shelter needs on an ongoing basis. Local Boards may not alter or change National Board cost eligibility or approve expenditures outside the National Board's criteria without National Board permission.

(17) The Local Board should reallocate funds whenever it determines that the original allocation plan does not reflect the actual need for services or if an LRO is unable to use its full award effectively. Funds must be recovered and may be reallocated if an LRO makes ineligible expenditures or uses funds for items that have clearly not been approved by the Local Board. Funds held in escrow for LROs which have unresolved compliance problems can be reallocated or may be reclaimed by the National Board.

The Local Board may approve reallocation of funds between LROs that are already participating in the program. However, the National Board must be notified in writing. The Local Board may also return funds to the National Board for reissuance to another LRO or request reallocation of remaining funds before they are released by the National Board (e.g., second/third payments).

If the Local Board wishes to reallocate funds to an agency that was not approved on the original board plan, a written request for approval must be made to the National Board. An LRO must be approved by the National Board prior to receipt of funds.

If a Local Board is unable to satisfy the National Board that it can utilize funds in accordance with this plan, the National Board may reallocate the funds to other jurisdictions.

(18) Should anyone have reason to suspect that EFSP funds are being used for purposes contrary to the law and guidelines governing the program, the National Board recommends taking action to assist in bringing such practices to a halt.

The National Board requires that the Office of the Inspector General, FEMA, be contacted immediately when fraud, theft, or other criminal activity is suspected in connection with the use of EFSP funds, or the operation of a facility receiving EFSP funds. This notification can be made by calling the Inspector General's Hotline at 1-800-323-8603, or in writing to: Office of the Inspector General, FEMA, 500 C Street SW., Washington, DC 20472. The complainant should include as much information as possible to support the allegation and preferably furnish his/her name and telephone number so that the special agents assigned to that office may make a follow-up contact. The confidentiality of any communication

made with the Office of Inspector General is protected by Federal law.

A complainant desiring to remain totally anonymous should make a follow-up phone call to the Office of the Inspector General within 30 days from the date of the original complaint so that any follow-up questions may be asked. Follow-up calls should be made to 1-202-646-3894 during normal business hours, Eastern Standard Time (charges may be reversed). The caller should advise that he/she is making a followup call regarding a prior anonymous complaint. The Office of the Inspector General, FEMA, will appropriately notify both local law enforcement authorities and the National Board concerning the substance of the allegations and the results of the investigation.

(19) Reports to the National Board on LROs' expenditures shall be submitted as of the date each LROs second/third check is requested and a final report should be submitted one month after the jurisdiction's end-of-program date.

(20) After the close of the program, the accuracy of all LROs' reports and documentation shall be reviewed. Documentation for specified LROs should be forwarded to the National Board as requested. In the event of expenditures violating the eligible costs under this award, the Local Board must require reimbursement to the National Board.

Local Boards are required to remain in operation until all program and compliance requirements of the National Board have been satisfied. All records related to the program must be retained for three (3) years from the endof-program date.

(21) Each jurisdiction will be granted the option to extend its spending period by 30, 60, or 90 days. This option will be offered during the summer of each phase. The extension applies to the entire jurisdiction. Should the jurisdiction receive a grant in the next phase, that phase's spending period will begin the day after the chosen end-date.

e) Local Řecipient Organization.

 In selecting LROs to receive funds, the Local Board must consider the demonstrated ability of an organization to provide food and shelter assistance. LROs should be selected to receive funds to supplement and extend eligible ongoing services, not to be funded in anticipation of a needed service (i.e., fire, flood, or tornado victims); neither should agencies be selected for funding due to budget shortfalls nor for cuts in other funding sources. Local participation in the program is not limited to organizations that are part of any State or national organization.

Agencies on Indian reservations are eligible to receive EFSP funds if they meet LRO requirements as set forth in the program manual. Organizations that received awards from previous legislation may again be eligible provided that the organization still meets eligibility requirements.

(2) For a local organization to be eligible for funding it must:

(i) be nonprofit or an agency of government:

(ii) have an accounting system or an approved fiscal agent;

(iii) have a Federal employer identification number (FEIN), or be in the process of securing FEIN (Note: contact local IRS office for more information on securing FEIN and the necessary form [SS-4];

(iv) conduct an independent annual audit if receiving \$25,000 or more from **EFSP** 

(v) practice nondiscrimination. Those agencies with a religious affiliation wishing to participate in the program must agree not to refuse services to an applicant based on religion or require attendance at religious services as a condition of assistance, nor will such groups engage in any religious proselytizing in any program receiving EFSP funds; and,

(vi) for private voluntary organizations, have a voluntary board.

Each LRO will be responsible for certifying in writing to the Local Board that it has read and agrees to abide by the cost eligibility and reporting standards of this publication and any other requirements made by the Local

An LRO may not operate as a vendor for itself or other LROs except for the shared maintenance fee for food banks.

(3) LROs selected for funding must:

(i) Maintain records according to the guidelines set forth in the manual. Consult the Local Board chair/staff on matters requiring interpretation or clarification prior to incurring an expense or entering into a contract. It is important to have a thorough understanding of these guidelines to avoid ineligible expenditures and consequent repayment of funds. LROs' questions can be answered by National Board staff at (703) 706-9660.

(ii) Provide services within the intent of the program. Funds are to be used to supplement and extend or initiate food and shelter services, not as a substitute for other program funds. LROs should take the most cost-effective approach in buying or leasing eligible items/services, and should limit purchases to essential items within the \$300.00 limit for equipment, unless prior approval has been granted by the National Board.