

and board member organizations have the legal responsibility to work together to set allocations criteria and establish program guidelines. Such coalitions, as set forth in the law, are even more vital on the local level. In each community Local Boards make the most significant decisions on their own make-up and operation, the types of services most in need of supplemental help, what organizations should be funded and for what purpose and amount. These portions of the law have remained unchanged and are the core of this unique public-private partnership.

Section 1.1 Purpose

This publication is developed by the National Board to outline the roles, responsibilities, and implementation procedures which shall be followed by the Local Boards, LROs, SSA Committees, National Board, and FEMA in the distribution and use of these funds. National in scope, EFSP will provide food and shelter assistance to individuals in need through local private voluntary organizations and local governments in areas designated by the National Board as being in highest need.

The intent of EFSP is to meet emergency needs by supplementing and expanding food and shelter assistance individuals might currently be receiving, as well as to help those who are receiving no assistance. Individuals who received assistance under previous programs may again be recipients, providing they meet local eligibility requirements.

Section 2.0 Concept of Operations

(a) *Secretariat of National Board.* United Way of America will act as the National Board's Secretariat and fiscal agent and perform the necessary administrative duties that the Board must accomplish.

(b) *Funds distribution.* Funds distributed by the National Board will be to areas of greatest need (refer to section 2.3(a) and Supplementary Information, above, for jurisdiction distribution formula and funding requirements).

(c) *Distribution to LROs.* National Board funds will be distributed to LROs and Fiscal Agents certified eligible by Local Boards. (Refer to section 2.2(e) for selection of LROs and section 2.2(f) for the Fiscal Agent/Fiscal Conduit Agency Relationship).

(d) *Administrative allowance limitation.* There is an administrative allowance limitation of two percent (2%) for local jurisdictions, one-half of one percent (0.5%) for SSA Committees (when in operation), and one percent

(1%) for the National Board. Local administrative funds are intended for use by LROs and not for reimbursement of program or administrative costs which any recipient's parent organization (its State or regional offices) might incur as a result of this additional funding.

(e) *Notification of award eligibility.*

The National Board will notify qualifying jurisdictions of award eligibility within 60 days following allocation by FEMA. Unused or recaptured funds will be reallocated by the National Board, except in the case of SSA counties whose funds may be reallocated by the respective SSA Committees.

(f) *Funds end-date.* All funds shall be paid out by LROs and spending shall cease by their jurisdiction's selected end date. Local Boards have until one month following their end date to submit final reports and complete documentation of expenses (for specified LROs only) to the National Board.

Those LROs not required to submit documentation to the National Board must satisfy the Local Board that all funds have been expended in accordance with National Board guidelines. Note: Local Boards and LROs are reminded that although documentation may not be required to be submitted with their final report, they are subject to random audits which may require the submission of documentation at a later date.

Section 2.1 Financial Terms and Conditions

(a) *Definitions.*

"Local Recipient Organization" refers to the local private or public organizations that will receive any award of funds from the National Board.

"Award" refers to the award of funds made by the National Board to a local private or public organization on the recommendation of a Local Board.

"End-of-program date" refers to the date, as agreed upon by Local and National Board, by which all monies in a given jurisdiction must be spent or returned.

(b) *Amendments.*

An award may be amended at any time by a written modification. Amendments that reflect the rights and obligations of either party shall be executed by both the National Board and the LRO. Administrative amendments such as changes in accounting data may be issued unilaterally by the National Board.

(c) *Local Board Authority Related to LROs.*

(1) The Local Board is responsible for monitoring expenditures of LROs

providing food, services, or both, authorizing the adjustment of funds between food and shelter programs, and reallocating funds from one LRO to another.

(2) Local Boards *may not* alter or change National Board cost eligibility or approve expenditures outside the National Board's criteria without National Board permission. (Refer to Section 5.0 on Variances and Waivers.)

(3) A Local Board can call back funds from an LRO and reallocate to another LRO in the case of gross negligence, inadequate use of funds, failure to use funds for purposes intended, or for any other violation of the National Board guidelines, or in cases of critical need in the community. The Local Board must advise, in writing, all LROs of any reduction or reallocation of their original award.

(4) If the Local Board discovers ineligible expenditures by an LRO, the Local Board must send to the organization a written request for reimbursement of the amount. The National Board must also be notified. If the LRO is unwilling or unable to reimburse the National Board for the ineligible expenditures, the Local Board must refer the matter to the National Board. The National Board may ask the Local Board to take further action to see that reimbursement of ineligible expenditures is made to the National Board, or the National Board may refer the matter to FEMA.

If the Local Board suspects that fraud has been committed by an LRO, the Local Board must contact the Office of the Inspector General, FEMA, in writing or by telephone at 1-800-323-8603 with details of suspected fraud or misuse of Federal funds.

(5) If an LRO received an award under previous phases, it must not include those funds in any reporting for the present awards. Reports should be confined to the amount granted by the National Board under the new appropriations legislation.

(d) *Cash Depositories.*

(1) Any money advanced to the LRO under the terms of this award must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) or Federal Savings & Loan Insurance Corporation (FSLIC) insurance coverage (whose responsibility has been taken over by FDIC), and the balance exceeding the FDIC or FSLIC coverage must be collaterally secured. Interest income earned on these monies must be put back into program costs.

(2) LROs are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members). This is consistent with the