



Module 4: Finances & Procurement

TEXAS DEPARTMENT OF AGRICULTURE

Things to
consider:

What are the federal programs my food bank is operating?

What are my food bank's costs/expenses that I can charge to the CSFP?

Are these costs/expenses used to store, transport, and distribute CSFP?

What will be my direct charges to the CSFP?

What will I be charging indirectly to the CSFP?

Outline



I. Introduction



II. Administrative Funding/Claims For Reimbursement



III. Allowable and Unallowable Costs



IV. Direct and Indirect Cost

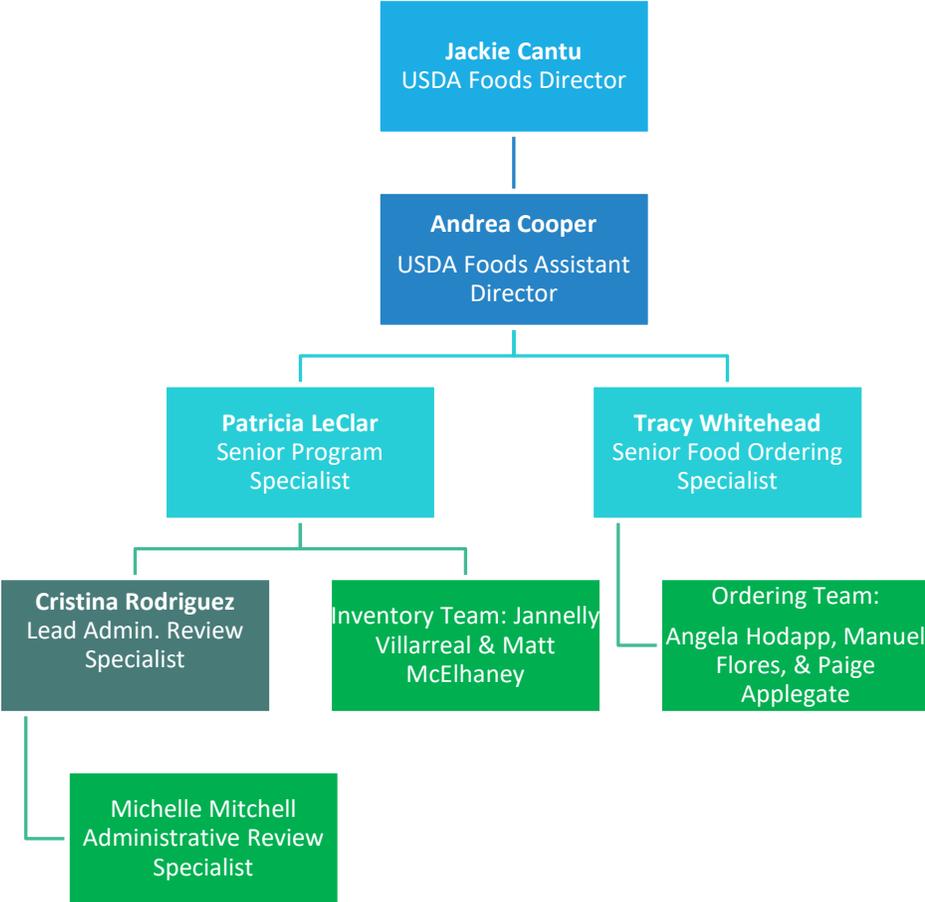


V. Procurement



Questions

Introduction: USDA Foods Team



Introduction: Program Management



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Administrative Funding



Congress appropriates funding for federal programs.



TDA receives Grant Award Documents (GADs) from USDA throughout the program year (PY) for CSFP due to the continuing resolution bill

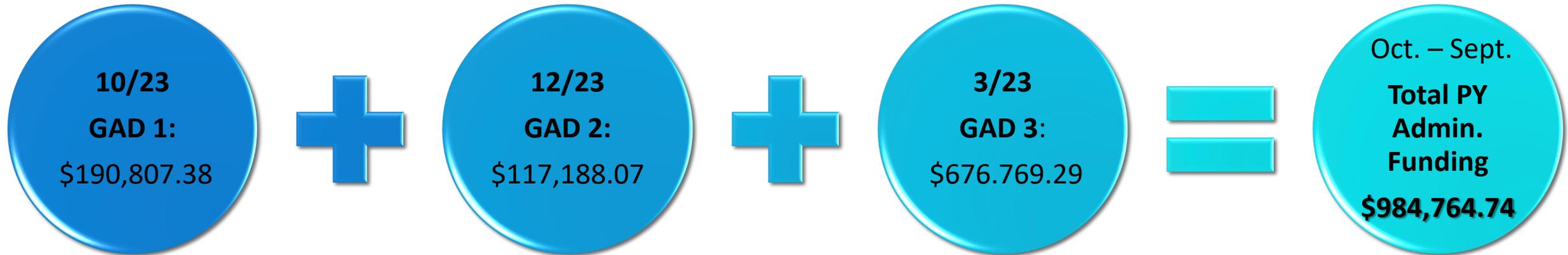


Each GAD gets allocated to each CE based off the CE's caseload.



Each CE will receive their allocated funding amount via email

Administrative Funding: GAD Sample



*Best Practice: Each CE should be tracking their allotted funding amount.

Administrative Funding: Claims for Reimbursement

01

TDA reimburses CEs for their actual, allowable costs of storing, transporting, and distributing USDA Foods, **as administrative funds are available.**

02

Monthly reimbursement claims must be entered into TX-UNPS in a timely manner.

03

TDA recommends monthly claims be submitted no later than 60 days after the claim month has ended.

04

All claims must be submitted no later than November 29 of the following PY.

Administrative Funding: Claims for Reimbursement

- Submit Claims via TXUNPS

- Ensure your finance staff has a TXUNPS username

- General Information: Obtain data from your program staff (only need to fill out #1 & #6)

-Reimbursable Costs: #7 through #13 will be filled out based on your monthly reimbursable worksheet

Commodity Supplemental Food Program (CSFP)

General Information

1. Number of Sub-Agencies:	51
2. Participating Infants (0 thru 3 mos.):	0
3. Participating Infants (4 thru 11 mos.):	0
4. Participating Children (1 thru 5 yrs.):	0
5. Participating Pregnant/Breastfeeding Women:	0
6. Participating Elderly:	2,947

Reimbursable Costs

7. Staff:	\$33,518.77
8. Facilities:	\$2,573.15
9. Equipment:	\$1,252.93
10. Transportation:	\$4,260.17
11. Outreach:	\$0.00
12. Nutrition Education:	\$0.00
13. Other (explain/itemize):	\$22,470.49

Supplies, conference and travel

14. Total CSFP Costs:	\$64,075.51
Approved Reimbursement Amount:	\$28,737.28

Administrative Funding

Round	Date	GAD Amount	Claim Month	Claim Payment	Balance
Round 1	10/6/2022	\$ 190,807.38			\$ 190,807.38
			Oct-22	\$ 87,288.67	\$ 103,518.71
			Nov-22	\$ 61,865.01	\$ 41,653.70
Round 2	1/5/2023	\$ 117,188.07			\$ 158,841.77
			Dec-22	\$ 39,295.75	\$ 119,546.02
			Jan-23	\$ 59,092.50	\$ 60,453.52
Round 3	2/22/2023	\$ 676,769.29			
			Administrative Funding Balance Total		\$ 737,222.81

The \$737,222.81 will be reallocated to another CE

Administrative Funding: Claims for Reimbursement Recap

Current PY Claims

- CE submits their current PY claims for reimbursement in TXUNPS from October – September

Reimbursement

- TDA reimburses each CE's monthly claims up to their total GAD monies.

End of November

- TDA will close out all claims, CEs may no longer amend their previous PY claims

If you don't use it, you will lose it

- CEs that did not use their total GAD/administrative funding allotment, will get it reallocated to CEs with a balance

Allowable & Unallowable Costs

Allowable Costs:

1

Reasonable &
Necessary

2

Allocable &
Consistent

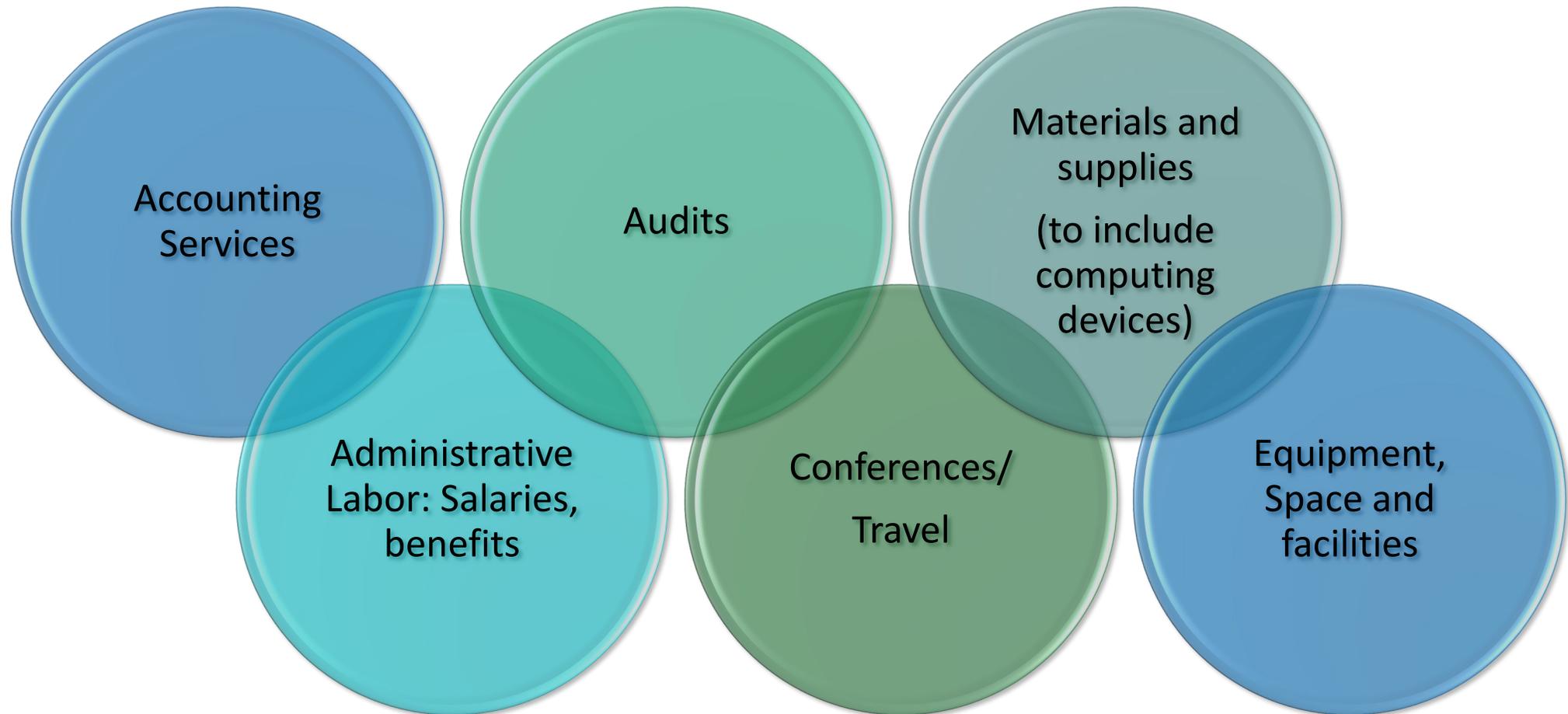
3

Adequately
documented

4

Not be included as a
cost or used to meet
cost sharing/matching
requirements of any
other Federal award
in current or prior PYs

Allowable Costs



Unallowable Costs



Fundraising

Debts/fines

Entertainment
(employee
appreciation
events, gift
cards, tote bags)

Everyday use
items (coffee,
cups, snacks,
water)

Reimbursement/
stipends for
personal cell
phones

Allowable & Unallowable Costs

Food Bank A is having an agency conference and CSFP topics are covered.



Lunch and snacks were purchased for staff and attendees.



Are these costs allowable or unallowable to the federal programs?

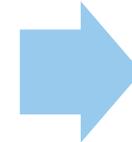
Allowable

Allowable & Unallowable Costs

Food Bank B purchases coffee & cups for staff to use in their break room.



These items are used and consumed by all food bank staff daily.



The CFO may charge the coffee and cups to CSFP.

Unallowable

Allowable & Unallowable Costs



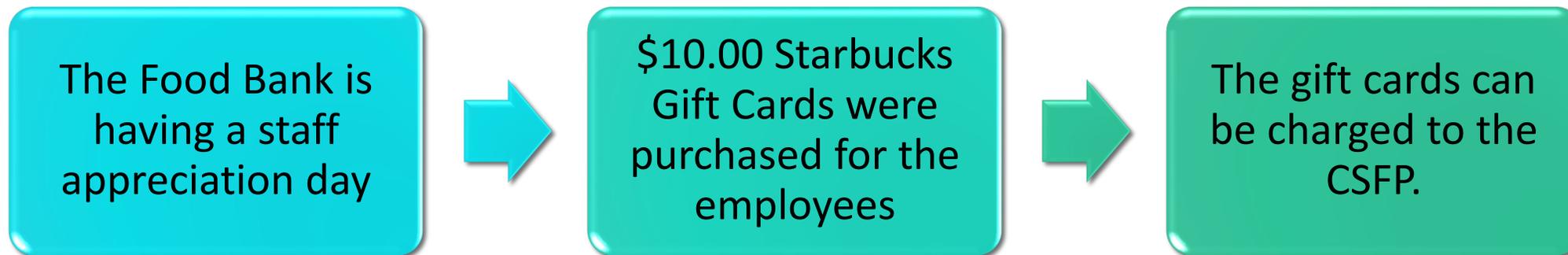
Unallowable

Allowable & Unallowable Costs



Unallowable

Allowable & Unallowable Costs



Unallowable

Direct & Indirect Costs



Direct Costs

Identified as allowable expenses that can be fully traced to meet a specific goal for the federal program.

Allowable expenses may be charged at a rate of 100% to the federal program

Example: Boxes used for CSFP purposes only.

Direct Costs

CSFP boxes

Tablets for CSFP
use only

Hot spots for
CSFP use only

Nutrition
Education for
CSFP use

Transportation
fuel for CSFP
only

Salaries for CSFP
staff only

Link2Feed/Oasis
if only using for
CSFP

Indirect Costs

Allowable Costs incurred for the purpose of multiple programs

This methodology entails applying a calculated **indirect cost rate (i.e., pound distributed method)**

Example: Boxes used for TEFAP & CSFP

Indirect Cost Examples



Utilities & Facilities (pest control, water, energy, equipment maintenance)



Warehouse Salaries (forklift drivers, warehouse managers, Drivers)



Finance & program staff

Indirect Costs: Methodologies

Must utilize an indirect cost/prorated rate

Pounds Distributed, square footage

Must be consistent within all cost categories. *Exception: Salaries

Salaries: CEs may use a time study to determine percentage of time staff is working on a specific program. Must be Updated at least annually.

Indirect Cost: Pounds Distributed



Use the Pounds Distributed Method to Determine Indirect Cost Rates

1) Pull a report to show total number of pounds distributed from CE- by food type

Pounds Distributed Report	
TEFAP Pounds	704,371
CSFP Pounds	86,822
Kids Café	-
Agency Retail Pickup	612,747
Non-Food	3,024
Donated/other pounds	2,005,050
Raw Total	3,412,014

4) Determine the Indirect Cost Rates associated with distributing TEFAP Foods, and with distribution Non-USA Foods to TEFAP Agencies and CSFP.

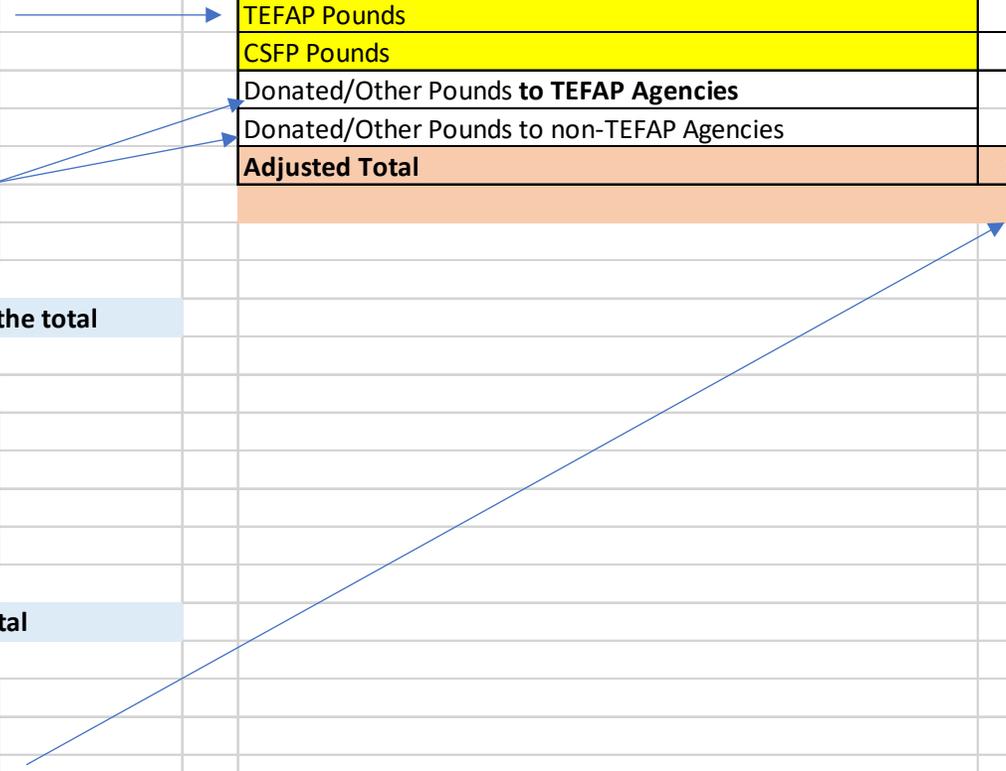
Food Type	Weight	Percent of Adjusted Total
TEFAP Pounds	704,371	25.19%
CSFP Pounds	86,822	3.10%
Donated/Other Pounds to TEFAP Agencies	1002525	35.85%
Donated/Other Pounds to non-TEFAP Agencies	1002525	35.85%
Adjusted Total	2,796,243	100.00%

2) Determine the number of pounds CEs are allowed to exclude from the total

Allowable Exclusions	
Kids Café	-
Agency Retail Pickup	612,747
Non-Food	3,024
Total Allowable Exclusions	615,771

3) Remove the allowable exclusions to calculate the adjusted total

Adjusted Total	
= Raw Total- Allowable Exclusions	
(1,456,740)-(28,221)=	2,796,243



Indirect Cost: Expense Detail Example

CEs enters direct + indirect costs on an Expense Detail/Journal Entries Report

TDA reviews during Administrative Reviews

Excel 900.01_2210 Expense Detail List - Saved Search (Alt + Q)

File Home Insert Draw Page Layout Formulas Data Review View Automate Help

Clipboard Font Alignment Number

900.01_2210 Expense Detail
October 2022

	Date	Transaction Type	Num	Name	Memo/Description	Amount
Expenses						
15200 New Equipment						
Total for 15200 New Equipment						\$ 12,919.13
40070 Capital Expenditures						
	10/01/2022	Bill	42220025	Malin	purchase of two ReNewed Raymond Reach Trucks - Model #750-R45TT Serial #s 750-18-AC88977 & 750-18-AC87009	88,186.00
	10/01/2022	Bill	42280293	Malin	purchase of two new Raymond Rider Pallet Jacks = Model #841-PRE0L Serial #841-22-88087 & 841-22-88091	34,981.56
	10/05/2022	Bill	1532	Prenew Tech	managed PoE network virtual switch - 5YR license	27,683.32
	10/08/2022	Bill	2180	Coastal Landscape Management & Design LLC	install of - limestone boulders - river rock - retaining wall - draining & curbing - yucca plants & roses - mocha brown concrete curbing	31,324.00
	10/25/2022	Bill	250384	VCS Security Systems Inc	final payment for installation of new security system at 801 S Laurent	10,785.14
Total for 40070 Capital Expenditures						\$ 192,940.02
40100 Dues and Subscriptions						
	10/01/2022	Bill	4311	Northside Rotary Victoria	monthly dues 10/01/22 - 10/31/22	60.00
	10/01/2022	Bill	9101	Victoria Boulevard Lions Club	september meals for RC	10.00
	10/01/2022	Bill	9103	Victoria Boulevard Lions Club	september meals for AC	10.00
	10/01/2022	Bill	INV921	Feeding Texas	Quarterly Membership Dues (Oct- Dec 2022)	1,125.00
	10/12/2022	Check	25050	Victoria Chamber of Commerce	October Luncheon for RC & LC - State of the City with Mayor Jeff Bauknight	50.00
	10/14/2022	Expense	18248730	American Business Women's Association	annual membership dues	230.00
	10/14/2022	Expense	114160	Victoria Professional Express Network	vpen dues per LC	64.00
	10/17/2022	Bill	INV133048	Feeding America	FY23 Q2 Member Fees	997.00
	10/17/2022	Expense	10001186821959	Intuit, Inc.	QuickBooks Online & Payroll Subscription 10/17/22 - 11/17/22	330.00
	10/23/2022	Bill	452	Victoria Rotary Club.	Q4/2022 Dues & Meals	258.75
	10/24/2022	Bill	9107	Victoria Boulevard Lions Club	Oct meals for RC	10.00
	10/24/2022	Bill	9108	Victoria Boulevard Lions Club	Oct meals for AC	10.00
	10/25/2022	Expense	CS1599062	SHRM	annual SHRM membership per LC	229.00

Indirect & Direct Cost: Reimbursable Worksheet Example

			Total	CSFP	TEFAP	Non-USDA
1.	Storage Facilities			3.10%	25.19%	71.71%
	a.	Depreciation	43,105.15	1,338.39	10,858.15	30,908.61
	b.	Utilities	23,107.99	717.49	5,820.88	16,569.62
	c.	Pest Control	0.00	0.00	0.00	0.00
	d.	Trash removal	2,051.91	63.71	516.87	1,471.33
	e.	Building Maintenance	7,276.53	225.93	1,832.95	5,217.65
	f.	Off-site storage	0.00	0.00	0.00	0.00
	g.	Liability Insurance	0.00	0.00	0.00	0.00
	Total Facilities:		75,541.58	2,345.52	19,028.85	54,167.21
2.	Equipment					
	a.	Telephones and pagers	301.25	9.35	75.88	216.02
	b.	Copier	0.00	0.00	0.00	0.00
	c.	Equipment Maintenance	33,288.14	1,033.58	8,385.25	23,869.31
	d.	WH Equipment Depreciation	17,086.65	530.53	4,304.11	12,252.01
	e.	Other: (CSFP Boxes/Supplies)	0.00	0.00	n/a	n/a
	Total Equipment:		50,676.04	1,573.46	12,765.24	36,337.34
3.	Salaries					
	a.	Agency Relations	20,288.30	13,729.51	6,558.79	n/a
	b.	Warehouse Operations	23,289.16	3,000.12	20,289.04	n/a
	c.	Drivers	17,910.21	5,746.92	12,163.29	n/a
	d.	Volunteer Coord.	7,532.05	3,373.33	4,158.72	n/a
	e.	Allowable Overtime	3,077.31	964.92	2,112.39	n/a
	f.	Other temps	0.00	0.00	0.00	0.00
	Total Salaries:		72,097.03	26,814.80	45,282.23	0.00
4.	Transportation					
	a.	Commercial Freight	0.00	0.00	0.00	0.00
	b.	Gas & Oil	41,748.11	1,296.26	10,516.31	29,935.54
	c.	Truck Maintenance	23,415.45	727.04	5,898.33	16,790.08
	d.	Vehicle Insurance	0.00	0.00	0.00	0.00
	e.	Vehicle Depreciation	26,719.44	829.63	6,730.60	19,159.21
	f.	Employee Mileage (Agency Relations)	15,120.53	469.49	3,808.85	10,842.19
	g.	Truck Lease	10,420.83	323.56	2,625.00	7,472.27
	h.	Other - Truck Rental	7,710.00	239.39	1,942.14	5,528.47
	Total Transportation:		125,134.36	3,885.37	31,521.23	89,727.76
	Outreach					
	a.	CSFP Specific Outreach	n/a	0.00	n/a	n/a
	Total Outreach:		0.00	0.00	0.00	0.00
	Nutrition Education					
	a.	CSFP Specific Nutrition Education Exp	0.00	0.00	n/a	0.00

Indirect Cost: Worksheet & Claims Example

Please submit CE's Claim for Reimbursement Calculator

Outlines cost categories & totals. Should match the CE's TXUNPS' Claims for Reimbursement.

CE's worksheet totals must match what is entered into TXUNPS.

CSFP PROGRAM CLAIM FOR REIMBURSEMENT WORKSHEET		
Nov-21		
TOTAL ALLOWABLE DISTRIBUTION	583,507	
CSFP DISTRIBUTION	70,972	
% CSFP	12%	0.12
TOTAL		CSFP 12%
FACILITIES*		
Heating	\$ 1,501.77	\$ 180.21
Electricity	\$ 3,499.14	\$ 419.90
Water & sanitation	\$ 1,257.19	\$ 150.86
Pest Control	\$ -	\$ -
TOTAL	\$ 6,258.10	\$ 750.97
EQUIPMENT**		
Equipment Repair (100%)	\$ -	\$ -
boxes (100%)	\$ 7,247.97	\$ 7,247.97
tracking software (Link2Feed) (100%)	\$ 280.00	\$ 280.00
texting service (Zip Whip) (100%)	\$ 105.53	\$ 105.53
other technology (Internet hotspots)	\$ 20.00	\$ 20.00
technology purchase	\$ -	\$ -
safety	\$ -	\$ -
security	\$ -	\$ -
warehouse maintenance	\$ -	\$ -
product/warehouse supplies (100%)	\$ 24.00	\$ 24.00
TOTAL	\$ 7,677.50	\$ 7,677.50
TRANSPORTATION**		
Freight (100%)	\$ -	\$ -
Vehicle Maintenance (100%)	\$ -	\$ -
Vehicle Fuel (100%)	\$ 408.01	\$ 408.01
Vehicle license (100%)	\$ -	\$ -
TOTAL	\$ 408.01	\$ 408.01
OUTREACH**		
NUTRITION EDUCATION**		
OTHER**		
Office supplies (100%)	\$ 13.49	\$ 13.49
TOTAL	\$ 13.49	\$ 13.49
GRAND TOTALS	\$ 47,908.72	\$ 19,248.03

2021 - 2022 TEFAP and CSFP Claim For Reimbursement					
Month/Year Claimed	Adjustment Number	Date Received	Date Accepted	Date Processed	Reason Code
Nov 2021	0	01/24/2022	01/24/2022	01/25/2022	Original
Commodity Supplemental Food Program (CSFP)					
Reimbursable Costs					
7. Staff:					\$10,398.06
8. Facilities:					\$750.97
9. Equipment:					\$7,677.50
10. Transportation:					\$408.01
11. Outreach:					\$0.00
12. Nutrition Education:					\$0.00
13. Other (explain/itemize):					\$13.49
Office supplies: \$13.49					
14. Total CSFP Costs:					\$19,248.03

Indirect Cost Salaries: Time Study

██████████ Food Bank - Week View Timesheet

Timesheet for: Monday, October 21, 2019 to Saturday, October 26, 2019

WEEK 4

Employee Name: ██████████
Job Title: Agency Relations

Timesheet Approver: ██████████
Standard Pay Rate: \$0.00

Date	Task #1	Hours	Task #2	Hours	Task #3	Hours	Task #4	Hours	Task #5	Hours	Task #6	Hours	TOTAL
10/21/2019	CSFP Distribution	0.50	CSFP Distribution	1.00									1.50
10/22/2019	TEFAP Logistics	3.00											3.00
10/23/2019													0.00
10/24/2019	CSFP Distribution	8.00											8.00
10/25/2019	CSFP Distribution	7.50	TEFAP Prep Work	0.50									8.00
10/26/2019													0.00
10/27/2019													0.00
												Total Hours	20.50

Employee signature: ██████████
Date: 10/26/2019

Manager signature: _____
Date: 10/26/2019

TEFAP: 3.5
CSFP: 17

Indirect Cost: Salaries- Time Study

Week	From	To	Task 1 Hours	Task #2 Hours	Task #3 Hours	Task #4 Hours	Task #5 hours	Task #6 Hours	TOTAL
Week 1	9/30/2019	10/5/2019	12.00	0.50	1.00	0.00	0.00	0.00	13.50
Week 2	10/7/2019	10/12/2019	5.50	4.00	0.00	0.00	0.00	0.00	9.50
Week 3	10/14/2019	10/19/2019	13.60	3.00	0.00	0.00	0.00	0.00	16.50
Week 4	10/21/2019	10/26/2019	19.00	1.50	0.00	0.00	0.00	0.00	20.50
Week 5	10/28/2019	11/2/2019	8.00	2.00	0.00	0.00	0.00	0.00	8.00
Monthly Total Hours									68.00

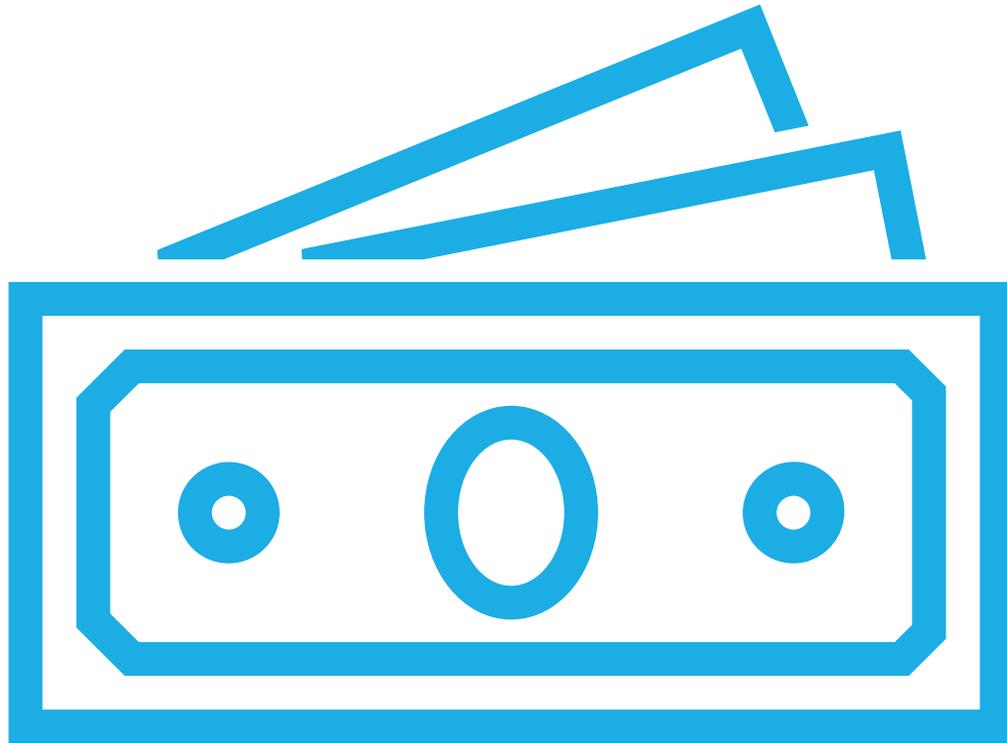
LINE DRAIN

TEFAP:	22.5
CSFP:	45.5

- Individually, combine all Program hours (i.e., CSFP hours)
- Divide each by 184 hours (total working hours in October)
- TEFAP: $22.5/184 = 12.22\%$
- CSFP: $45.5/184 = 24.72\%$

Procurement





Procurement Policy

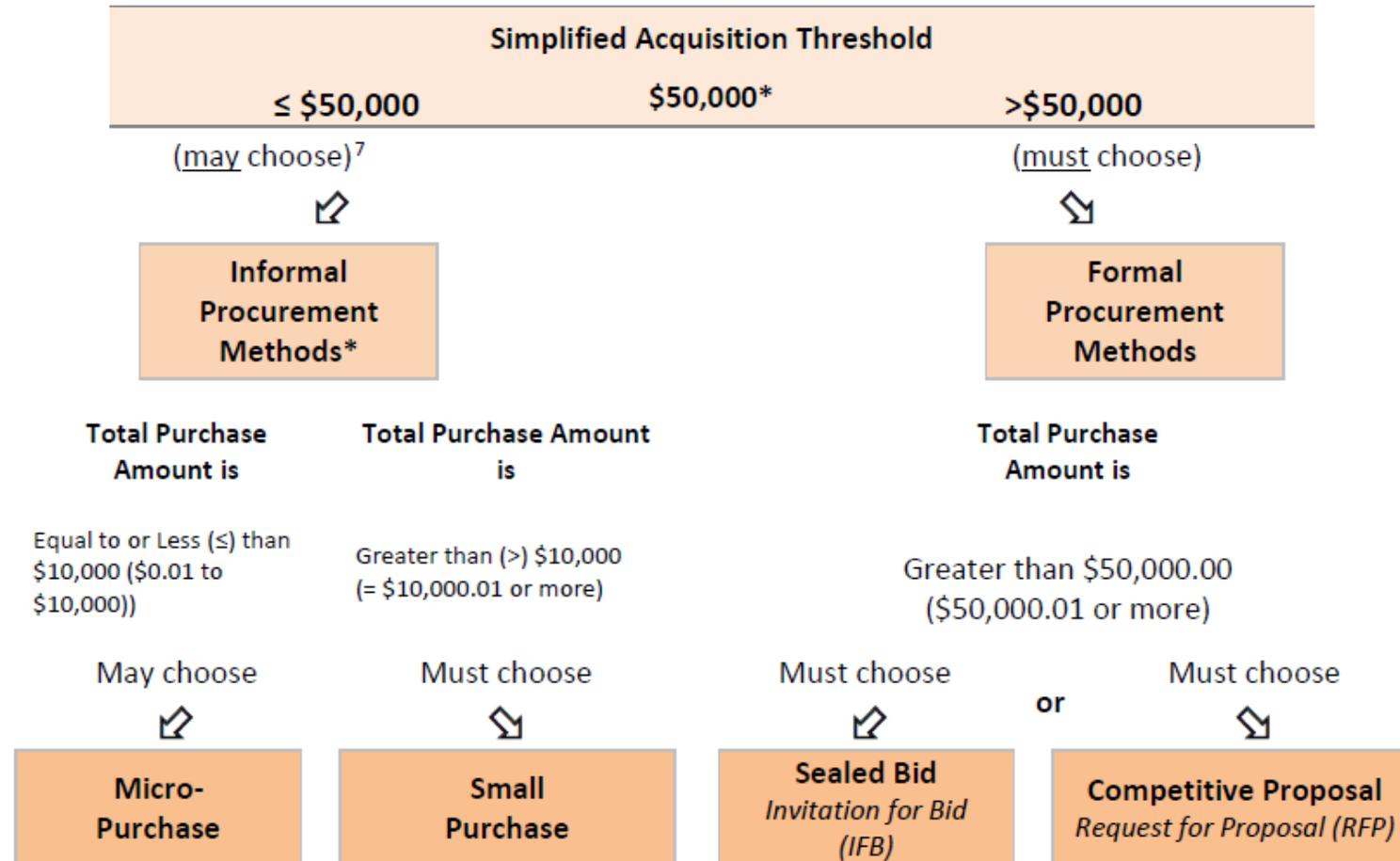
CEs must maintain a financial management system that provides accurate, current, and complete disclosure of the financial status of its CSFP operations.

CEs are required to develop a written procurement procedure that includes all procurement methods, criteria for evaluating bids/proposals/quotes

Must Include Bid Protest Procedure

CEs must establish a written code of standards of conduct

Overview of Procurement Methods



*While a CE is not required to follow formal procurement methods for purchases that do not exceed \$50,000, a CE may choose to use a formal procurement method.

Informal Methods: Micro Purchase

Micro-purchase is the acquisition or purchase of goods and/or services that have an aggregate cost that does not exceed \$10,000.

A formal cost analysis is not required when a CE uses the micro-purchase method.

- The CE must have a method to document that the cost of the good and/or service is reasonable. Acceptable documentation includes, but is not limited to:
- Newspaper advertisements from various suppliers/vendors
- Online advertisements from various suppliers/vendors
- Documentation of phone quotes from various suppliers to include the following:

Informal Methods: Small Purchase



An aggregate cost that is greater than \$10,000 and less than or equal to \$50,000.



Requires CEs to obtain at least three price quotations from an adequate number of qualified sources.

Formal
Methods:
Competitive
Sealed Bids
(Invitation for
Bids)

An aggregate amount that exceeds the small purchase threshold, or \$50,000, CEs are required to follow formal procurement procedures.

Bids are publicly solicited, using an Invitation for Bid (IFB), and are formally advertised to the general public.

Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time before the date set for opening the bids.

Formal Methods: Competitive Sealed Bids (Invitation for Bids)

The IFB will include:

- any specifications and pertinent attachments, and
- must define the items or services for the contractor/bidder to properly respond;

Bids will be opened publicly at the time and place prescribed in the invitation for bids;

A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. When specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs must be considered in determining which bid is lowest.

Any or all bids may be rejected if there is a sound, documented reason.

Formal Methods: Request for Proposal (RFP)/Competitive Proposal

An aggregate amount that exceeds the small purchase threshold, or \$50,000, CEs are required to follow formal procurement procedures.

Competitive proposals are used when the conditions are not appropriate for the use of competitive sealed bids, such as when several factors are of equal or greater importance than price.

CEs following this procurement method must ensure the following conditions are met: Be publicized, Identify all the evaluation factors and their relative importance, be solicited from an adequate number of qualified sources (e.g., more than one vendor must submit an offer)

Formal Methods: Request for Proposal (RFP)/Competitive Proposal

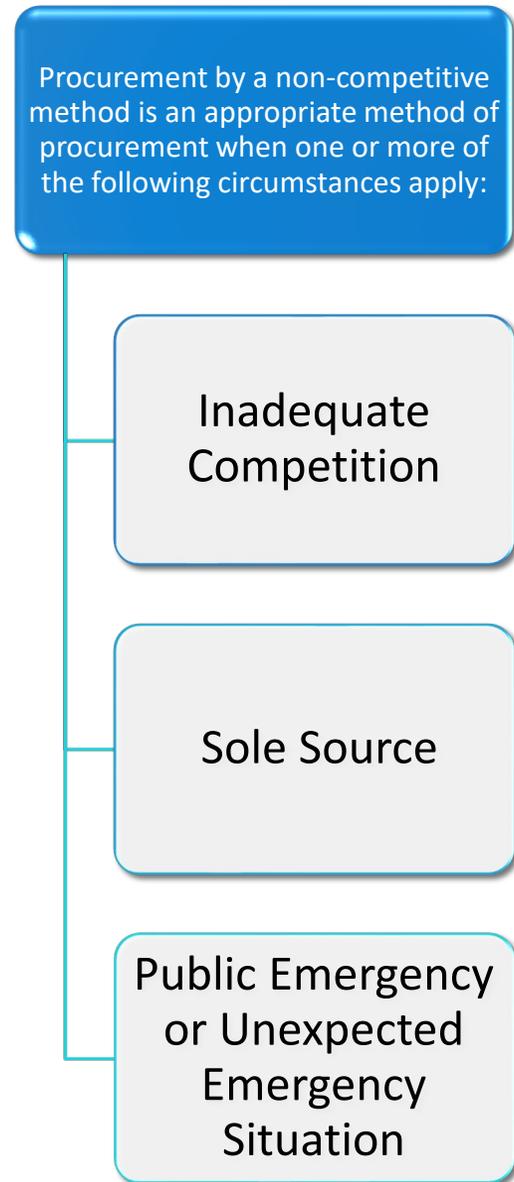
The CE must have a written method for conducting technical evaluations of the proposals received and for selecting vendors.

A firm fixed-price contract or a cost-reimbursable contract will be awarded to the proposal that is most advantageous to the program, with the price and other factors considered. RFPs are generally more qualitative in nature.

The price must be the primary consideration when awarding a contract; however, a contract may be awarded to a proposal that is not the lowest in price.

In addition to price, the following factors may be considered: technical expertise, experience, years in business, marketing capabilities, etc.

Noncompetitive Procurement Method: Inadequate Competition



Noncompetitive
Procurement
Method:
Inadequate
Competition

Inadequate Competition- After the CE has actively and appropriately attempted to solicit offers from multiple sources for a good/service, but the number of offers was less than expected.

Does not need TDA approval to award a bid

Ensure proper documentation is retained

Noncompetitive
Procurement
Method: Sole
Source

The good or service is only available from a single supplier/manufacturer/distributor.

Requires TDA approval

CE must verify the good/service can only be procured by a single source.

Noncompetitive
Procurement
Method: Public
Emergency/
Unexpected
Emergency
Situation

Will not permit a delay resulting from the additional time required for a competitive solicitation for the good and/or service.

Requires TDA approval

CE must verify the good/service can only be procured by a single source.

To request approval to use a non-competitive method during an emergency, the CE must submit the Emergency/Sole Source Procurement Request Form found on the [SquareMeals.org](https://www.squaremeals.org) website.

RECAP:



How much administrative funding do I have to operate the CSFP for this current PY? *Refer to GADs sent by TDA.



Am I claiming allowable expenses to the CSFP? Are these costs/expenses used to store, transport, and distribute CSFP?



What methodologies am I utilizing for my indirect cost rate and salaries?



Does my procurement policy incorporate the procurement methods, correct aggregate thresholds, bid protest procedures, evaluation criteria, methods for awarding the contract?



Questions?

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at [\(800\) 877-8339](tel:8008778339). Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [How to File a Complaint](#), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

mail:

U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

fax: (202) 690-7442; or email: program.intake@usda.gov.

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TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

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