

Fiscal Management: Invoice Documentation

Invoice Documentation

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

Authority and Guidance

All costs for CalFresh Outreach (CFO) must be allowable, reasonable and necessary. United States Department of Agriculture (USDA) and Office of Management and Budget (OMB) 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

Personnel Salaries: Time Tracking

Definition

According to the Supplemental Nutrition Assistance Program (SNAP) State Outreach Plan Guidance Section 8.1, 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 CFO activities. Please reach out to program analyst for the TEF template.

Documentation/Forms

Staff Devoting Time and Effort to CalFresh Outreach

Any personnel dedicating time to CFO must complete a TEF (including CFO less than 100 percent). All TEFs must be completed and signed by the individual contributing time, based upon actual hours worked for CFO and signed off by a supervisor or designee.

Note: If personnel share time with another federal program, the time spent between programs should not exceed 1 FTE.

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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 CFO full-time equivalent (FTE) for staff not dedicating 100 percent of time to CFO.

Time Record Signatory Authority for Executive Directors

When an Executive Director is claiming time towards CFO, 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: Average fringe benefit rate may be used for budgeting, however, actual fringe costs must be used for billing.

Operating Expenses

Definition

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

- Equipment lease, supplies, postage and duplication costs
- 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.

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Proration

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

Documentation and Forms

[2 CFR 420-475](#) provides guidance on general provision to allowable and unallowable cost categories.

Types of Equipment Expenses

Capital Equipment Definition

Non-expendable property having a valuable of \$5000 or more per item at the time of acquisition. Capital equipment must be inventoried and accounted for every two years by a physical inventory process. Capital equipment must be disposed of in accordance with Federal property management requirements.

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

Non-Capital Equipment Definition

Property having a value of less than \$5000 per item at the time of acquisition. This equipment is generally treated as supplies and is not required to be included in any property management system.

Proration

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

Documentation and Forms

You are allowed to invoice for equipment approved in your CFO contract. See the [CFO Equipment Expense Guidance](#) for complete details on purchasing, registering, tracking and disposing of equipment.

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Travel & Per Diem

Definition

Travel costs are expenses for transportation, lodging, meals, and related items incurred by a CFO staff conducting allowable CFO activities.

Contract-Approved Travel

- Travel in the approved CalFresh Outreach (CFO) contract does not require pre-approval.
- Proration is required for CFO contract required trainings, conferences, or meetings.
- Proration is required for trainings, conferences, or meetings not 100 percent CFO related.

When Pre-Approval is Required

Written pre-approval by the program analyst (PA) is required in the following situations:

- Travel not approved in the CFO contract
- Lodging rate exceeds [CalHR travel reimbursement](#) guidelines.
- Out-of-state travel

Expenses exceeding CalHR guidelines are capped at the maximum CalHR allowable reimbursement amount. Travel expenses not pre-approved in writing by the PA shall not be reimbursed.

NOTE: Out-of-state travel for CFO must meet one of the following requirements:

- USDA required
- A staff person is receiving an award or recognition for CFO efforts
- A staff person is a guest, keynote speaker, or presenter on the topic of CFO

Out-of-state travel not meeting one of the requirements above is not allowed.

Obtaining Pre-Approval

When requesting pre-approval for a travel expense not previously approved in your CFO contract, send the following in an e-mail to your PA 30 days prior to the travel:

- Name(s), title(s) and full-time equivalent (FTE) of the staff who will travel.
- Name and description of the event, including date and location.
- A copy of the event agenda
- An explanation of how the travel relates to CFO.
- Total projected cost of the event (Registration, Travel and Per Diem, etc.)
- Justification that funds are available in your CFO budget for this travel.
 - If a budget modification is required, please notify your PA immediately

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Proration

Contractors are required to prorate travel and per diem expenses when the purpose of the travel is not 100 percent CFO related. **The proration shall be calculated based on the percentage of CFO related activities.** This proration ensures that USDA funds will be directed only to approved CFO activities and staff.

All trainings, conferences or meetings not 100 percent CFO requires proration:

- The PA will determine the proration percentage based on the agenda
- Travel expenses will be prorated based on the percent of the CFO related content

Proration Example:

A 0.5 FTE CFO Project Coordinator will be attending a workshop on Medi-Cal and CalFresh. The PA determines that CFO-related content is 50 percent of the workshop. Total expenses for the trip is \$400. The maximum reimbursable travel expenses to CFO would be \$200 (\$400 x 50% CFO content).

For CFO time and effort reporting, the staff is allowed to claim 50 percent of their time to CFO. Total staff time for the trip is 10 hours. The maximum allowable time charged to CFO would be 5 hours.

Documenting Travel

Prime contractors, subcontractors and prime-sub (if applicable) shall maintain a travel log for CFO staff traveling for CFO related activities. The documentation must include:

- Name and title
- Date(s) of travel
- Start and end time of travel (determines qualified meals and incidentals)
- Purpose and location of the trip
- Meeting agenda
- Mileage log (Google map can suffice)
- Any receipts associated with the trip (e.g. airline, hotel, parking, gas, etc.)

For a sample method of documenting travel, see the [Sample Travel Expense Claim](#).

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.

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.

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Documentation and Forms

- Travel reimbursement forms can be found on the [California Department of Human Resources \(CalHR\) website](#).
- See CFO [Travel and Per Diem Guidance](#) for complete details on documenting expenses for travel and per diem.

Subcontractor Agreements

Definitions

A subcontractor can be any qualified agency which conducts allowable CFO activities which contribute to fulfillment of the prime contractor's program objectives.

Subcontractors may also have subcontracts. Subcontractors that also have subcontracts are referred to as prime-sub.

Contract Expectations Concerning Subcontractors

- There is no contractual relationship between CDSS and subcontractors and prime-subs
- The prime contractor is fully responsible to fulfill the deliverables of the approved CFO contract
- The prime contractor is fully responsible to the CDSS for the acts and omissions of its subcontractors and/or prime-subs
- CDSS is only obligated to pay the prime contractors for services rendered under the approved CFO contract

Authority and Guidance

The [SNAP Outreach Plan Guidance](#) allows State Agencies like CDSS to contract with qualified agencies to conduct CFO activities.

The CDSS CFO contract allows those contracted to utilize subcontracting agencies to conduct allowable CFO activities.

Documentation and Forms

Expenses are submitted through the prime contractor to CDSS for allowable CFO activities. 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) with the prime contractor or the prime-sub (if applicable).
- Ensure that State Share funding sources conforms to the standards set forth in the [SNAP Outreach Plan Guidance](#) and the approved CFO contract

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- Submit monthly/quarterly Federal Share Invoices and State Share documentation reports, Time and Effort reports, line-item detail documentation equivalent to what is documented in the CFO Invoicing Template and SOW summary reports to the prime contractor or the prime-sub (if applicable).

Other Costs

Definition

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

- Training fees
- Fair booth rental fees
- 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 CFO contract. All Other Costs expenses must be allowable, reasonable and necessary as defined in the OMB.

Proration

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

Indirect Costs

The Code of Federal Regulations (CFR) describe cost principles that apply to organizations receiving federal reimbursements. Please refer to the appropriate regulation in the link below, based on your agency type, for information on how to determine indirect rate calculations.

- [Indirect \(F&A\) costs](#)

Regardless of the indirect cost method used, the applied indirect cost rate cannot exceed 25 percent of the total Modified Direct Costs (Total Direct Costs less subcontractors and equipment).

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Federally-Negotiated Rates

If the Contractor has a federally-negotiated rate, that rate cannot be used to calculate Indirect Cost line items. The CDSS has capped all indirect cost rates at 25 percent. However, please still submit the documented federally-negotiated rate from the cognizant agency that has approved the indirect rate as part of your organization's supporting documentation. 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 are required to complete and sign the Certification of Indirect Costs form, which signifies the use of the simplified allocation method to determine their indirect rate as part of their supporting documents.

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 updates made to the Contractor's indirect cost rate will trigger a contract amendment at which point a new Certification of Indirect Costs form must be submitted.

Colleges and Universities

Most colleges and universities have an on-campus and off-campus indirect cost rate issued by a cognizant agency when determining the appropriate rate to use for applicable activities. However regardless of the on-campus or off-campus rate, the applied indirect cost rate cannot exceed 25 percent of the total Modified Direct Costs (Total Direct Costs less equipment).

State Agencies

The applied indirect cost rate cannot exceed 25 percent of the total Modified Direct Costs

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 cost 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.