

FDPIR Budgets: Best Practices

**NAFDPIR Conference
June 12, 2018**



United States Department of Agriculture
Food and Nutrition Service



Today we'll discuss

- FDPIR budget resource information
- Regional office involvement
- Annual budget process timeline
- FDPIR funding methodology
- General budget preparation
- Match requirement
- Waiver requests

FDPIR Budget Resource Information

- 7 CFR Parts 253, 254, and 277
- [2 CFR Part 200 – OMB Super Circular](#)
- [FNS Instruction 716-4, Revision 1](#)
- [FNS Handbook 501, Chapter 2 – Financial Management](#)
- [FNS Policy – FDPIR](#)



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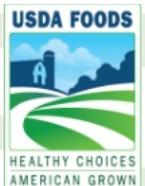


OMB Super Circular

- Combined eight OMB Circulars into one document
- Effective 12/26/2014
- Sections to highlight:
 - Basic Cost Principals – 2 CFR Part 200.400
 - Direct and Indirect Costs – 2 CFR Part 200.412
 - Selected items of cost – 2 CFR Part 200.420



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Annual Budget Process Timeline

- By 5/25 – National Office (NO) to RO – projected allocations based on President’s Budget
- By 6/1 – RO to ITO/State – budget materials and guidance
- By 7/1 – ITO/State submit budgets to RO
- By 9/15 – ITO/State and RO budget negotiations
- By 10/1 – Final budget approval
 - Congress approves budget and President signs; Office of Management and Budget apportions funds; final budget approvals]
- By 10/1 - Preliminary budget approval
 - Budget not signed – results in Continuing Resolution

FDPIR Funding Methodology

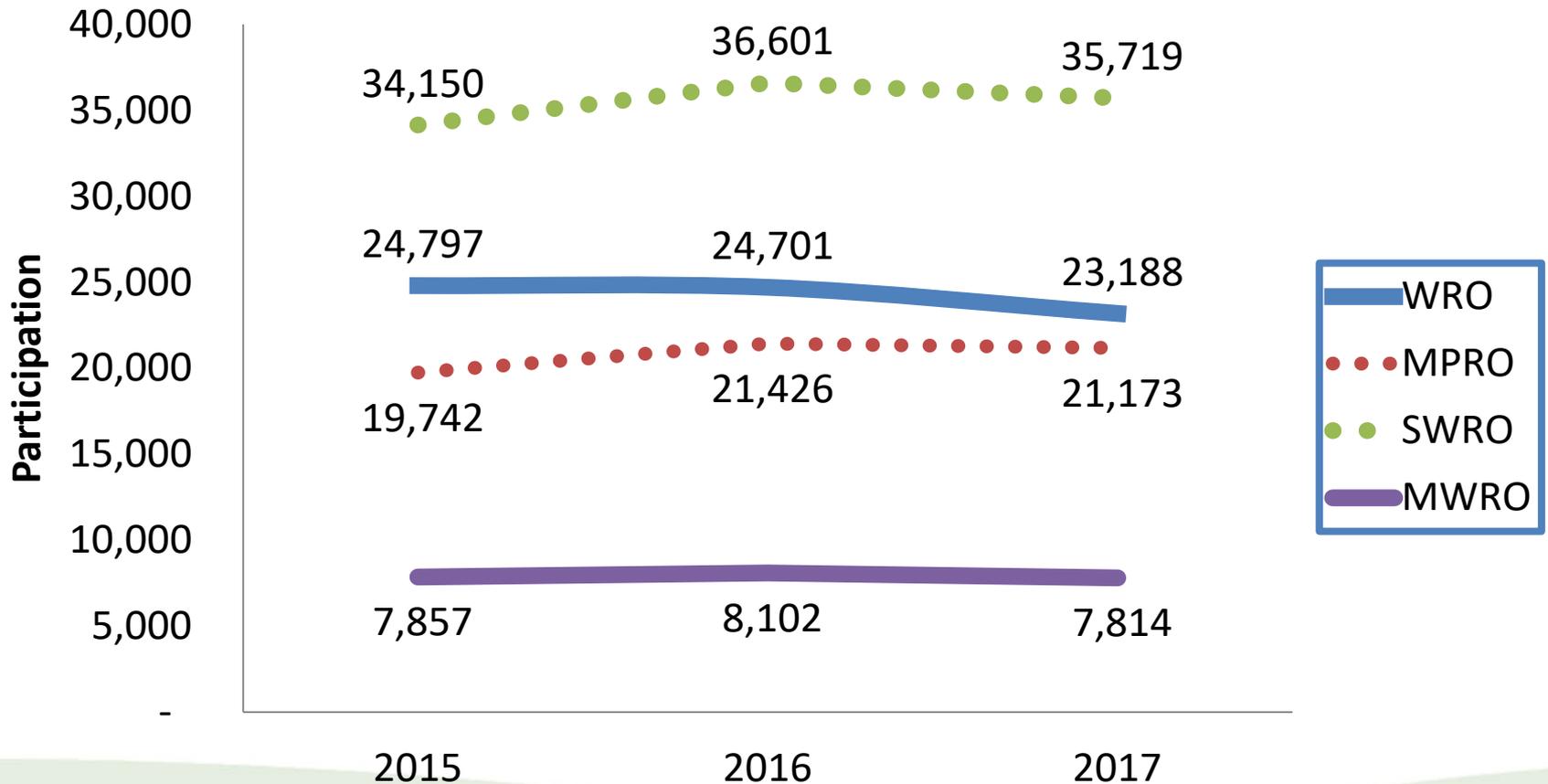
- Since FFY 2008, FNS NO uses the established funding formula:
 - 65% of available funding based on each region's share of national participation averaged over the most recent three year period
 - 35% of available funding based on each region's share of the national number of FDPIR programs



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Regional FDPIR Participation



Group Discussion Activity

In small groups, discuss the following:

- What are some improvements that you've made to your certification or warehouse areas in the last few years that have enhanced program operations?
- Where did you start?
- What goals do you have to improve your program operations? Separate them into short term and long term goals.

General Budget Preparation Guidance

- Budget for most efficient, modernized program possible keeping in mind the following cost principles:
 - *Is the cost item necessary?*
 - *Is it a reasonable cost?*
- Prepare proposed budget using form SF-424, SF-424a, and/or ITO/State template
- Calculate required ITO/State match
- Indirect Cost Rates are annual
 - *What is the effective period?*
 - *What does it cover?*

Salaries and Benefits

- Input actual titles and names
- Prorate staff time/salaries as applicable
- Fringe benefits – add percentage if available
- Volunteer labor value based on job performed

Space

- Paid leased space – can add annual lease amount under Federal or ITO/State
- Fair market value of donated space
- Tribally owned space – can only use depreciation
 - Maintain depreciation schedule
- Space used during tailgates

Utilities

- **Direct costs attributed to FDPIR (not covered by Indirect Cost Rate)**
- **Projection should be based on actual expenditures in the previous year(s)**
- **Internet service provider – should be sufficient to access WBSCM and FFAVORS**



Transportation/Delivery

- Expenses related to tailgate and home delivery operations
- Projected miles traveled multiplied by prevailing fuel costs
- POV mileage only when using personal vehicle – should be limited cases



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Travel/Per Diem

- **NAFDPIR and Regional Conferences**
 - Attendance based on agenda, training needs, etc.
- **Food Package Workgroup or other committee member's travel**
- **Hotel and per diem for overnight tailgates**

Supplies

- Equipment should be clearly specified, i.e., number of units, items to purchase
- Have the basics – fax, scanner, shredder, digital camera, etc.

Maintenance

- Building, equipment, and vehicle maintenance (routine expenses)
- Pest control – monthly service at minimum is expected
- Security, temperature monitoring, alert services

Other

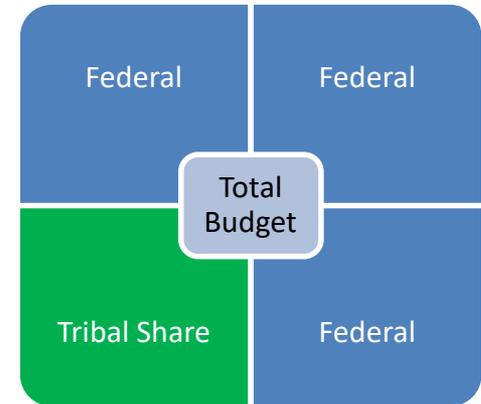
- **Dues**
 - **FDPIR Board Dues (National and Regional)**
- **Licensing/registration fees**
- **Audit Fees – okay, but should be prorated**
- **Insurance**
 - **Building**
 - **Vehicle(s)**
 - **Inventory protection (average monthly value of USDA Foods – FD-139)**

Indirect Cost Rate

- Should cover full year – use rate approved by the cognizant agency (entity that provides the most federal funds)
- Specify time period on budget
- “Less Excluded Items” – Add costs not subject to indirect cost rate, i.e., contracted services, travel costs, one time expenses, etc.
- Indirect Costs Rates vary (10 – 55%)

Matching Requirement

- All Federal expenditures are subject to match
- “Total budget” equals
 - Federal – 75%
 - ITO/State – 25%
- Match generally non-Federal Sources
- Some Federal grants allowed for match
 - FNS Handbook 501, Section 2102



Matching Contribution – In-Kind

- In-kind claimed must meet the same allowable cost requirements in 2 CFR Part 200
 - *Is the cost item necessary?*
 - *Is it a reasonable cost?*
- Examples of In-kind contributions:
 - Volunteer services
 - Fair market value of space and services provided by a third party
 - Nutrition education services and materials
- Question to the group: What else are you using for the match?



Unallowable Match

- Unnecessary for program operations
- Something your program wouldn't otherwise pay for
- Funds from other federal sources/grants not specified as allowable



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Simple Match Formula

- Total budget = Federal Share divided by 0.75
- 25% match = Total budget minus Federal Share
- Try it!
 - \$164,586 divided by 0.75 = \$219,448
 - \$219,448 - \$164,586 = \$54,862
- Test it!
 - \$164,586 + \$54,862 = \$219,448
 - \$219,448 X 25% = \$54,862



Waiver Requests

- Authority to waive match is delegated to the Regional Administrator
- Request and justification must be submitted for each budget cycle
- Required if any portion of the match cannot be met with cash or in-kind contributions
- Must include summary statement and supporting financial documents

Compelling Justification for Reduced Match

- **Summary statement explains:**
 - Why the 25% (or other percentage) cannot be matched
 - How the financial document shows or supports the reason

Note: Must be prepared or cleared by ITO/State fiscal management

- **Supporting Financial Documents must be:**
 - Audited financial statements
 - Most recent A-133 audits
 - Statement from the entity that prepares the indirect cost rate proposal on behalf of the ITO/State

Budget Tracking and Final Thoughts

- Program and Fiscal staff should work together!
- Review budget expenditures at least quarterly
- Reconcile actuals with projections and plan for surpluses accordingly
- Monitor vacancies
- Track supplies/equipment purchases/monthly billings
- Can move up to 10% of total budget without prior RO approval

Questions?

Thank you!



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