF](#) (55 pages, 220 kb), [Relocated to 2 CFR, Part 230](#) (17 pages, 235 kb)

The following pages categorize allowable and unallowable expenses for the E&T program based on the OMB circulars and Federal regulations.

## ALLOWABLE AND UNALLOWABLE ADMINISTRATIVE EXPENSES

### 7 CFR 277 (OMB Circular A-87) Cost Principles for State, Local and Indian Tribal Governments

**ALLOWABLE ADMINISTRATIVE COSTS** are operational costs for SNAP E&T, which include all administrative expenses that are reasonable and necessary to operate an approved E&T program. Allowable administrative expenses include:

- Salaries and benefits of personnel involved in SNAP E&T and administrative support (see below);
- Office equipment, supplies, postage, duplication costs and travel that is necessary to carry out the program's objectives;
- Development and production of SNAP E&T materials when no other appropriate materials exist;
- Lease or rental costs;
- Maintenance expenses;
- Other indirect costs; and
- Charges for travel for the purpose of fulfilling the approved plan based on official State, local or university travel regulations.

#### SALARIES & FRINGE BENEFITS

State agencies may reimburse E&T partner agencies for staff time and fringe benefits if they are doing E&T specific work (like case management) as long as these services are above and beyond what is offered to all other clients at no cost. If a partner agency dedicates 100% of a staff position to the E&T program, FNS will pay his or her full salary and fringe benefits. If this staff person is less than 100%, he or she must keep timesheets to document the amount of time spent on E&T clients and E&T services.

FNS will only pay partner agency salaries and fringe benefits if there is a contract with the State agency. If an E&T partner is providing services outside of a contract or an MOU, FNS will pay the direct cost, or "shelf price" of services provided to E&T participants.

See time records (p59) for more information on staffing.

**UNALLOWABLE ADMINISTRATIVE COSTS** per 2 CFR 225 (OMB Circular A-87) and 2 CFR 220 (OMB Circular A-21) for State and local governments are listed below. Similar lists are found in 2 CFR 215 (OMB Circular A-110) and 2 CFR 230 (OMB Circular A-122), the OMB regulations applicable universities and non-profit organizations).

- Bad debts, uncollected accounts or claims, and related costs.
- Contingencies or contributions to an emergency reserve or similar provision for unforeseen events (these are not insurance payments, which are allowable).
- Contributions and donations, usually these are political in nature.
- Entertainment costs that are primarily for amusement or social activities. (This is actually one with a lot of exceptions. For example, meals are cited in the OMB regulations but within the context of training meals might be allowable. There are a number of costs here that require a “reasonable judgment” based on why or when the activity takes place.)
- Fines and penalties for failure to comply with Federal, State, or Local laws.
- Governor’s Office expenses or costs of general government. Costs which may be directly charged to a Federal grant may be allowable. (For example, if a person assigned to the governor’s office devotes 100 percent of his/her time to the SNAP, the cost may be allowable. Each situation, however, shall be judged on its own merit).
- Indemnification or payments to third parties and other losses not covered by insurance.
- Legislative Expenses.
- Losses not covered by insurance (See Indemnification above. These costs are similar, but not the same).
- Under recovery of costs under Federal Funding Agreements-shortfalls in one grant cannot be charged to another Federal grant. (This is not the same as charging two Federal grants for a share of the costs of the activity if both agencies benefit from the activity funded. However, an allocations basis shall be established for sharing the costs in proportion to the benefit each receives.)
- Alcoholic Beverages.

Under 2 CFR 220 (OMB Circular A-21), there are additional *unallowable cost* categories:

- Advertising and public relations, unless used for recruitment of staff, acquisition of material for the grant, or publishing the results of the grant.
- Alumni activities.
- Commencement and convocations.
- Legal fees which result from a failure to follow Federal, State or local laws. If certain conditions are met, the Federal government may allow some legal fees.
- Executive lobbying.
- Goods and services for private use.
- Housing and personal living expenses.
- Interest, fund raising, and investment management. There are some exceptions regarding interest.

- Any and all political party expenses.
- Pre-agreement costs, that is, all costs incurred prior to the grant award.
- Scholarships and student aid. (There are exceptions which should be reviewed if these costs appear in budget.)
- Student activity costs.
- Travel-Allowable but with restrictions as to amounts involved, level of transportation costs (e.g., no first class tickets).

## REASONABLE AND NECESSARY COSTS

### 7 CFR 277 (OMB Circular A-87) Cost Principles for State, Local and Indian Tribal Governments

While OMB regulations define what is allowable, costs that may be covered by FNS for E&T activities shall also meet a “reasonable and necessary” test (7CFR 277 (OMB Circular A-87)).

**REASONABLE COSTS:** A cost is reasonable if, in its nature and amount, it does not exceed that which a prudent person would pay under the circumstances prevailing at the time the decision was made to incur this cost.

- Provide a program benefit generally commensurate with the cost incurred,
- Are in proportion to other program costs for the function that the costs serve, and
- Are within the scope of E&T.

**NECESSARY COSTS:** Necessary costs are incurred to carry out essential functions, cannot be avoided without adversely affecting program operation, and do not duplicate existing efforts.

- Are incurred to carry out essential functions of E&T,
- Cannot be avoided without adversely affecting program operations,
- Are a priority expenditure relative to other demands on availability of administrative resources, and
- Do not duplicate existing efforts.

## PROPERTY PROCUREMENT AND MANAGEMENT

### 2 CFR 225 (OMB Circular A-87)

The State agency and all sub-grantees shall follow procurement requirements found in 7 CFR 3016. The State agency shall receive prior Federal approval before procuring or requesting reimbursement for equipment valued at more than \$5,000 per item. Review and approval of equipment acquisition is normally conducted during review of the proposed budget. Budget review should ensure that proposed equipment requests do not duplicate previous year’s equipment purchases for the same project. Inventory records shall be maintained for equipment that is paid for in full, or in part, with Federal funds. A physical inventory is required every two years.

## INDIRECT COST RATES

### 2 CFR 225 (OMB Circular A-87)

Indirect cost is a general term for certain types of costs that are incurred by the grantee or sub-grantee in support of other allowable activities that are charged directly to sponsoring Federal or State funding agencies. These indirect costs (also called overhead costs) are determined through a variety of rates or “cost allocation plans” that detail how the costs are to be shared by the funding agencies.

Indirect cost rates are documented through an indirect cost plan, which is approved by a “cognizant agency.” A cost allocation plan, also approved by a cognizant agency, is a more extensive plan that combines many different allocations.

FNS has determined that under OMB Circular A-87, the primary grantee (normally the State agency) is responsible for review of indirect costs submitted by their sub-grantees. This policy is currently implemented by other Federal agencies, including the Department of Education, Department of Labor, and the Department of Health and Human Services.

FNS will accept indirect costs established through an indirect cost plan approved by the appropriate State agency. We retain the right to review any and all such plans. In the event a State agency has approved a plan, which is determined to be unacceptable, indirect costs charged through that plan may be disallowed.

If a cost can be directly attributed to one grant, then that cost may not be included in either an indirect cost plan computation or any cost allocation plan. Indirect cost rates are normally computed through a process where all indirect costs are added together and then divided by the Modified Total Direct Costs. This results in a percentage which is applied to each grant as their share of the indirect or overhead costs. For example, if indirect costs total \$16,000 and the Modified Total Direct Costs total \$100,000, then the indirect cost rate would be 16 percent. Each grant would then be charged 16 percent of the total direct costs chargeable to that grant. In a cost allocation plan, usually meant for a larger grantee, various costs are pooled and then allocated to the various grants operated. Indirect costs may be claimed by grantees for the cost of activities operated by sub-grantees. This would result in two indirect cost rates being applied to the grant. In most cases, the rates are restricted to the first \$25,000 of any flow through grants or contracts. This is provided for in the construction of the Modified Total Direct Costs used in development of the indirect cost rates.

If a grantee has an approved indirect cost plan or cost allocation plan, they should note the indirect cost rate agreement in their State’s E&T Plan. FNS may request documentation in support of the submitted indirect cost rate. The State agency should ensure that

documentation from either the Federally assigned cognizant agency or the State review process will be available for FNS review if requested.

Small local agencies may not have staff with the expertise to develop indirect cost rates. Local agencies that do not have a cognizant agency to review and approve their rates may apply to the State agency for approval to use a rate developed either by or for the local agency. They may obtain contracted accounting services as an allowable program cost. Any costs of determining the indirect costs are themselves allowable costs and may be included in the E&T Plan budget as either direct or indirect costs. Only the proportionate share of the costs of developing the indirect cost rate may be charged to FNS. The State agency should indicate, within the E&T plan, its acceptance of the indirect cost rate. The FNS Regional Office may accept or reject use of the rate based on the rate computation documents. If the State agency does not accept the responsibility for approving the indirect cost rate, or disapproves the rate, the FNS Regional Office will not accept the rate.

State agencies are responsible for ensuring that indirect costs included in the State E&T Plan are supported by an indirect cost agreement approved by the appropriate cognizant agency and are claimed in accordance with that agreement.



## IN-KIND DONATIONS NOT INVOLVING TRANSFERS OF CASH

### 7CFR 277

1. In-kind donations that are the value of volunteer time or other non-billable goods or services (e.g., there is no cash transfer between parties) are not allowable as charges to this grant if they are provided to or by a non-governmental agency or sub-grantee.
2. In-kinds from government agencies cannot be charged to another Federal grant.
3. Goods and services requiring a transfer of cash *are not* in-kinds. However, goods and services that require a cash reimbursement by the sub-grantee may be charged as a cost, providing the cash reimbursement is based on a legally enforceable contract or agreement between the grantee and sub-grantee. An obligation to pay shall exist for a sub-grantee to have a valid claim. FNS will then reimburse 50 percent of the outlay incurred by the grantee or sub-grantee.
4. A grantee (the State agency) or sub-grantee cannot claim a donated service or a good as an in-kind if:
  - a) It is not allowable, reasonable, or necessary for the delivery of SNAP E&T;
    - 1) Although public schools are considered a governmental agency, the cost of student's time to get high school credit hours by volunteering with SNAP E&T activities is not an allowable in-kind charge to SNAP E&T.
    - 2) Although SNAP does not have an official definition of what constitutes an adult, for work registration purposes it is generally at age 16, with specific guidelines on 16 & 17 year olds. Therefore, the minimum age for a SNAP E&T volunteer is 16 years of age.
  - b) Payments are made by the State agency or sub-grantee for any of the goods and services (payments are actual outlays rather than in-kinds); or
  - c) The sub-grantee claiming the in-kind is a private organization. As specified under 7 CFR 277.4(e), only public agencies are allowed to claim in-kind charges. Because the value of in-kind donations including volunteer services to a private entity (private schools, churches, non-governmental entities, etc.), do not represent any State expenditure or outlay, SNAP regulations do not permit them to be considered as a cost to the program and thus are not reimbursable.
5. A grantee or sub-grantee may claim a service or a good as an in-kind if:
  - a) It is allowable, necessary, and reasonable for the delivery of SNAP E&T.

b) The sub-grantee claiming the “in-kind” is a public organization as specified under 7 CFR 277.4(e). These regulations were written in the interests of maximizing States’ ability to identify allowable funding sources. FNS has allowed for regulatory support to the concept that the donation of goods and services to a public entity result in a de facto State expenditure or outlay. Thus, they are reimbursable. (Note that regulations do not permit extending this interpretation to private organizations).

c) In valuing a volunteer’s time or service to a public organization, the following principles apply:

- 1) The volunteer’s wages are computed on a reasonable hourly basis in accordance with the duties being performed for SNAP E&T, or wages are computed based on the Federal minimum hourly wage established by the United States Department of Labor;
- 2) The volunteer records time as specified in the SNAP E&T Cost Policy Guidance (See below, “Time Records”); and
- 3) The value of the volunteer's time is not being used as a match for any other Federal grant.

d) In valuing donated goods, the following principles apply:

- 1) The value for goods other than publicly owned space is computed on reasonable fair market value;
- 2) When valuing space owned by a public agency, depreciation or use allowance is used for cost computations; and
- 3) The value is not being used as a match for any other Federal grant.

## **DONATIONS FROM NON-FEDERAL PUBLIC AGENCIES**

### **7 CFR 277.4(c)(d)**

As specified under 7 CFR 277.4(c)(d), Federal reimbursement for the costs of services or property donated by other non-Federal public (i.e., government) agencies is allowable provided that the donated costs are not billed or claimed to another Federal program or used to match another Federal program. The State agency shall maintain records or an audit trail to support costs claimed. The claim shall be for SNAP E&T allowable activities.

## VALUATION OF PUBLICLY OWNED SPACE

**2 CFR 225 (OMB Circular A-87); 2 CFR 220 (OMB Circular A-21); 2 CFR PART 215 (OMB Circular A-110)**

**Charges for Publicly Owned Space**-Space owned by a public entity cannot be charged to a Federal grant based on private market rental rates. The entity can only recover the costs of space through a depreciation schedule or use allowance, applicable charges for utilities, maintenance, and general upkeep.

Federal requirements regarding the valuation of publicly owned space is contained in OMB regulations at 2 CFR 225 (OMB Circular A-87), 2 CFR 220 (OMB Circular A-21), and 2 CFR PART 215 (OMB Circular A-110) and Departmental regulations at 7 CFR 3016. The requirements indicate that in no case may publicly owned space be “donated” or billed at fair market rental rates. One allowable method for calculating the value of publicly owned space is depreciation or use allowance. Fair market rates may not be used for publicly owned space regardless of whether they are direct billed or donated. The cost of space owned by a public agency is the acquisition cost of that space, plus maintenance and utilities. (FNS Policy Memorandum-March 9, 1998).

**EXAMPLE OF CALCULATING VALUATION OF PUBLICLY OWNED SPACE**- Depreciation is dividing the cost of the building over its useful life. For example, if a building cost \$50,000 to build and it had a useful life of 20 years, the yearly depreciation would be \$2500. This cost is spread over the square footage of the building, resulting in an annual rate per square foot. The SNAP share would be the amount of space that is used for the SNAP. A use allowance is used when the building is fully depreciated. You are allowed to charge no more than 2 percent of the cost of the building per year. In the example above, States could only charge \$1000 per year.

FNS has also developed a standard hourly use allowance that is an optional method for States to use when calculating the cost of publicly owned space.

- .002041 dollar per square foot may be used for the cost of space.
- .003265 dollar per square foot may be used for the cost of maintenance, and utilities.
- States have the option to use actual cost if available.
- Additional information on these calculations is available in FNS memorandum, “Calculation for Space in Government Owned Buildings for use in Food and Nutrition Service Programs”, dated April 11, 2006.

## TIME RECORDS

### 2 CFR 225 (OMB Circular A-21)

Weekly time and effort reporting is required by FNS for staff paid through E&T funds and those contributing to this work through cost share. Time and effort reporting is likewise required for volunteers. Additionally, records shall be maintained for third party contracts of less than 100 percent time. In lieu of signing each time and effort sheet individually, after review and approval, time and effort sheets can be certified in bulk and transmitted electronically (up to 20 sheets per transmittal) with a supervisor's electronic signature.

Time records are used to calculate the charges for time spent on allowable activities. The administrative office, which converts hours worked into dollars charged, shall also maintain accounting records that substantiate the charges incurred. Costs charged based on time and effort reporting would include salaries and fringe benefits for staff employed. These costs should relate to the total accounting documentation maintained by the organization that is asserting the claim.

#### Staff Devoting 100 Percent of Time to SNAP E&T

- A semi-annual time and effort certification by a supervisor is required.
- After-the-fact reporting is unacceptable.

#### Staff Devoting Less Than 100 Percent of Time to SNAP E&T

- Time records are required for all E&T staff and volunteers devoting less than 100 percent of their time to SNAP E&T unless a Federally approved Random Moments Time Study is used to allocate the time spent on allowable activities. Universities and colleges that are approved for Plan Confirmation by the Department of Health and Human Services are also exempt from the time record requirement.
- Budget sections of State plans should confirm that time records are documented.
- Time worked on SNAP E&T should be reported in hours and not percentage of time to the project. Only time spent on SNAP E&T needs to be entered on the form.
- If a University has a procedure for hourly documentation already in place, it may meet the reporting requirement.
- The time and effort forms can be maintained at the work site and shall be available for review/audit for a period of three years.
- Grantees that have Federally approved Random Moments Time Studies need not use time records to document time spent on allowable activities.
- State agencies may submit alternative methods of calculating time with appropriate justification for consideration by the FNS Regional Office. The FNS Regional Office may

consider and approve alternative methods of calculating time that provide a reasonable assurance of accuracy of the time estimate. Time records need not be submitted with the plan but should be maintained by the project for audit.

When accounting for the cost of part-time staff, the total cost, including time not worked (annual and sick leave), shall be computed and charged. The official accounting system used for grants and funding arrangements shall be used in calculating this cost so that official accounting records reflect all of the revenue and costs of SNAP E&T. The staff person's time spent on SNAP E&T shall be documented as specified above.

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## SECTION 1: ALLOWABLE COMPONENTS

### ***1. What guidance is available to help determine whether an E&T component may be approved?***

An approvable component must support the purpose of the E&T Program in accordance with section 6(d)(4)(A)(i) of the Food and Nutrition Act (the Act) of 2008. The purpose of the E&T program is to assist members of SNAP households in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.

To be approvable, a component must entail a certain level of effort and may not delay the individual's eligibility for benefits or issuance of benefits. Per section 6(d)(4)(B) of the Act and SNAP regulations at [7 CFR 273.7\(e\)\(1\)](#), the State E&T program must include one or more of the following six components: 1) job search; 2) job search training; 3) workfare; 4) work experience or training; 5) project, program or experiment aimed at accomplishing the purpose of E&T; and 6) educational programs or activities.

An E&T component designed to help a SNAP applicant or recipient overcome barriers to employability that qualifies the applicant or recipient for a Federal or State exemption from E&T is not allowable because the component would be unnecessary due to the participant's exemption from E&T. An example of this kind of unallowable activity is participation in a drug or alcohol treatment and rehabilitation program.

### ***2. May mental health services be provided under E&T?***

Persons in need of mental health services would either be exempt from Federal work registration requirements as mentally unfit for employment (refer to [7 CFR 273.7\(b\)\(ii\)](#)) or be eligible for a State to exempt from its E&T participation requirements due to difficulties of a lesser degree. Therefore, mental health treatment is not a necessary participant cost and may not be funded by E&T.

### ***3. May an E&T component address substance abuse issues?***

Generalized anti-drug, anti-alcohol and mental health discussions are permissible as part of an approved component. The amount of time spent on such discussions should not be more than would normally be dedicated to other aspects of the component that do not deal directly with its main thrust. For instance, if a component requires 20 hours, 10 hours or more should not be spent talking about drugs and alcohol abuse or mental health issues. In another example, if a training component covers job search, interview preparation, dress, hygiene, etcetera, then the drug, alcohol or mental health discussion should take up no more time--and probably significantly less--than the other activities do.

Substance abuse treatment, defined as behavior modification therapy for those who use drugs or alcohol to the detriment of themselves and others is not a reimbursable E&T activity. SNAP

applicants and recipients regularly undergoing such treatment are exempt from program work requirements per [7 CFR 273.7\(b\)\(vi\)](#).

The bottom line is that an E&T component should not be the forum for support groups, referrals and treatment planning and implementation, but may be used for general discussions and the distribution of brochures and other materials.

#### ***4. The Act includes a new component, job retention. What guidance is there on job retention services?***

The State agency may only provide job retention services to an individual who secured employment after receiving other employment/training services under the E&T program offered by the State agency.

#### ***5. What types of job retention services are potentially approvable for E&T funding?***

Until a final rule is issued, State agencies have some discretion in this matter. If the State agency has questions about certain services, it should confer with its FNS Regional Office before including them in its State E&T plan.

#### ***6. What types of participant cost related to job retention are reimbursable?***

Under current regulations, the State agency must reimburse E&T participants for expenses that are reasonable and necessary and directly related to participation in the E&T program.

Reimbursable costs may include, but are not limited to:

- Clothing required for the job;
- Equipment or tools required for the job;
- Test fees;
- Union dues;
- Relocation expenses;
- Tools required for training or a job;
- Licensing and bonding fees;
- Transportation; and
- Child care

#### ***7. Does funding for job retention fall under the 100 percent Federal E&T grant or will it fall under 50 percent reimbursement funding?***

State agencies may use their 100 percent Federal E&T grants to pay the costs of administering job retention services as with any approved E&T activity. However, participant reimbursements under the job retention component must be funded by the State agency, with 50 percent Federal reimbursement.

## **SECTION 2: FINANCIAL GUIDANCE**

## ***A. Basic Funding Questions***

### ***1. What can the 100 percent grant be used for?***

The Federal 100 percent grant money can be used for any allowable cost that is necessary and reasonable for the planning, implementation or operation of the E&T Program. This can include hiring a consultant to improve administration, marketing the E&T program and salaries for third-party providers as well as State agency administration of E&T.

### ***2. Are there expenses that 100 percent grant money may not be used for?***

Yes. 100 percent grant money cannot be used to cover other non-E&T processes, such as the determination of SNAP eligibility or disqualification from SNAP. E&T funds cannot be used to pay for meals away from home.

### ***3. What can 50/50 administrative funds be used for?***

The 50/50 funds can be used for the same purposes as the 100 percent Federal grant.

### ***4. If the number of people participating in the E&T program falls, will the State agency's allocation be reduced for the coming year?***

No. E&T grants are based on State work registrants and the number of ABAWDs. Grants are not based on actual participation. The number of work registrants in a State that serves fewer mandatory participant and more volunteers is not impacted because work registration calculations include all SNAP participants who do not meet a Federal exemption in [7 CFR 273.7](#). State agencies decide who they will serve and can exempt categories of work registrants or individuals from participation in an E&T program. State exempted individuals are still counted as work registrants.

## ***B. Allowable Costs***

### ***1. Does FNS have a reference guide on cost policies for E&T?***

Yes. FNS' guidance for E&T cost policies is in Appendix C of this E&T Toolkit and at this web address: <http://www.fns.usda.gov/snap/rules/Memo/Support/employment-training.htm>

### ***2. Are there general guidelines that can be used to assess whether E&T expenditures are allowable?***

To be allowable, expenditures must be valid obligations of the State, local government or sub-grantee and must be necessary, reasonable and allocable charges under an approved E&T plan.

Allowable costs are specified in Office of Management and Budget (OMB) cost circulars, SNAP regulations<sup>4</sup>, and FNS policy guidance. Refer to question B-1.

The following conditions apply to allowable costs for E&T products or services:

1. Must directly relate to an approved E&T Program component;
2. Must be necessary and reasonable;
3. Must not be for the purpose of overcoming barriers to participation that make clients exempt from Federal work registration altogether, such as drug or alcohol treatment and rehabilitation programs; and
4. Must not be a general expense required to carry out the overall responsibilities of a State or local government, such as a State's funding for education provided for by statute.

The State Plan must contain information about the product or service and its cost and the Regional Office must review and approve the State Plan.

### ***3. What do the terms “reasonable and necessary” mean when applied to costs?***

The OMB Circulars provide guidance for selected types of allowable administrative costs. All costs covered by E&T also must meet a “reasonable and necessary” test.

A cost is *reasonable* if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. Thus, reasonable costs:

- Provide a program benefit generally commensurate with the costs incurred;
- Are in proportion to other program costs for the function that the costs serve; and
- Are within the scope of E&T.

A cost is *necessary* if it is needed in the performance of the program. Thus, necessary costs:

- Are incurred to carry out essential functions of E&T;
- May not be avoided without adversely affecting program operations;
- Are a priority expenditure relative to other demands on availability of administrative resources; and
- Do not duplicate existing efforts.

### ***4. What are the documentation, reporting and recordkeeping requirements required for contracts?***

For there to be a State agency obligation to pay, there must be legal documents that tie any expenditure to a payment process, i.e. contract, invoices, checks, etc. Generally Accepted

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<sup>4</sup> OMB regulations at 2 CFR part 225 (OMB Circular A-87), 2 CFR 220 (OMB Circular A-21), 2 CFR 215 (OMB Circular A-110) and 2 CFR 230 (OMB circular A-122), Departmental rules at 7 CFR 3016 and SNAP rules at 7 CFR 277.

Accounting Standards apply to the entire contract performance and payment system. The contract must stipulate the terms and conditions for the entire process, including performance reporting, invoicing, and payment by the State. There must be a written trail which may be reviewed by FNS and audited by USDA.

In PART 3016--UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS, 7 CFR 3016.36 (i) provides direction on what grantees and sub-grantees should include as contract provisions and 7 CFR 3016.36(i)(11), provides that records must be maintained for three years after grantees or sub-grantees make final payments and all pending matters are closed. These are Federal requirements.

***5. What are the differences in the meanings of costs, expenditures, and State agency obligations?***

- “Expenditure” is the correct term when talking about cash outlays.
- “Costs” is a more general term that may apply to certain amounts which are not due for payment.
- “State Obligation to Pay” is used for certain expenditures made by a grantee or implementing agent, for which there is a legal requirement for payment. Generally these are costs or expenditures which are defined by legal documents, such as contracts or memorandum of understanding.

PART 3016--UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS, 7 CFR 3016.3 provides definitions of financial terms for Federal grants.

***6. May the State agency use E&T funds to pay for solicitation of contract proposals? For example, if a State agency is issuing a "Request for Applications" to select three to five contractors to perform E&T statewide, is the State agency allowed to charge its advertising costs for the procurement of those services to E&T?***

Yes. SNAP regulations allow advertising as an allowable charge if it is being done for the procurement of goods and services. This assertion is supported in [7 CFR 277 Appendix A](#), Paragraph A (2)(b) and by the OMB Cost Circular.

***7. If a client obtains a job after participating in an E&T component, may the State agency award the sub-grantee a bonus?***

The State agency may award a bonus to the sub-grantee for job placement when job placement is defined as occurring no later than 30 days after the participant begins work. E&T funds may not be used as bonuses for job retention or for job placements defined as occurring more than 30 after a client begins work.

## ***C. Allowable Components and Related Costs***

### ***1. May the E&T grant be used to fund an educational component?***

Section 6(d)(4)(B)(v) of the Act and [7 CFR 273.7\(e\)\(1\)\(vi\)](#) identify as an allowable component “educational programs or activities to improve basic skills and literacy, or otherwise improve employability, including educational programs determined by the State agency to expand the job search abilities or employability of those subject to the program...” .

E&T may not be charged more than the general public (or what the client would pay if not participating in E&T) for education. Section 6 (d)(4)(H) of the Act states: “Federal funds made available to a State agency for purposes of the component authorized under subparagraph (B)(v) [educational programs or activities] shall not be used to supplant non-Federal funds used for existing services and activities that promote the purposes of this component.”

SNAP regulations at [7 CFR 273.7\(d\)\(ii\)\(G\)](#) provide that Federal funds made available to a State agency to operate an educational component under paragraph [7 CFR 273.7\(e\)\(1\)\(vi\)](#) must not be used to supplant non-Federal funds for existing educational services and activities of this component.

Consequently, E&T may not be charged for the difference between the actual costs of instruction and the tuition and fees that are charged to the general public. If a subsidy is available to all students but is made a separate charge for SNAP recipients, E&T participants are being treated differently than other students and in so doing State funds are being supplanted.

### ***2. a. What if an educational activity is normally available at no cost to participants because it is funded by a State or local government, but space and funds are limited and more classes would be required to serve E&T participants? Can a State agency use E&T funds to pay for additional classes?***

No. If the educational activity is a State or local entitlement, E&T funds cannot be used to pay for expansion of classes or additional classes. For example, if a State or local government guarantees that all adults, age 21 and under, are entitled to a GED at no cost and the State funds this activity, E&T funds cannot be used to pay for these services nor can the funds the State provides be used as a match. In another example, a State commits to pay for 30 percent of the operational expenses at its universities and community colleges. In this example, E&T funds cannot be used to pay for or reimburse any portion of that commitment and the State commitment cannot be used as a match to draw down Federal E&T reimbursement.

### ***2. b. What if a community-based organization offers educational activities at no cost to participants? Can a State agency use E&T funds to pay for E&T participants?***

Yes, a State agency may use E&T funds to pay for educational activities at community-based organizations. For example, a community-based organization offers adult basic education and relies on charitable donations or grants to fund these activities. The State agency may use E&T

funds to pay for E&T participants in the services this organization offers, however, the community-based organization would need to figure out the per student cost of its educational activity and allocate costs to the E&T program accordingly.

If the community-based organization charges other grants for these services, the E&T program must be charged consistently with how the other grants are charged. Costs charged to the E&T program must be reasonable and necessary. Funds used for a match must not be from a Federal source and cannot be used to meet the matching requirements of another program. Once again, if the community-based organization provides services that are funded through a State or local entitlement, E&T cannot be charged for these services.

### ***3. May E&T funds be used to pay for services related to self-improvement?***

Services related to general self-improvement that are part of an approved E&T component, such as costs associated with running a job club support group or providing a workshop designed to increase job hunters' motivation and self-confidence, may be allowable provided there is a direct link between the activities and job-readiness.

### ***4. May E&T funds be used for medical screening to determine physical or mental fitness for work if a State's TANF program requires such screening?***

E&T participation commences with the start of participation in an E&T component. Consequently, activity prior to an applicant's participation in an E&T component, such as this medical screening, may not be charged to E&T.

However, this charge may be an appropriate administrative charge to the certification process. Section 6(d)(1)(D)(iii)(II) of the Act prohibits a State agency from using a meaning, procedure, or determination for SNAP that is less restrictive than what is used for TANF. Although there is no Federal definition or requirements for establishing physical or mental incapacity for TANF, State agencies do have flexibility to make their own eligibility and payment rules. State agencies are prohibited from using Federal TANF funds to pay for medical services.

The expense associated with a doctor's examination or medical assessment required to substantiate that an individual is unable to participate in work or training activities, or to establish eligibility under the deprivation factor of incapacity, is an allowable cost for determining eligibility. Therefore, use of SNAP administrative funds (not E&T funds) for determining eligibility may be used to reimburse State agencies for half of their expenses for such verification, as this cost is considered reasonable and necessary to the program. Again, although this may be an allowable certification cost, E&T funds cannot be used for this purpose.

## ***D. Participant Reimbursements***

### ***1. What are allowable participant reimbursements?***

State agencies must provide payments to E&T participants for expenses that are reasonable and necessary and that directly relate to participation in E&T. State agencies receive a 50 percent reimbursement for these costs. Costs may include, but are not limited to: dependent care, transportation, and other work, training or education related expenses such as uniforms, personal safety items or other necessary equipment, books and training manuals. The expense specified as ineligible for reimbursement is meals away from home. Refer to SNAP regulations at [7 CFR 273.7\(d\)\(3\)](#).

### ***2. May the 100 percent E&T grant allocation be used to pay for participant reimbursements?***

No. The 100 percent E&T grant allocation may not be used to pay for participant reimbursements per [7 CFR 273.7\(d\)\(3\)](#). However, a participant reimbursement is an allowable cost under the 50/50 regular funding.

### ***3. Are there guidelines to assess whether a participant expense is an approvable participant reimbursement?***

A participant reimbursement must directly relate to an approved E&T Program component and be necessary and reasonable to be allowable.

Participant expenses:

- May not be for the purpose of overcoming barriers to participation that make clients exempt from Federal work registration altogether or from State E&T Program participation requirements (these costs are unnecessary due to the client's exemption);
- May not be available through another government program or available at no cost to the participant through a private source, e.g., charitable donations (these costs are unnecessary due to their availability from another source); and
- Cannot be for supporting a client's regular employment unless that employment qualifies for reimbursement under section 4108 of the Act.
- The State Plan must contain information about the service and its cost and the FNS Regional Office must review and approve the State Plan.

Refer to SNAP regulations at [7 CFR 273.7\(d\)\(3\)](#).

### ***4. What types of expenditures are potentially approvable for participant reimbursements?***

Examples of approvable purchases have included:

- Clothing suitable for job interviews;
- Uniforms needed to participate in an E&T component;



- Licensing and bonding fees for a work experience or workfare placement in an E&T component;
- Vision correction (such as eyeglasses, bifocals, eye exam);
- Dental work (such as teeth cleaning);
- Minor automobile repairs; and
- Legal services.

All reimbursements must meet the standards in question D-3 above.

***5. May FNS reimburse participant costs for an E&T exempt individual to overcome a barrier to participation?***

Historically, we have not paid these costs since they are beyond the mission of E&T; that is, these costs are unnecessary due to the individual's exemption from E&T. Examples of expenses denied for exempt clients to overcome an E&T participation barrier include:

- Medical services;
- Mental health treatment;
- Drug and alcohol counseling;
- Automobile purchase;
- Automobile insurance; and
- Automobile ownership and operator taxes (tag, title, license).

***6. Are participant costs related to starting or retaining employment reimbursable costs?***

Section 6 (d)(4)(B)(vii) of the Act permits State agencies to provide job retention services to an individual who secured employment after receiving other employment/training services under the E&T program offered by the State agency. For more information refer to [Section 1](#) of this Appendix D.

***7. May the State agency use TANF reimbursement guidelines for E&T?***

The significant differences that exist between E&T and TANF Work Programs preclude FNS from allowing States to cover the entire array of expenditures considered suitable under TANF guidelines. A person participating in a TANF Work Program is exempt from participation in SNAP E&T. In addition, State agencies are prohibited from expending any Federal E&T funds on Title IV cash assistance recipients.

***8. May the State agency overspend its approved amount for one category of participant expenses, such as transportation/other, as long as it does not spend more than what was approved for total participant expenses?***

This is not a problem provided the expenses do not exceed the dependent care limits established in [7 CFR 273.7\(d\)\(4\)\(i\)](#) and do not exceed the approved totals for participant

expenditures in the approved State E&T plan. FNS must approve a revised budget before a State can overspend the initially approved total.

### ***E. 50 percent Reimbursements***

#### ***1. What is the difference between a State match and a reimbursement?***

SNAP E&T is a reimbursement program and not a matching program. In a reimbursement program, in order to be eligible for payment, funds for allowable activities must be expended, after which FNS reimburses the State for 50 percent of expenditures. As long as the State agency records total outlays, FNS will reimburse the State agency 50 percent of the total outlays. In a matching program, the amount of funds made available to the State agency is simply matched on a dollar per dollar basis. This is an important distinction because under SNAP regulations, cash from nongovernmental sources cannot be used for administrative costs without a waiver.

#### ***2. May a State agency receive reimbursement for expenses paid for by the E&T grant?***

No. The 100 percent Federal E&T grant may be used to fund 100 percent of the administrative costs of planning, implementing and operating a State SNAP E&T program in accordance with the State E&T plan. FNS cannot reimburse State agencies for E&T grant expenditures since that would be reimbursing Federal funds with Federal funds, which is unallowable.

#### ***3. Must a State agency expend its 100 percent E&T grant allocation before it may receive the additional 50 percent reimbursements of administrative costs?***

No. A State agency does not have to spend its 100 percent E&T grant before using its own funds and applying for Federal reimbursement. However, from a financial management perspective it makes more sense for a State agency to deplete its 100 percent E&T grant prior to expending State funds.

#### ***4. When determining the value of allowable goods and services for reimbursement, may a profit be included?***

If the entity is allowed to make a profit (a for-profit entity or not-for-profit entity in certain circumstances), a reasonable profit may be included in the cost of goods and services charged to E&T. Government entities are forbidden from charging a profit. Companies are required to declare their profit/non-profit status with the IRS. Although a profit may be included, the cost of goods and services must pass the reasonable costs test by being consistent with market prices for comparable goods and services.

Issues regarding profits normally do not come up in the E&T program since most grantees and sub-grantees are government entities and forbidden from making a profit. When grant funds pay for services in the private sector, profits are being paid. As long as the entity is allowed to make a profit a profit may be included in the costs of the services provided.

If dealing with for-profit or not-for-profit entities, the profit normally will be built into the cost of the service being purchased and the profit percentage may not be included as a number. When an entity says it will perform some service for \$75 per case, a judgment as to whether that charge is necessary and reasonable must be made. If there is a profit in that \$75, the profit is not really being accepted or rejected. The guard against overcharge is the determination that the expenditure is necessary and reasonable. This is determined by looking at costs of salaries, supplies and other charges.

Contracts that specify that cost plus a percentage of costs will be used to calculate the charge are not allowed so grantees and sub-grantees may not recognize a profit using this methodology.

***5. Can a State agency draw down Federal 50 percent reimbursement by using an unallowable cost as a match?***

No. The State agency is reimbursed 50 percent of all **allowable** administrative costs to an E&T program. Unallowable costs cannot be charged to the Federal government or put up as the State's share toward 50 percent reimbursement.

***F. Third-Party Reimbursements***

***1. What State or private spending can be used as the State share for a 50/50 reimbursement?***

General State funds, local tax levies, donations from private firms or non-profit organizations are appropriate sources for the State share of E&T funding. Sub-grantees of a State agency, or third-party funders and providers of approved E&T services, can fund E&T activities and the State agency can reimbursement them with 50 percent Federal funds. For nongovernmental organizations, there must be a cash outlay for the SNAP E&T goods or services provided in order to receive a 50 percent reimbursement. In-kind contributions from non-government organizations are not allowable as charges to FNS programs.

The State share of E&T funding for a 50 percent reimbursement cannot be from a Federal source. Federal E&T funds cannot be used to reimburse expenses paid with other Federal funds unless specified by Federal legislation.

***2. May the State agency receive reimbursements for expenditures that the sub-grantee has agreed not to require the State agency to pay?***

For nongovernmental organizations, there must have been a cost (expenditure) for the goods or services that were provided for them to qualify for reimbursement for E&T. For example, if a non-profit sub-grantee spent actual cash for an allowable activity, 50 percent of the allowable outlay will be reimbursed, provided the following conditions are met: 1) The sub-grantee spent funds that did not include any Federal funds; and 2) The expenditure was for an allowable E&T

activity approved in the E&T plan. FNS reimburses 50 percent of allowable expenditures regardless of whether the State agency actually pays the full cost for the activity. Therefore, if a State agency agrees to reimburse a sub-grantee for 50 percent of its expenditures for activities approved in the E&T plan, provided such expenditures are made with non-Federal funds, FNS has a legal obligation to reimburse 50 percent.

There is a vulnerability to improper payment if the full value of contracted services is not provided and this could be hard to prevent on the front end. Consequently, it is recommended that a review or audit be required to examine these types of funding agreements.

### ***3. What is the reimbursement amount in the following example?***

***Example:*** *The State agency contracted to pay a company one half of the cost of the services it provides. Services costing \$120,000 are provided; the negotiated amount that must be paid to the contractor by the State agency is \$60,000.*

FNS reimburses 50 percent of allowable costs. In this example, the Federal reimbursement will be \$60,000. It does not matter that this is the total amount that will be charged to the State agency for the services. As long as the government receives goods or services contracted to be provided consistent to their worth, the Federal government matches the expenditures at a full 50 percent, whether or not the State agency actually pays the sub-grantee any State funds for the services provided. This transaction does not short change the Federal government because the full value (\$120,000) of the services was provided. Our concern is not whether the State agency actually paid the sub-grantee full price for expenditures but rather whether there were allowable expenditures for which FNS has an obligation to pay.

In a similar example, if the sub-grantee had expenditures of only \$60,000, the reimbursement would be \$30,000. The reimbursement will always be 50 percent of allowable expenditures in the approved E&T plan, regardless of how much the State agency actually pays on the bill (0 percent, 20 percent, 50 percent or 80 percent).

### ***4. Why aren't the services that the State agency doesn't have to pay for (that is, the amount the contractor agrees to absorb) a cash donation or an in-kind?***

If there is an expenditure for allowable goods and services approved in the E&T plan, it is not in-kind. Also, since no cash is exchanged, a cash donation is not involved. The State agency may receive reimbursement from FNS for 50 percent of the expenditure.

### ***5. What types of problems have arisen when a State agency has been permitted to use private source funds to pay for E&T activities?***

In the past, FNS authorized a State agency to operate a "pass-through" program, under which an approved waiver of SNAP regulations allowed the State agency to use private source funds to pay for E&T activities at the county level without having to provide the required 50 percent

match of Federal funds. Safeguards were built into the waiver to ensure that the private funds would be transferred to the applicable local county agency and would remain under its control.

A subsequent OIG audit found substantial irregularities and potential fiscal fraud in the pass-through operation. It found that county officials did not obtain local matching funds to fulfill contracted E&T services, but they reported that the matches were made. It also found that there was no support for the costs claimed for reimbursement. The claims were approved because State agency and county officials failed to adequately monitor and review pass-through. As a result, the State agency had to repay \$2.2 million in over-claimed pass-through funds, and several individuals were prosecuted and served time.

## **G. Cash Donations**

### ***1. Is the State agency allowed to receive reimbursement for private cash donations?***

Under certain conditions, reimbursement may be provided for private cash donations spent on E&T. Private cash donations are cash donations from a private source that is not operating under formal agreement with the State agency to provide local FSP services. SNAP regulations at [7 CFR 277.4\(c\)\(2\)](#) provide that matching costs may consist of project costs financed with cash or in-kind contributions donated by other non-Federal public agencies and institutions. Paragraph (d) provides that except as prohibited by paragraph (e) (which prohibits matches for in-kinds from non-governmental entities for the SNAP), all such contributions are allowable when certain conditions are met. Therefore, if cash is donated to a State agency, for it to be allowable for reimbursement the State must obtain a waiver from the Regional Office. The waiver is basically a statement that four conditions will be met:

- The cash is under the control of the state (the entity making the donation has no influence on how the money is spent);
- The cash will not revert to the donor;
- There are no strings attached to the cash; and
- There will be no advertising use of the cash donation but acknowledgement of the donation can be made, such as this action was made possible thru a donation from Safeway Groceries, or something along those lines.

A waiver is needed for each cash donation. Only cash donations to the State agency from third parties that are not operating under formal agreement with the State agency to provide local SNAP services are considered relevant to this section of regulations.

### ***2. May State agencies obtain general blanket waivers for prior approval in the event they might receive a private donation, providing there are also blanket assurances of compliance to the four conditions cited above?***

No. Each private donation warrants separate scrutiny. FNS will not provide approvals of prospective blanket waivers because there is no information provided in such waivers, making

it not possible to provide the necessary assurances as they pertain to a specific donation. Such waivers should be sought when a specific cash donation is impending at which point FNS will process the waiver expeditiously.

***3. Is cash held by local sub-grantees considered private cash that may be Federally reimbursed only after a private cash donation waiver has been approved?***

No, a waiver is not necessary in this situation. Funding held by a State sub-grantee of the State agency is not considered to be private cash and need not be donated to the State agency in order to be expended for SNAP purposes or Federally reimbursed. Nothing in Federal policy requires that cash from sub-grantees be subjected to the waiver requirements for private cash donation nor donated to the State agency in order to be expended for SNAP purposes or Federally reimbursed. This funding is simply a financial resource of the sub-grantee. Consistent with the State plan, the sub-grantee may spend the cash it holds on approved E&T activities and submit its billings to the State agency, at which point the State agency may reimburse the sub-grantee for 50 percent of the sub-grantee's allowable expenses. (Note that States may have different operating policies.)

***4. Are there limitations on the types of private entities that may make cash donations for which the State agency may receive reimbursement?***

Cash donations may be accepted from any entity as long as the State agency obtains a waiver from the Regional Office and the cash donation meets waiver conditions (Refer to question G-1 above).

***5. Once the State agency receives the private cash donation (as long as the donation meets private cash donation conditions and a waiver has been approved), may the state utilize other organizations to perform the actual services (public or private)?***

Yes. The money may be thought of as state revenue to be spent on allowable program expenditures by the State agency and its subagents.

## ***H. In-Kind Expenses***

***1. What is the definition of an "in-kind"?***

In Federal grants, "in-kind" means a non-cash contribution, usually the value of volunteer time. But it may also be things like office space. Regulations at 7 CFR 3016.3 define third party in-kind contributions as property or services which benefit a Federally assisted project or program and which are contributed by non-Federal third parties without charge to the grantee or a cost-type contractor under the grant agreement. FNS does not consider cash to be an in-kind, although some State agencies may identify cash as an in-kind from a sub-grantee or use the term to mean the funds provided by a sub-grantee.

## ***2. What are common examples of in-kinds?***

Examples of in-kinds benefits may include:

- Space donated to a government entity, such as a church basement or a private university classroom, when the private entity does not expect reimbursement for use of this space. If the private entity normally charges rent, the standard rental value can be used as an in-kind value. If not, the value of the privately owned, donated space would be calculated at depreciation value or the [use allowance](#) rate.
- A volunteer's time for providing SNAP E&T services. An example would be instructors that volunteer to tutor E&T students outside of class and on-top of their normal workload without payment. There is no cost outlay. As with other expenses charged to a Federal grant, a volunteer's time cannot be billable to any other Federal grant.

## ***3. What types of entities are allowed to receive reimbursements for in-kinds?***

Under SNAP regulations, only governmental entities may receive reimbursements for in-kinds. A governmental entity is defined as any organization of State or local government that is supported by funds derived from general tax revenues (receipts) of a State or locality specifically allocated from appropriate budgetary authority such as a State legislature, county or local government. Examples of governmental entities that may receive reimbursements for in-kinds include:

- Public entities, which are an arm of government;
- Public libraries;
- State universities; and
- State community colleges.

Refer to SNAP regulations at [7 CFR 277.4\(e\)](#).

## ***4. What types of entities are not allowed receive Federal reimbursements for in-kinds?***

Entities that may not receive reimbursement for in-kinds include:

- Private entities, even if under contract with State government;
- Private university;
- Private nonprofits (such as YMCA); and
- Public/private organizations. \*

\*There can be entities that are technically classified as public but do not initially appear to be public entities. For example, in one case OGC ruled that the Almond Board was an instrument of government because it was allowed to collect taxes. If there are any doubts about the public nature of a third party contributor, the question should be referred to the Regional Office.

Refer to [7 CFR 277.4\(e\)](#).

## ***5. What basis is used to determine whether an entity may receive reimbursements for in-kinds?***

To make this determination, the entity's establishing authority and work activity need to be known. For the SNAP, only governmental entities may receive reimbursements for in-kinds, per [7 CFR 277.4\(e\)](#).

## ***6. What basis is used to determine whether a contribution is "in-kind" and if it is, whether it is allowable?***

The key to understanding policy regarding an in-kind is to know whether the goods or services that were made on behalf of the SNAP E&T incurred costs and were in the approved plan. If costs were incurred, then it is not an "in-kind". If in-kinds (services and goods that were free to the provider) were used, you will need to know whether the provider entity is a governmental entity, which is the only type of entity that may receive reimbursement for in-kinds for the SNAP.

Using space as an example:

- If space is paid for, then it would qualify as an expenditure that may be reimbursed;
- If space was free - no costs were incurred for it - it is an in-kind and may be reimbursed by the SNAP only if the provider is a governmental entity; and
- If space was free, no costs were incurred so it is an in-kind and may not be reimbursed if provided by non-governmental agencies. This limitation is unique to the SNAP.
- Using staff as an example:
- If paid staffs devote 10 percent of their time doing an allowable program activity, the costs for that 10 percent are considered expenditures that may be reimbursed;
- If unpaid staffs (volunteers) devote 10 percent of their time doing an allowable program activity and the provider is a governmental entity, the value of the services rendered may be reimbursed; and
- If unpaid staff (volunteers) devote 10 percent of their time doing an allowable program activity and the provider is not a governmental entity, the value of their services may not be reimbursed. Again, this limitation is unique to the SNAP.

## ***7. Are Federal reimbursements for private in-kinds allowed by the SNAP?***

No. The SNAP allows only state and local governments to charge for in-kinds (non-cash) as outlays to the SNAP, per [7 CFR 277.4\(e\)](#). Therefore, the status of the sub-grantee has to be determined to determine whether in-kinds are allowable. If the sub-grantee is a public/private entity, it may be an organization that is not eligible.



## ***8. May a State agency seek 50 percent reimbursement or use the E&T grant to pay for an allowable in-kind from a governmental entity?***

Yes. The State agency may seek reimbursement for 50 percent of the value of the allowable in-kind or expend the E&T grant. For example, if a governmental entity donated space worth \$100, the State agency could receive Federal reimbursement of \$50 (one-half the value of the donated service/item) or expend \$100 of the E&T grant. (See the following [April 11, 2006 memo](#) with FNS guidance on calculating the value of space in government owned buildings.) For services, the State agency may receive Federal reimbursement for one-half of the common market rates for the services rendered or expend the E&T grant. The value of the service actually rendered must be considered. For example, if a medical doctor were to volunteer to hand out pamphlets, the value of the service would not be calculated using doctor's wages. In addition, if more than one entity benefits from the donation of goods or services, they should be cost allocated. For example, if donated computer equipment is used by both SNAP E&T and TANF, both programs must bear a portion of the cost.

## ***9. Why don't we reimburse for the value of private in-kinds?***

This answer will walk you through how we arrived at this policy.

[7 CFR 277.4\(c\)](#) provides that "State agency costs for Federal matching funds may consist of ...  
(1) "Charges reported on a cash or accrual basis by the State agency as project costs,"  
(2) "Project costs financed with cash contributed or donated to the State agency by other non-Federal public agencies and institutions" and  
(3) "Project costs represented by services and real or personal property donated by other non-Federal public agencies and institutions."

[7 CFR 277.4\(e\)](#) provides that "The value of services rendered by volunteers or the value of goods contributed by third parties, exclusive of the State and Federal agencies, are unallowable for reimbursement purposes under the SNAP"

We read (c) to mean public agencies and (public) institutions. "Public" means government and non-Federal limits it to the State or local government agency. Thus, paragraph (c) says the State agency may accept and use cash and in-kinds from state or local government agencies and paragraph (e) says the State agency may not claim for the value of in-kinds from private third parties such as private nonprofits, for-profit businesses, and private individuals.

Section 16(a) of the Act says we are authorized to reimburse States by paying them 50 percent "of all administrative costs". "Costs" means outlays or expenditures.

We have allowed waivers of [277.4\(c\)](#) so State agencies may accept and use private cash donations. We do this because when the State spends the cash donation for something it becomes a true administrative cost. In the 1990s OGC advised us that we may not pay for

private in-kinds under the Act because there is no State expenditure related to the private in-kind, and so there is nothing to reimburse.

Our current policy has been in place for 30 years. On December 17, 1974, FNS issued an interim final rule in which it took exception to the OMB Circular A-102 regarding the payment to State agencies for the value of in-kind goods and services from third parties. The rule did not allow private third party in-kinds to be considered a cost of the State agency. State agency cost was defined as a cash outlay. The regulation allowed costs financed with private cash contributions as long as the State had control of the funds. In-kinds from other agencies of the State were allowable. The current in-kind language comes from the final rule on payment of administrative costs which was published December 30, 1980. That rule simply restated the 1974 policy on in-kinds.

***April 11, 2006 Memorandum: Calculations for Space in Government Owned Buildings for use in Food and Nutrition Service Programs***

Food Stamp Directors  
Financial Management Directors  
All Regions

This memorandum provides a standard cost calculation that may be used in lieu of using actual depreciation cost data to charge the cost of government owned space by FNS grantees. This method is in response to requests from Food Stamp Program grantees for a more simplified, less labor-intensive approach to determining these costs.

Office of Management and Budget (OMB) Circulars require grantees to use depreciation or use allowances for computation of charges for space in government owned buildings. The current OMB Circulars allow construction of a use allowance for space that is fully depreciated; thus we have computed standard costs per square foot, with the help of financial staff of the Cooperative Extension Service.

Use of this standard cost is optional. A grantee may use actual data if available and preferred. In addition, the grantee may use the standard deduction for space charges while using actual expenses for maintenance and operations and they may also use part of the standard cost such as the space or maintenance or utilities costs separately. The State must note in its State Plan how it derived its cost calculations.

Enclosed are detailed computations to show how FNS derived a standard hourly cost per square foot for both the space and for maintenance and operations of that space. A large number of assumptions were necessarily made, such as the number of days that the building was open, and the number of hours per day that the space was available for use. These factors were considered so that all users paid for a portion of the unused time. The total yearly cost was prorated per day and then per hour.

These calculations resulted in an hourly charge for space of .002041 per square foot. Using this standard allowance, an average classroom of 1000 square feet would result in an hourly charge of \$2.04. A similar calculation was done for maintenance and utility costs. This amount was determined to be .003265 per hour per square foot. For the same 1,000 square feet of space, there would be a \$3.27 charge. A total of \$5.31 (\$2.04 + \$3.27) per hour could be charged for 1,000 square feet of space in use for one hour.

Please share this information with Food Stamp State agencies and other FNS State agencies as appropriate. An electronic copy of this document will be sent to you.

/s/  
Lael Lubing  
Director

## Formulas and Examples

### Standard Space Cost

$$[(\$200/\text{sq ft replacement} / 40 \text{ yr depreciation}) = \$5] + [\$8 \text{ O\&M/sq ft}] = \$13/\text{sq ft/yr}$$

### Ongoing Use Space Calculation Formula (example – county buildings):

#### Actual use formula based on hours:

Actual square footage x days/year x hours/day x constant = \$ amount allowed for space/year

#### Example\*

$$1,000 \text{ sq ft} \times 50 \text{ days/yr} \times 8 \text{ hours/day} \times 0.005306 = \$2,122.40 \text{ per year}$$

\*See next page for calculation of hourly rate constant

#### Actual use formula based on FTEs:

Actual square footage x (total FSNE FTEs/total FTEs) x \$13 standard space allowance = \$ amount allowed for space/year

#### Example

$$1,000 \text{ sq ft} \times (1.35 \text{ FSNE FTEs} / 4.5 \text{ total FTEs}) \times \$13 = \$3,900 \text{ per year}$$

### Incidental Use Space Calculation option (example schools)

#### Actual use formula based on space standard (1,000 sq ft classroom)

Number of standard space units x hours/year x hourly rate standard = \$ amount allowed for space

#### Example

$$3 \text{ classrooms} \times 12 \text{ hours/year/classroom} \times \$5.30/\text{hour} = \$190.80 \text{ per year}$$

### Calculation of constant using an hourly rate

A. Space cost factor =  $(\$5 \times 0.004081633 \times 0.1) = 0.002041 \text{ cost/sq ft/hr}$

cost of building space used =  $\$200/\text{sq ft} \times \text{actual sq ft used} / 40 \text{ years useful life}$

$\$200/\text{sq ft} \times 1 \text{ sq ft} / 40 \text{ years} = \$5/\text{year}$

prorated days used

$1 \text{ day} / 245 \text{ days open} = .004081633$

prorated hours/day used

$1 \text{ hour/day} / 10 \text{ hours open} = 0.1$

B. O&M cost factor =  $(\$8 \times 0.004081633 \times 0.1) = 0.03265 \text{ cost/sq ft/hr}$

average O&M cost/sq ft/yr =  $\$8/\text{sq ft/yr}$

$\$8/\text{sq ft} / \text{yr} \times 1 \text{ sq ft/yr} = \$8/\text{yr}$

prorated days used

$1 \text{ day} / 245 \text{ days open} = .004081633$

prorated hours/day used

$1 \text{ hour/day} / 10 \text{ hours open} = 0.1$

C. Space cost factor + O&M combined constant = Constant (A + B = C)

$0.002041 + 0.003265 = 0.005306$

# APPENDIX E: STATE-BY-STATE INFORMATION

E&T Components FY 2012

STATE	Independent Job Search	Job Search Training	Workfare	Work Experience	On-the-job Training	WIA programs	Basic Education/ESL/GE D	Vocational Training	Self-Employment	Job Retention	Unique Component
Alabama	X	X									
Alaska	X						X				
Arizona	X	X	X	X			X	X			
Arkansas	X	X		X	X		X	X		X	
California	X	X	X	X			X	X		X	
Colorado		X	X			X	X	X	X		
Connecticut		X		X			X	X			
Delaware	X		X				X	X		X	X
District of Columbia		X								X	
Florida	X	X		X		X	X	X		X	
Georgia	X	X					X	X			
Guam	X	X		X	X	X	X	X		X	
Hawaii	X	X		X			X	X	X	X	
Idaho	X		X				X	X			
Illinois											
Indiana											
Iowa	X	X					X	X			
Kansas	X			X			X	X		X	
Kentucky				X	X	X		X			
Louisiana	X	X				X					
Maine	X						X	X			X
Maryland	X	X		X			X	X			
Massachusetts	X	X					X	X		X	
Michigan	X	X	X				X	X		X	
Minnesota	X	X	X				X	X			
Mississippi	X						X	X			
Missouri		X				X					
Montana	X	X			X		X	X	X		
Nebraska	X	X									
Nevada		X								X	
New Hampshire	X										
New Jersey		X		X	X						
New Mexico	X	X	X	X			X	X		X	
New York	X			X	X		X	X		X	
North Carolina	X		X			X	X	X			
North Dakota		X									
Ohio		X					X	X			
Oklahoma	X					X					
Oregon	X	X				X	X	X			
Pennsylvania	X	X	X	X	X		X	X		X	

STATE	Independent Job Search	Job Search Training	Workfare	Work Experience	On-the-job Training	WIA programs	Basic Education/ESL/GE D	Vocational Training	Self-Employment	Job Retention	Unique Component
Rhode Island	X	X					X	X			
South Carolina											
South Dakota	X	X	X		X	X	X				
Tennessee	X		X			X	X	X			
Texas		X	X	X		X	X	X		X	
Utah	X										
Vermont	X	X		X					X	X	X
Virginia	X	X		X			X	X		X	X
Virgin Islands											
Washington		X					X	X		X	
West Virginia	X		X		X		X	X			X
Wisconsin		X		X			X	X	X	X	
Wyoming		X									

Source: State FY 2012 E&T Plans

# FURTHER RESOURCES

## Links to Memos, Qs & As & Other Toolkits

[Employment and Training Education Components – Allowable Costs and Federal Reimbursement](#) (March 18, 2010)

[SNAP - Funding Education Components in the Employment and Training Program](#) (May 27, 2009)

[Clarifications of the American Recovery and Reinvestment Act of 2009 - Employment and Training - Questions and Answers #7](#) (May 21, 2009)

[Employment and Training Questions FY 2009](#) (Apr. 8, 2009)

Farm Bill 2008 Q&As: [Employment & Training](#)

[Implementing a Mini-Simplified Food Stamp Program to Replace Food Stamp Work Requirements with TANF Work Requirements](#) (Aug. 25, 2006)

**Guidance on preparing State E&T Plans:** [Employment & Training Program Handbook](#)

**Improving access to SNAP:** [Program Access Toolkit 2010](#)

### Outreach Toolkits:

- [Community Partners](#)
- [State Partners](#)