

## Invoice Documentation

This section provides guidance and information on how to report expenditures on the Invoice and State Share Documentation reports.

## Personnel Salaries: Time Tracking

### Definition

Per United States Department of Agriculture (USDA) Supplemental Nutrition Assistance Program (SNAP) State Outreach Plan Guidance section B8, time and effort reporting is required for all paid staff (full and part time). [Time and Effort Forms](#) (TEFs) are used to calculate the charges, including salaries and benefits, for time spent on allowable activities.

Staff who devote 100 percent of their time to CalFresh use a different reporting mechanism than staff who devote less than 100 percent time.

### Documentation/Forms

#### *Staff Devoting 100 Percent of Time to CalFresh*

A [Semi-Annual Certificate of Activity](#) must be signed every six months by the employee and supervisor and maintained on file with the prime contractor for all staff dedicating 100 percent time to CalFresh.

#### *Staff Devoting Less Than 100 Percent of Time to CalFresh*

Any personnel dedicating less than 100 percent time to CalFresh (i.e., their time is charged to more than one funding source) must complete a TEF. All TEFs must be completed and signed by the individual contributing time, based upon actual hours worked for CalFresh, and signed off by a supervisor or designee.

#### *Reporting of Absences, Vacation, and Leave*

The TEF must indicate any paid absences, vacation, and leave that is being reimbursed with USDA funding. Absences, vacation and other leave time must be prorated by the employee's CalFresh full time equivalent (FTE) on his or her TEF.

#### *Time Record Signatory Authority for Executive Directors*

In the cases where an Executive Director is claiming time towards CalFresh Outreach, USDA allows a CalFresh Program Manager (or equivalent position) to sign off as a supervisor or designee for the Executive Director's TEF.

## Fringe Benefits

### Definition

Fringe Benefits may include expenses such as statutory benefits, a comprehensive benefits package, or other benefits (e.g., medical, dental, vision coverage, long-term disability, accidental death insurance, and a tax-sheltered annuity program). Benefits may be calculated using various rates depending on individual factors. Note that while an average fringe benefit rate may be used for budgeting, actual fringe costs must be used for billing.

## Operating Expenses

### Definition

Operating expenses are administrative costs for outreach, including all administrative expenses that are reasonable and necessary to operate approved outreach activities. Allowable administrative expenses include but are not limited to:

- Equipment lease, supplies, postage, and duplication costs
- Development and production of outreach materials when no other appropriate materials exist
- Facilities lease or rental
- Maintenance expenses
- Communication (telephone, internet)

### Authority and Guidance

Operating expenses are normally anticipated expenditures and are listed in the Annual Budget Detail and allowed by your approved contract. All operating expense costs must be allowable, reasonable, and necessary. USDA and Office of Management and Budget (OMB) regulations define what costs are allowable.

Reasonable costs are those that:

- Provide a program benefit generally commensurate with the amount incurred
- Are in proportion with other program costs for the function
- Have a high priority relative to other demands.

Necessary costs are those that:

- Are needed to carry out essential functions
- Cannot be avoided without adverse impact on program operations
- Do not duplicate existing efforts.

## Proration

Contractors are required to prorate **all** operating expenses by FTE when a staff person is not dedicating 100% FTE to the CalFresh Outreach contract. This proration ensures that USDA funds will be directed only to contract activities and staff. The most common (and preferred) method of proration is based on FTE.

## Documentation and Forms

2 CFR 230 ([OMB Circular A-122](#)) provides guidance on allowable and unallowable cost categories.

## Equipment Expenses

### Definition

Equipment is defined as non-expendable property used to conduct allowable outreach activities. The term equipment is used to describe items such as computers, monitors, scanners, printers, DVD players, cameras, calculators, office furniture and other office equipment necessary for contract fulfillment. Equipment shared with other programs must be prorated.

All equipment purchased solely or partially with contract funds belong to the CDSS and may be retrieved upon termination of the contract.

### Proration

Contractors are required to prorate **all** equipment expenses by FTE when a staff person is not dedicating 100% FTE to the CalFresh Outreach contract. This proration ensures that USDA funds will be directed only to contract activities and staff. The most common (and preferred) method of proration is based on FTE.

### Documentation and Forms

You are allowed to invoice for expenses related to equipment approved in your contract. See <http://www.cdss.ca.gov/calfreshoutreach/res/pdf/Manuals/EquipmentExpenses20140507.pdf> for complete details on purchasing, registering, tracking, and disposing of equipment.

## Travel & Per Diem

### Definition

Travel costs are expenses for transportation, lodging, subsistence, and related items incurred by a CalFresh Outreach staff conducting allowable outreach activities.

## Authority and Guidance

Travel and Per Diem expenses are normally anticipated expenditures and are listed in the Annual Budget Detail and allowed by your approved contract. All Travel and Per Diem expenses must be allowable, reasonable, and necessary as defined in the Operating Expenses section, above.

All travel expenses must adhere to current California Department of Human Resources (CalHR) [travel reimbursements guidelines](#), which apply to prime contractors as well as subcontractors.

## Documentation and Forms

Travel reimbursement forms can be found on the CalHR website.  
<http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>

See  
<http://www.cdss.ca.gov/calfreshoutreach/res/pdf/Manuals/TravelandPerDiem20140507.pdf> for complete details on documenting expenses for travel and per diem.

## Subcontractor Agreements

### Definitions

A subcontractor can be any qualified agency which conducts allowable outreach activities which contribute to fulfillment of the contractor's program objectives. Subcontractors may also have subcontracts.

Subcontractors that also have subcontracts are referred to as prime subcontractors.

Prime subcontractors' subcontracts should have a similar relationship with the contractor as CDSS has with a prime contractor's subcontractors as explained in "Contract Expectations Concerning Subcontractors" below.

### Authority and Guidance

The [USDA Guidance](#) page 10, allows State agencies like CDSS to employ contractors to conduct CalFresh (SNAP) outreach.

The CDSS CalFresh Outreach contract allows those contracted to conduct CalFresh Outreach to utilize subcontract agencies as a part of the contract (CDSS contract Exhibit D § G) to conduct CalFresh Outreach.

### Contract Expectations Concerning Subcontractors (Exhibit D § G)

- There is no contractual relationship between CDSS and subcontractors.
- The contractor is fully responsible to fulfill the deliverables of the contract.

- The contractor is fully responsible to CDSS for the acts and omissions of its subcontractors.
- CDSS is only obligated to pay the contractor for services rendered under the contract.

## Documentation and Forms

- Expenses are submitted through the prime contractor to CDSS for allowable reimbursement. Subcontractors' signed invoices and supporting documentation must be kept on file with the prime contractor and do not need to be submitted to CDSS, unless requested.
- Subcontractors must:
  - Fulfill the terms of the Memorandum of Understanding (MOU) [\[sample\]](#) with the contractor or the prime subcontractor.
  - Ensure that State Share funding sources conform to standards set forth in the [USDA Guidance](#).
  - Have all staff complete and sign [page 9 of Exhibit E, Attachment 1](#) and provide a copy to the contracting agency or the prime subcontractor (if applicable).
  - Submit monthly Federal Share Invoices and State Share Documentation Reports, Time and Effort reports, line item detail documentation equivalent to what is documented in the invoicing spreadsheet and Scope of Work summary reports to the contracting agency or the prime subcontractor (if applicable).

## Other Costs

### Definition

Other costs are defined as non-routine, occasional, or one-time costs for outreach. Allowable Other costs may include but are not limited to:

- Publications;
- Fair booth rental fees;
- Professional printing services; and
- Audit costs.

### Authority and Guidance

Other cost expenses are normally non-routine expenditures and are detailed in the Annual Budget Detail and allowed by your approved contract. All Other Costs expense must be allowable, reasonable, and necessary as defined in the Operating Expenses section, above.

## Proration

Contractors are required to prorate **all** Other Cost expenses by FTE when a staff person is not dedicating 100% FTE to the *CalFresh Outreach* contract. This proration ensures that USDA funds will be directed only to contract activities and staff. The most common (and preferred) method of proration is based on FTE.

## Indirect Costs

The Office of Management and Budgets (OMB) Circulars describe cost principles that apply to organizations receiving federal reimbursements. Please refer to the appropriate OMB Circular listed below, based on your agency type, for information on how to determine indirect rate calculations.

- A-21--Cost Principles for Education Institutions,  
[http://www.whitehouse.gov/omb/circulars\\_a021\\_2004/](http://www.whitehouse.gov/omb/circulars_a021_2004/)
- A-87--Cost Principles for State, Local and Indian Tribal Governments,  
[http://www.whitehouse.gov/omb/circulars\\_a087\\_2004/](http://www.whitehouse.gov/omb/circulars_a087_2004/)
- A-122--Cost Principles for Non-Profit Organizations,  
[http://www.whitehouse.gov/omb/circulars\\_a122\\_2004/](http://www.whitehouse.gov/omb/circulars_a122_2004/)

Regardless of the indirect cost method used, the applied indirect cost rate cannot exceed 26 percent of the total Modified Direct Costs (Total Direct Costs less subcontractors and equipment) \.

## Federally-Negotiated Rates

If the Contractor has a federally-negotiated rate, that rate will be used for calculating the Indirect Costs line item. Contractors using a federally-negotiated rate were required to submit supporting documentation of that rate with the Request for Application (RFA) application in the form of a letter from the cognizant agency that has approved the indirect rate. A cognizant agency is a federal agency that is responsible for establishing Indirect Cost rates.

## Simplified Allocation Method

If the Contractor does not have a federally negotiated rate, the Contractor may use the Simplified Allocation Method to determine an indirect rate for the proposed budget. Contractors choosing this option were required to complete and sign the Certification of Indirect Costs form in the RFA, which signifies the use of the simplified allocation method to determine their indirect rate. The established rate indicated on the Certification of Indirect Costs form is the one to be used for calculating the indirect cost line item. Any time a Contractor needs to update its indirect rate using this method, a new Certification of Indirect Costs form must be submitted to the Program Analyst.

## Colleges and Universities

Because most CalFresh Outreach activities normally occur off-campus, the off-campus rate is considered most appropriate. If the majority of CalFresh Outreach activities will be conducted on-campus, then the on-campus rate will be allowed.

## Supporting Documentation Requirements

For Contractors using a federally-negotiated rate, this supporting documentation should be in the form of a letter from the cognizant agency that has approved the indirect rate. This information can generally be obtained from the Contractor's fiscal department, as they will have worked with the cognizant agency to determine the indirect rate for their other funding sources.

Contractors using the Simplified Allocation Method must document the prior year expenditure to date information that was used as the basis for the calculations indicated on the Certification of Indirect Costs form.