

Local Recipient Organization (LRO) Responsibilities



The Emergency Food and Shelter National Board Program (EFSP) is a restricted federal grant. All federal grants have terms and conditions that apply to all parties participating in the grant. For the EFSP, all parties means the National Board which is considered the *Recipient*, State Set-Aside Committees (SSAs), Local Boards, and Local Recipient Organizations (LROs) that are considered the *Sub-Recipients*. See Grant Agreement Articles, Financial Terms and Conditions and Other Terms and Conditions, pages 45-62 for additional requirements.



The National Board assigns each jurisdiction a unique ID number for the program as well as numbers for each LRO, whether new or previously funded. When contacting the National Board for assistance regarding this program, please reference your 9-digit LRO ID number, which is your Local Board's ID number plus your LRO number (example: 1234-56-789).

Criteria for LROs

For a local agency to be eligible for funding it must:

- Be nonprofit or an agency of government;
- Not be debarred or suspended from receiving Federal funding;
- Have a checking account and sign up for EFT (cash payments are not allowed);
- Have an accounting system or fiscal agent approved by the Local Board;
- Have a Federal Employer Identification Number (FEIN);
- Have a Data Universal Number System (DUNS) number issued by Dun & Bradstreet (D&B) and provide along with other required associated information;
- Have a valid email address for program communication and electronic signature processes;
- Conduct an independent annual audit if receiving \$100,000 or more in EFSP funds; conduct an annual accountant's review if receiving \$50,000 to \$99,999 in EFSP funds. See [Annex 12, page 103](#).
- Conduct annual audit, if expending \$750,000 or more in Federal funds, in compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 of the Office of Management and Budget (Uniform Guidance);
- Be providing services and using its other resources in the area in which they are seeking funding;
- Practice nondiscrimination (those agencies with a religious affiliation wishing to participate in the program must not 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;
- Have a voluntary board if private, not-for-profit; and,
- To the extent practicable, involve homeless individuals and families, through employment, volunteer programs, etc., in providing emergency food and shelter services.

Keeping contact information up to date is critical for EFSP communication and DocuSign procedures.

Contact your local IRS office for more information on securing a FEIN and the necessary form [SS-4] or go to the website: www.irs.gov.

*DUNS numbers alone are not sufficient for EFSP purposes and neither Local Boards nor LROs can enter this information on the EFSP website. DUNS numbers and associated information are **required** for all LROs receiving funds in the EFSP. The DUNS information form and instructions are posted under the Local Board and LRO section of the EFSP website. This form (third page under the DUNS tab) must be completed accurately and emailed to documentstoefsp@uww.unitedway.org or faxed to 703-706-9677. Simply providing the DUNS number alone does not fulfill the EFSP's requirements; the form must be completed in its entirety.*



Each award Phase, each LRO must certify to the Local Board by signing the LRO Certification Form for the specific Phase and forwarding it to the Local Board that they have read, understand and agree to abide by the EFSP Responsibilities and Requirements Manual including the LRO Responsibilities section, Financial Terms and Conditions, Program Costs (eligible and ineligible), and Required Documentation. See Annex 3, page 93.

If after reading, electronically signing and submitting the LRO Certification Form, the agency determines that it cannot or can no longer abide by the National Board or Federal requirements, they must notify their Local Board immediately. If funds have already been received, they must be returned in their entirety and no expenses may be incurred or charged against the grant.

The Local Board will receive a copy of the electronically signed LRO Certification Form for each funded LRO in the jurisdiction's Board Plan submitted to the National Board.

The LRO Certification Form will be sent through DocuSign to the contact email of record for the funded LRO once the Local Board Plan has been submitted. The completed LRO Certification form will be emailed to the LRO and is available on the EFSP website under LRO Plan.

Keeping contact information up to date is critical for EFSP communication and DocuSign procedures.

LRO Documentation and Disaster Recovery Plan

LROs should have a disaster recovery plan that ensures continuity of eligible services and records retention under the EFSP. Each LRO is required to retain EFSP records for a period of three years from the submission of the Final Report. Records that should be retained include LRO application and approval of application from Local Board, signed LRO Certification form, documentation of any reallocations approved by the Local Board, completed Interim Report/Second Payment Request form, program exceptions granted by the National Board, and all expenditure documentation for expenses charged to the EFSP. **LROs also need to retain documentation regarding all compliance problems including those outside the retention period until the problem is resolved.** Specific information on documentation is provided in the Program Costs (eligible and ineligible) section of this manual. The U.S. Department of Homeland Security's website contains business continuity information which may be helpful to LROs. www.ready.gov/business.

Reference [Item 5, page 53](#) and [Annex 13, page 105-106](#).

LRO/Vendor Relationships



An LRO may not operate as a vendor for itself or other LROs. Purchases may not be made from or payments made to other LROs except for the shared maintenance fee of food banks.

LRO Requirements

Local agencies selected for funding must adhere to the following 14 requirements:

Knowledge of Requirements

1. LROs must maintain records according to guidelines set forth in this manual. Consult your 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.** See [pages 65-74](#) for

*A webinar detailing the process for submitting LRO Certifications is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

eligible and ineligible program costs. Questions that LROs have should be directed first to Local Board chairs or staff. National Board staff must be contacted by the Local Board chairs or staff to answer those questions that cannot be answered locally.

Use of Funds

2. LROs must provide services within the intent of the program. Funds are to be used on an ongoing basis to supplement and extend food and shelter services, not as a substitute for other program funds or to start new programs. Funds are not to be held or reserved for future use but spent on an as needed basis to supplement and extend existing services. Agencies must have a program in the category for which they are seeking funding. All funds awarded to an LRO must provide for services within the jurisdiction's spending period. See pages 65-74 for eligible and ineligible program costs.

*A webinar providing background on eligible and ineligible expenditures is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

Bank Accounts/Interest Income

3. LROs must maintain a checking account in the **LRO's name** in a federally insured bank into which EFSP funds are deposited. (Bank accounts must not be set up with FEMA, EFSP or in the name of the LRO's program.) The National Board does not require funds to be placed in a separate bank account. LROs are required to notify the National Board in writing of any changes in their bank account for EFT purposes. This includes changes such as the closure of bank accounts, opening new bank accounts, and mergers of financial institutions. ***LROs funded in multiple jurisdictions must provide bank account changes for each jurisdiction individually even if funds are deposited into the same account.*** The EFT authorization form must be used for initial sign-ups **and any changes.** Local Boards and LROs may also contact the National Board staff for the preprinted authorization form. Copies, faxes, or emails cannot be accepted for EFT processing. For EFT processing, an original LRO voided blank check and form are accepted by mail only by the deadline established by the National Board (mail to: United Way Worldwide/Emergency Food and Shelter Program 701 North Fairfax Street, Alexandria, VA 22314.) **EFT ENROLLMENTS CANNOT BE ACCEPTED IN ANY OTHER FORMAT.** Failure to notify the National Board of bank account changes will delay the receipt of funds.

*To add/update EFT information, the LRO must log into the EFSP website. On the left-hand menu, there is an option for EFT, where you will find the appropriate form and instructions. This form is specific to each LRO and cannot be generated by the Local Board. There is a webinar with detailed instructions on how to set up an EFT on the EFSP website under **Trainings Workshops** on the left-hand menu after you login.*

LROs must maintain proper documentation for all expenditures under this program according to the guidelines. Any interest income must be used for eligible program expenditures, not administrative expenses. If EFSP funds are placed in an interest-earning account with other LRO funds, interest must be prorated/calculated for the EFSP grant.

LROs that have unspent funds of \$5.00 or more must return the entire unspent amount to the National Board. (**Do not** send back unspent funds of \$4.99 or less). Checks for funds being returned to the National Board must be made payable to United Way Worldwide/Emergency Food and Shelter Program. The LRO ID number of the agency returning the funds must be printed on the face of the check in the upper right-hand corner.

LROs' expenditures and documentation will be subject to review for program compliance by the Local Board, National Board, the National Board's public accounting firm, DHS/FEMA or the Office of the Inspector

General. Maintain records for a three-year period after phase end unless there is an outstanding compliance problem. (See pages 80-81).

Payment to Vendors

4. LROs must pay for all eligible program expenses by an approved method of payment. Approved payment methods are:

- LRO check,
- LRO debit card,
- LRO credit card—vendor issued (i.e., Sam’s Club, other stores—vendor issued credit card),
- LRO credit card—third party (i.e., American Express, Visa),
- Electronic payment from LRO’s bank account.

*A webinar providing background on eligible and ineligible expenditures is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

This program does not allow the reimbursement of staff/volunteers, other LROs or any party other than the vendor of services. **Cash payments are ineligible. The use of personal debit cards or credit cards is not allowed.**



A Fiscal Agent/Fiscal Conduit must pay the vendor directly with an approved method of payment and may not reimburse other agencies for which they are serving as the Fiscal Agent/Fiscal Conduit.

LRO Reporting

5. LROs must submit reports to the Local Board by their due dates.

The National Board will make interim report/second payment requests available to each LRO after the first payment notification. When the LRO is ready to request its second payment it must be submitted via the website. The LRO will then electronically sign the Interim Report/Second Payment Request Form generated by DocuSign. Then the Local Board will approve and electronically sign the Interim Report/Second Payment Request Form through the DocuSign process. Local Boards must electronically sign the Interim Report/Second Payment Request by the established deadline. **Only electronic signatures created through the DocuSign process provided by the National Board will be accepted.**

*A webinar detailing the process for submitting an Interim Report/Second Payment Request is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*



LROs should retain a copy of their Interim Report/Second Payment Request form and should not wait until their first payment has been exhausted before making the request.

Second payments will be made to eligible LROs once the jurisdiction's compliance review of the previous phase is completed and any compliance problems resolved in any jurisdiction in which an LRO has received funds. Compliance resolution after the end of the funded phase does not guarantee that any remaining award will be forthcoming. Notice of second payments will be made to Local Boards and LROs, via email, only upon the submission of each LRO’s Interim Report/Second Payment Request Form.

The Interim Report/Second Payment Request submission is a two-step process. After the LRO(s) complete the form online, they will need to electronically sign the Interim Report/Second Payment Request generated by DocuSign. The Local Board chair will approve the request by electronically signing the Interim

Report/Second Payment Request Form once assured the LRO is implementing the program as intended and according to EFSP guidelines or other requirements established by the Local Board. The LRO must report on the first payment by indicating how the funds were spent to date in the categories. If funds were unspent, they must be entered in the unspent category on the form. The Interim Report/Second Payment Request must balance to the total of the first payment issued to the agency.

Keeping contact information up to date is critical for EFSP communication and DocuSign procedures. Interim Reports/Second Payment Requests will not be able to be completed without an accurate email address on file.

The National Board will advise Local Boards and LROs of the deadline to request all second payments under Phase 35 as part of the Key Dates document. Second payments will be held until all compliance exceptions (if any) are satisfied by the LRO. LROs with unresolved compliance exceptions **will not be paid**.

Final Report

6. All LROs must complete the Final Report through the web submission process. After the web submission is completed, a copy of the LRO Final Report will be sent to the LRO Contact via email to e-sign. Once the LRO Final Report has been e-signed by the LRO, it will be

sent to the Local Board Contact to approve and e-sign. A copy of the LRO Final Report should be sent to the Local Board, along with the required spreadsheets, and one copy of documentation, if requested. A copy of the e-signed LRO Final Report, spreadsheets and documentation must be retained by the LRO for their records. Complete, accurate, legible documentation must be submitted and must support the expenditures claimed in each category on the initial Final Report. The final LRO report is due to the Local Board 30 days after the jurisdiction's end-of-program date. LROs receiving Phase 35 awards from more than one jurisdiction must keep and submit documentation **separately** for each **when requested**.

*A webinar detailing the process for submitting a Final Report is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

LROs receiving SSA awards in addition to a regular award or reallocation funds in a single jurisdiction must consider all the awards as though they were one and combine the documentation

Program Compliance Resolution

7. LROs must work with the Local Board to **quickly clear up** any problems related to compliance exception(s) at the end of the program.

The National Board requires that all LROs maintain expenditure and proof of payment documentation as expenses are incurred. It is expected that when documentation is submitted with Final Reports or reviewed under other circumstances, that it is complete and accurate initially when reviewed the first time. The National Board will notify Local Boards and LROs of problems should the documentation contain errors.

*A webinar providing background on eligible and ineligible expenditures is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

Failure of an LRO to comply with the National Board's reporting requirements will result in future funds being withheld. The National Board will hold funds until all reporting requirements have been satisfied. If an LRO does not comply in a timely manner to compliance issues, the Local Board or National Board may reclaim and reallocate the funds being withheld.

*A webinar providing background on common compliance issues is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*



Any LRO, including those serving as a Fiscal Agent/Fiscal Conduit, receiving funds in multiple jurisdictions with a compliance exception in any single jurisdiction from any prior phase will be subject to all funds being withheld. That is, all funds allocated to that LRO from all jurisdictions will be withheld until all problems have been resolved. Funding is not guaranteed when compliance problems have been identified, even if resolved.

Documentation Retention

LROs are to keep their documentation records for three years after each end of program year. Documentation includes but is not limited to: LRO Certification form, application for funding, Local Board approval of funding, Second Payment Request/Interim Report, Final Report, spreadsheets, all expenditure documentation (vendor invoices/receipts and proof of payment).

Since Documentation must be retained for three years, all of those years are subject to review/audits at any time, even if the LRO has filed Final Reports and received clearing letters.

Lobbying Prohibition and Reporting Requirements

8. LROs must comply with lobbying requirements. Lobbying is not permitted with EFSP funds. **Any LRO receiving more than \$100,000 in EFSP funds is required to submit:**

- **certification that EFSP funds will not be used for lobbying activities; and,**
- **disclosure of lobbying activities (if applicable).**

*A webinar detailing the process for submitting Certification Forms is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

See **Annex 5, page 95** for the certification and disclosure form. This form may be printed from the EFSP manual or website. These forms must be submitted prior to payment of funds.

Annual Audit Requirement

9. LROs must comply with audit requirements. For LROs receiving \$100,000 or more in EFSP funding, the National Board requires an independent annual audit in accordance with Government Auditing Standards. For LROs receiving from \$50,000 to \$99,999, the National Board requires an annual accountant's review. For newly funded LROs or LROs funded above the amount requiring an audit or review for the first time, the LRO will be eligible to receive funds if it arranges for the audit or review of funds to coincide with the next scheduled annual audit or annual review of its financial affairs. See **Annexes 12-13, pages 103-106.**

*A webinar providing background on audit requirements is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

The National Board will accept an LRO's national/regional annual audit if the following conditions are met:

- LRO is truly a subsidiary of the national organization (i.e., shares a single Federal tax exemption).

- The LRO is audited by the national/regional office internal auditors or other person designated by the national/regional office AND the national/regional office is audited by an independent certified public accountant or public accountant or accounting firm, which includes the national/regional organization's review of the LRO in a larger audit review.
- A copy of the local audit review along with a copy of the independent audit of the national/regional office will be made available to the National Board upon request.

Uniform Guidance of the Office of Management & Budget

10. Any agency expending \$750,000 or more in Federal funds must comply with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200** of the Office of Management and Budget (Uniform Guidance) Item 7, page 54.



A copy of this report must be forwarded to the National Board annually along with the regular audit.

Audits of units of government shall be made annually unless the state or local government had, by January 1, 1987, a constitutional or statutory requirement for less frequent audits. **LROs receiving funds in a single or multiple jurisdictions must identify each award individually by their LRO ID number in each jurisdiction under the Pass-Through Grantors Number on the Schedule of Expenditures of Federal Awards.**

Audit Confirmation Request

11. LROs requesting audit confirmations of funds received for their external auditors must submit a written request emailed to documentstoefsp@uww.unitedway.org or faxed to 703-706-9677. The request must indicate the LRO ID numbers (9-digits) for each jurisdiction for which a confirmation is needed.

Technical Assistance

12. LRO should contact the Local Board first regarding technical assistance, interpretation of guidelines and resources from other Federal programs as Local Boards are responsible for providing training and technical assistance to LROs.



The EFSP website (www.efsp.unitedway.org) has a training feature for Local Boards and LROs to familiarize new staff with EFSP requirements under **Training Workshops**. FEMA's Emergency Management Institute also provides a training opportunity through the following link: (<http://www.training.fema.gov/emiweb/IS/IS420.asp>).

Reallocation of Funds

13. LRO must cooperate and comply with Local Board reallocation decisions. Local Boards may reallocate funds at their discretion during the current phase. Reference the Local Board section, pages 33-34.

*A webinar detailing the process for submitting Reallocation is available on the EFSP website under **Training Workshops** on the left-hand menu after you login.*

Fiscal Agent/Fiscal Conduit

14. For National Board purposes, a Fiscal Agent is a LRO that maintains all EFSP financial records for another agency under a single grant. A Fiscal Conduit is a LRO that maintains all EFSP financial records on behalf of two or more other agencies under a single grant.

If anyone LRO in a jurisdiction is making bulk purchases for other agencies not funded directly, it must serve as a Fiscal Conduit and follow all rules noted in this section.

The Fiscal Agent/Fiscal Conduit is the LRO responsible for the receipt of funds, disbursement of funds to vendors, documentation of funds received and maintenance of documentation. The Fiscal Agent/Fiscal Conduit must meet all requirements of a LRO. Only the Fiscal Agent/Fiscal Conduit may pay the vendors, and cannot reimburse other agencies for which they are serving as their Fiscal Agent/Fiscal Conduit.

Local Boards may wish to use a Fiscal Agent/Fiscal Conduit when they desire to fund an agency that does not have an adequate accounting system but still meets all other criteria. The Fiscal Agent/Fiscal Conduit arrangement must be determined and arranged prior to funding decisions. Fiscal Agents/Fiscal Conduits will be held accountable for compliance with program requirements. Any agency being supported through a fiscal agent/fiscal conduit must have its own Federal Employee Identification Number (FEIN). (This IRS form [SS-4] may be obtained on the IRS website, www.irs.gov.) Agencies funded under a Fiscal Agent/Fiscal Conduit must also have or obtain a Data Universal Number System (DUNS) number issued by Dun & Bradstreet (D&B). (This form and instructions may be obtained from the EFSP website.) The DUNS number and other relevant information must be provided on the form.

Fiscal Agent/Fiscal Conduit Payments

Fiscal Agents/Fiscal Conduits must issue their payments for LRO expenditures to vendors only by an approved method of payment; may not reimburse other agencies for which they are serving as their Fiscal Agent/Fiscal Conduit, or to agencies/sites under their ‘umbrella’. The exception to this is when an LRO is using the per diem allowance for mass shelter or the per meal allowance for served meals.

Benefitting Agency/Sub Grantee

Any agency benefitting from funds received by a Fiscal Agent/Fiscal Conduit must meet all criteria to be a LRO except the accounting system and annual audit requirements and must sign the Fiscal Agent/Fiscal Conduit Relationship Certification form. See [Annex 4, page 94](#). **For tracking purposes, all agencies funded through Fiscal Agents or Fiscal Conduits must provide an FEIN number and a DUNS number.**