- (iii) Deposit funds for this program in a federally insured bank account. Proper documentation must be maintained for all expenditures under this program according to the guidelines. Agencies should ensure that selected banks will return canceled checks. LROs' expenditures and documentation will be subject to review for program compliance by the Local Board, National Board or Federal authorities. Records must be maintained for three years and any interest income must be put back into program expenditures.
- (iv) LRO Documentation of EFSP expenditures requires copies of canceled checks (both sides) and itemized vendor invoices. An acceptable invoice has the following characteristics:
 - (A) It must be vendor originated;
 - (B) It must have name of vendor;(C) It must have name of purchaser;
 - (D) It must have date of purchase;
 - (E) It must be itemized; and,
- (F) It must have total cost of purchase. All LROs will be required to periodically submit documentation to the National Board to ensure continued program compliance. Any LRO receiving over \$100,000 in Federal funds must comply with OMB Circular A–133.
- (v) In addition to the aforementioned documentation, reports to the Local Board must be submitted by their due date. Interim report/second and third check request forms will be enclosed in the LROs' first check package. When the LRO is ready to request its second/third check it must complete and sign the interim report and forward it to the Local Board for its review and approval. The reverse side (second/third check request) should be completed by the Local Board chair and mailed to the National Board. LROs must complete all portions of the final report form, return two copies to the Local Board, including one copy of documentation if requested, and retain a copy for their records.
- (vi) The LRO must work with the Local Board to quickly clear up any problems related to compliance exception(s) at the end of the program.
- (vii) The LRO shall contact the Local Board regarding technical assistance, interpretation of guidelines, and resources from other Federal programs, such as U.S. Department of Agriculture (USDA) surplus food.

- (f) Fiscal Agent/Fiscal Conduit Relationship.
- (1) For National Board purposes, a fiscal agent is an agency that maintains all EFSP financial records for another agency. A fiscal conduit is an EFSP-funded agency that maintains all EFSP financial records on behalf of one or more agencies under a single grant. If any one agency in a jurisdiction is making bulk purchases for other agencies not funded directly, it must serve as a fiscal conduit and follow all rules, thereof.
- (2) The fiscal agent/fiscal conduit is the organization responsible for the receipt of funds, disbursement of funds to vendors, and documentation of funds received. The fiscal agent/fiscal conduit must meet all of the requirements of an LRO.
- (3) Local Boards may wish to use a fiscal agent/fiscal conduit when they desire to fund an agency not having an adequate accounting system or not conducting an annual audit.
- (4) Any agency benefitting from funds received by a fiscal agent/fiscal conduit must meet all of the criteria to be an LRO except the accounting system and annual audit requirements and sign the Fiscal Agent/Fiscal Conduit Relationship Certification Form. For tracking purposes, all agencies funded through fiscal agents or fiscal conduits must secure a Federal Employer's Identification Number.
- (5) Fiscal agents/fiscal conduits may cut checks to vendors only. They may not cut checks to the agencies on whose behalf they are acting or to agencies/ sites under their "umbrella." The exception to this is when an agency is using the per diem allowance.
- (6) Fiscal agents will be required to submit individual interim and final reports for each agency. Fiscal conduits will file a single interim report on their awards along with a breakdown of agencies and spending with the final report.
- (7) Fiscal agents may not fund an LRO with an outstanding compliance exception. If a fiscal agent has an unresolved compliance exception, any other funds awarded to the fiscal agent will be held in escrow until all compliance exceptions are resolved.

Section 2.3 General Guidelines

(a) Designation of Target Areas.

Local jurisdictions will be selected to receive funds from the National Board based on average unemployment statistics from the U.S. Department of Labor for the most current 12-month period (August 1, 1993–July 31, 1994) available. Also used are poverty statistics from the 1990 Census. The Board adopted this combined approach in order to target funds for high-need areas more effectively. Funds designated for a particular jurisdiction must be used to provide services within that jurisdiction.

The National Board based its determination of high-need jurisdictions on four factors:

- 1. Most current twelve-month national unemployment rates;
- 2. Total number of unemployed within a civil jurisdiction;
- 3. Total number of individuals below the poverty level within a civil jurisdiction; and,
- 4. The total population of the civil jurisdiction.

In addition to unemployment, poverty was used to qualify a jurisdiction for receipt of an award.

Jurisdictions were selected under Phase XIII (PL 103–327) according to the following criteria:

- Jurisdictions, including balance of counties, with 18,000+ unemployed and a 5.5% rate of unemployment.
- Jurisdictions, including balance of counties, with 400 to 17,999 unemployed and a 7.8% rate of unemployment.
- Jurisdictions, including balance of counties, with 400 or more unemployed and an 11.7% rate of poverty.

Jurisdictions with a minimum of 400 unemployed may qualify for an award based upon their rate of unemployment or their rate of poverty. Once a jurisdiction's eligibility is established, the National Board will determine its fund distribution based on a ratio calculated as follows: the average number of unemployed within an eligible area divided by the average number of unemployed covered by the national program equals the area's portion of the award (less National Board administrative costs, and less that portion of program funds required to fulfill designated awards).

Area's avg. no. unemployed

Avg. no. unemployed in all eligible areas

Area's percent of the award (less National Board's administrative costs and designated awards)