



# SNAP E&T PROGRAM TOOLKIT

Food and Nutrition Service

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<sup>1</sup> FNS intends to seek OMB approval for the State agency and E&T provider burden associated with reviewing the SNAP E&T Toolkit.

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# Introduction

The purpose of this Toolkit is to provide State agencies with guidance and resources to plan and implement Employment and Training (E&T) Programs under the Supplemental Nutrition Assistance Program (SNAP, formerly called the Food Stamp Program). In 1987, Congress established the Food Stamp Employment and Training Program to assist able-bodied food stamp recipients in obtaining employment. From its conception, the purpose of the E&T Program has been to help SNAP households gain skills, training, work, or experience that will increase self-sufficiency and help participants move into better jobs.

Since the publication of the previous version of the Toolkit, the Agricultural Act of 2014 (also known as the 2014 Farm Bill) and the Agriculture Improvement Act of 2018 (also known as the 2018 Farm Bill) made several significant improvements to E&T. Through these pieces of legislation, Congress tasked the Department and State agencies with reviewing and bolstering the quality and accountability of E&T programs for SNAP participants, while retaining State flexibility. Many State agencies are stepping up to provide targeted trainings and work supports to help SNAP participants gain the skills needed to succeed in an ever-changing labor market.

All State agencies must implement an E&T program consisting of at least one E&T component and case management. In addition, E&T programs must be provided through the statewide workforce development system, and State agencies must consult with the State workforce development boards, or local employers or employer organizations, if that would be more effective or efficient, in the design of their E&T programs. As State agencies work to improve their E&T programs through partnership with the local workforce development system, the following chapters provide guidance on the following aspects of an E&T program:

- Chapter 1 - reviews the purpose and program design of E&T programs;
- Chapter 2 - reviews E&T eligibility and participation;
- Chapter 3 - reviews E&T funding; and
- Chapter 4 - reviews allowable costs.

## Use of the Toolkit

This Toolkit is designed to build a foundation of the policy knowledge that State agencies may need as they sustain and grow their E&T programs. In addition to being a policy resource for State agencies, the Toolkit may also be helpful as a training resource for onboarding new staff, a primer for potential providers, or a go-to resource

for existing staff. Some of the material in this Toolkit is tied directly to the Food and Nutrition Act of 2008 (the act) and SNAP regulations. Other material, such as State-specific examples and recommended best practices are not Federal requirements, but are meant to be resources that may help State agencies better meet the employment and training needs of low-income households. Links within the document lead to other sections of the document itself or helpful Internet resources.

As a living document, this Toolkit will be updated periodically to reflect new information on best practices, updated resources, and changes to Federal legislation or regulations. If you have comments or questions on this Toolkit, you can contact your Regional Office for more information. The Food and Nutrition Services (FNS) encourages State agencies to share tools that can be included in future updates to this Toolkit, such as desk guides, evaluation forms, or proposals that will improve the efficiency and effectiveness of SNAP E&T programs.

## Acknowledgements

FNS would like to acknowledge and thank the staff, State partners, and non-government organizations who have provided important feedback on Toolkit updates.

# Chapter 1 – E&T Purpose and Program Design



# Purpose of SNAP Employment and Training (E&T)

## What is the purpose of a SNAP E&T program?

[The Food and Nutrition Act \(the Act\) of 2008](#) provides that the purpose of the Employment and Training (E&T) program is to provide Supplemental Nutrition Assistance Program (SNAP) participant's opportunities to gain skills, training, work, or experience that will increase their ability to obtain regular employment and meet state or local workforce needs. Additionally, the E&T program offers a way for SNAP recipients to meet [work requirements](#) stipulated in the Act.

## What makes up a SNAP E&T program?

All SNAP E&T programs must provide [case management](#) and at least one [E&T component](#). State agencies have a lot of discretion in the design of their programs, but must submit an annual State E&T plan to Food and Nutrition Service (FNS) for review and approval.

## Does a State have to operate a SNAP E&T program?

Yes. The [Act](#) requires all State agencies administering a SNAP program to operate an E&T program.

## How much flexibility does a State agency have in designing their E&T program?

State agencies have a lot of flexibility in designing their SNAP E&T programs. As stated above, all State agencies must provide [case management](#) and at least one [E&T component](#); however, State agencies have discretion within broad statutory and regulatory boundaries to determine how their E&T program will operate. For instance, State agencies have discretion to determine the types of activities and services that will be offered within components, the entities that will provide those activities and services, the target population for services, and the areas of the State where the E&T program will operate.

A State agency should tailor its E&T program to meet the needs of participants and the local workforce needs, thereby increasing the likelihood of recipients gaining the skills and credentials they need to obtain a better job.



## What is an effective State E&T program?

State agencies are tasked with delivering high-quality E&T programs that demonstrate a commitment to the values of equity<sup>2</sup>, inclusion, and equal opportunity for those who are served. The best E&T programs promote access, remove barriers, and effectively support all E&T participants to ensure they gain the skills and credentials needed to succeed at new and better jobs, all while maintaining access to much-needed nutrition assistance. FNS highly encourages State agencies to examine program impact by race and ethnicity, and make program improvements to support equity, inclusion, and equal opportunity.

# Designing an E&T Program within the Workforce Development System

## What is the workforce development system?

The workforce development system can be generally defined as the organizations and activities that prepare people for employment, help workers advance in their careers, and ensure a skilled workforce exists to support local industry and the local economy over time. An effective workforce development system ensures job seekers can obtain the skills and credentials they need to move toward economic self-sufficiency, and employers have the skilled workforce they need to grow their businesses and drive strong local economies. Organizations in the workforce development system can include, but are not limited to, American Job Centers, State and local workforce development boards, community colleges, government agencies, community based organizations, adult education and English Language Learner (ELL) service providers, employers and industry, and other occupational training providers. E&T plays an important role in the workforce development system by connecting SNAP participants to workforce development services and providing supports that help SNAP participants persist and succeed in workforce development services.

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<sup>2</sup> The term “equity” means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. (Executive Order 13985)

## Does the State agency need to work with the workforce development system?

Yes. Partnering with effective providers in the workforce development system can help State agencies improve employment outcomes for SNAP participants and ensure that State agencies have available services to meet the unique barriers and employment goals of SNAP participants. Regulations at 7 CFR 273.7(c)(5) require that each component of the State agency's E&T program must be delivered through its [statewide workforce development system](#), unless the component is not available locally through such a system.

In addition, the regulations require that all State agencies design and implement E&T programs in consultation with the [State workforce development board](#), or in consultation with private employers or employer organizations, if the State agency demonstrates that this would be more effective or efficient. FNS has long encouraged State agencies, as a best practice, to regularly reach out to leaders within the broader workforce development system to make use of their employment networks, data on workforce needs, and other resources.

## What is the State workforce development board?

The State workforce development board is a unique entity, created under the Workforce Innovation and Opportunity Act (WIOA), separate from the State Department of Labor or local workforce development boards. The State workforce development board is established by the Governor, and is charged with assisting the Governor oversee [the State's workforce development system](#). Professional staff, such as an Executive Director, commonly support the members of the State workforce development board.

## How should the State agency consult with the workforce development boards?

The requirement that State agencies consult with the [State workforce development board](#), or employer organizations, if this would be more effective or efficient, in the design of their E&T program allows the State agency to capitalize on the expertise of the board, or employers, by seeking input on topics such as, but not limited to:

- What are the in-demand and high growth occupations in the State and local communities?
- What skills, certificates, or credentials do employers in high-growth and in-demand industries prioritize when making hiring decisions?
- Are there workforce development service providers the State agency should be working with to become E&T providers?

- What is the role for the State’s American Job Centers in serving SNAP participants? How can E&T support American Job Centers in serving E&T participants?

State agencies must demonstrate that they consulted in the E&T State plan, and include the outcomes of that consultation. One way State agencies could demonstrate they consulted with their [State workforce development board](#), or employers or employer organizations, if this would be more effective or efficient, would be to include in their E&T State plan information about: when they consulted with their State workforce board (i.e. the date(s) of these conversations); who they spoke with; what they spoke about; and how they incorporated this information into the design of their E&T program. State agencies may also develop their own methods for demonstrating their consultation with their State workforce development board, or employers or employer organizations, as applicable.

### **How should the State agency coordinate with WIOA title I programs?**

State agencies are required to include in their E&T State Plan the extent to which they are coordinating with title I of the Workforce Innovation Opportunity Act (WIOA). FNS encourages State agencies to coordinate E&T services with WIOA title I, to the extent appropriate services are available.

WIOA includes five titles: Workforce Development Activities (title I), Adult Education and Literacy (title II), Amendments to the Wagner-Peyser Act (title III), Amendments to the Rehabilitation Act of 1973 (title IV), and General Provisions (title V).

Title I, whose programs are primarily administered through the Employment and Training Administration (ETA) of the U.S. Department of Labor (DOL), includes the Adult, Dislocated Workers, and Youth State formula grant programs, multiple national programs, and Job Corps. WIOA title I authorizes programs and activities that support job training and related services to unemployed and underemployed individuals. WIOA title I also establishes the brick-and-mortar system of American Job Centers as a means of delivering and coordinating workforce development activities.

When considering the extent of coordination of E&T services with WIOA title I programs, State agencies should primarily focus on if and how SNAP E&T participants will utilize WIOA Adult services through the American Job Centers. Basic employment services commonly available through the WIOA Adult program include, but are not limited to, intake and orientation, initial assessment of skill levels including literacy, numeracy, and English language proficiency, as well as aptitudes, abilities (including skills gaps), and supportive service needs, the development of an individual employment plan (IEP), and job search activities. Additional services up to and including skills training may also be available through the WIOA Adult program.

State agencies that choose to utilize WIOA title I services as part of their E&T program should have a clearly articulated vision for the types of services E&T participants will receive through the American Job Centers. When State agencies use E&T funds to pay for WIOA title I services, these services should be above and beyond those services that are readily available to the general public through the American Job Centers. While State agencies can capitalize on the workforce development expertise and infrastructure available through the American Job Centers, they remain responsible for ensuring that E&T participants receive [case management](#) and [participant reimbursements](#), and receive appropriate employment and training services. The State agency must also include individuals who receive E&T services under WIOA title I in their [Annual Outcome Report](#).

## E&T State Plans

### What is an E&T State plan?

An E&T State plan is an annual document submitted by the State agency to FNS for review and approval describing the State's E&T services and activities for the upcoming year including the State's E&T budget. Regulations at 7 CFR 273.7(c)(6) outline the required elements of the annual E&T State plan. To facilitate the collection of State plan information, FNS has developed an [E&T State Plan Template](#) for State agencies to use when they submit their plans. Additional information about the information requested in the E&T State Plan Template can be found in the [E&T State Plan Handbook](#). All E&T State plans are public documents.

### Can a State agency receive reimbursement for E&T services without an approved E&T State Plan?

No. FNS may only reimburse a State agency for allowable E&T activities included in an approved E&T State plan. State agencies may submit updates to their E&T State plan through a [State plan amendment](#) to FNS for review. State agencies may conduct E&T activities outside an approved E&T State plan or State plan amendment, but the State agency risks not being reimbursed if FNS does not later approve the E&T State plan or State plan amendment.

### When are E&T State plans due?

E&T State plans for the upcoming fiscal year are due August 15<sup>th</sup>. It is very important that State agencies submit their E&T State plans on time to allow FNS sufficient time to review and approve the plan before the start of the Federal fiscal year on October 1<sup>st</sup>.

## What should a State agency do if they want to change their E&T State plan?

State agencies that want to change their E&T State plan should submit an E&T State plan amendment to their FNS Regional office. State agencies should wait for FNS approval before implementing the change, or else risk not being reimbursed if the amendment is denied. The proposed changes must be submitted for approval at least 30 days prior to planned implementation.

## What types of changes require an E&T State plan amendment?

If a State agency plans on making significant changes to its E&T State plan, the State agency must submit plan revisions to the appropriate FNS Regional office for approval.

The following are examples of changes that require a formal modification of the E&T State plan:

- Major changes in components (e.g., adding, deleting, or modifying a component).
- Significant changes in State policy (e.g. major changes to State E&T exemptions).
- When FNS approves the State agency's request for additional 100 percent Federal funds and the funds will be used to make significant changes to the State E&T program.
- Changes in the amount of 50 percent reimbursement funds requested.
- Change in the method of providing participant reimbursements.
- Shifting 50-50 funds between administrative and participant reimbursement categories.
- Adjustments to outcome reporting measures or methodology for data collection.
- The SNAP E&T budget exceeds \$100,000 and there is a change in activities that result in a change of 5 percent or greater of the total program budget.
- Amounts budgeted for indirect costs are transferred to absorb increases in direct costs.

## What is a WIOA Combined State plan?

[WIOA](#) was designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. Under WIOA, States must outline a four-year strategy for the State's workforce development system by developing a

Unified State Plan that includes operational plans for WIOA's core programs and mandatory partners.

State agencies have the option to submit a Combined State Plan that includes the core programs as well as other optional Federal employment and training programs, including SNAP E&T and Work programs authorized under section 6(o) of the Act. However, even if SNAP E&T is included in the State's WIOA Combined State Plan, the State agency must still submit certain elements of the E&T State plan to FNS on an annual basis. For more information on these requirements, see the March 14, 2016 memo, "[Supplemental Nutrition Assistance Program Employment and Training, WIOA Unified and Combined State Plans](#)."

### Where can a State learn more about writing an E&T State plan?

State agencies can learn more about writing a comprehensive E&T State plan by reviewing the [E&T State Plan Template and Handbook](#).

## State Agency Responsibilities

### What are the State's responsibilities when operating an E&T program?

The State agency has the responsibility to administer an E&T program that offers [case management](#) and at least one [E&T component](#) to all E&T participants. The State agency also has several responsibilities related to developing and managing the E&T program, including, but not limited to:

- Developing high-quality E&T programs based on local workforce needs and designed to help SNAP get new or better jobs;
- Consulting with [State workforce development boards](#), or local employers or employer organizations if the State agency determines that would be more efficient, in the design of the State E&T program;
- Developing an annual [E&T State Plan](#) that accurately summarizes the State agency's planned activities for the upcoming Federal fiscal year by August 15<sup>th</sup>;
- Including in the E&T State plan the extent to which the State agency has [coordinated with title I of WIOA](#);
- Developing [State-specific criteria](#) to determine eligibility for E&T programs;

- Ensuring E&T providers and other E&T contractors are providing high quality services and fulfilling all applicable requirements for E&T programs and services;
- Conducting Management Evaluations of sub-entities engaged in the State E&T program to ensure program compliance;
- Providing all required [reporting data](#) in a timely manner;
- Using [E&T funds](#) appropriately; and
- Ensuring compliance with all [Civil Rights requirements](#).

State agency responsibilities to E&T participants are detailed in the requisite sections of the [Code of Federal Regulations](#).

## What are the State's responsibilities to E&T participants?

The State agency has many responsibilities to ensure individuals participating in E&T receive high-quality E&T services that provide the individual with necessary skills to that meet employers' needs. These responsibilities include, but are not limited to:

- [Screening individuals](#) against State-specific criteria to determine if it is appropriate to require an individual to participate in E&T (i.e. [mandatory E&T](#)), or if it is appropriate to refer an individual to the State's E&T program;
- [Referring](#) eligible individuals to the E&T program and ensuring the participant has the information necessary to access the program;
- Providing [participant reimbursements](#) that are both reasonably necessary and directly related to participation in the E&T program. If a State agency is unable to provide participant reimbursements to a mandatory E&T participant that would enable the individual to participate, the State agency must exempt the individual from mandatory E&T;
- Ensuring the E&T participant receives both [case management](#) and at least one [E&T component](#);
- Determining if an individual has [good cause](#) for non-compliance with the requirement to participate in E&T;
- Taking one of four action steps, if an individual receives a [provider determination](#), to connect the individual with more appropriate services;
- Sending appropriate notices and other necessary communications in a timely fashion to E&T participants. These notices include, among others, the [consolidated work notice](#) and the [notice of adverse action](#), as well as information about how to access E&T programs and services;
- Providing E&T programs that are committed to the values of equity, inclusion, and equal opportunity for those who are served; and



- Ensuring compliance with all [Civil Rights requirements](#).

State agency responsibilities to E&T participants are detailed in the requisite sections of the [Code of Federal Regulations](#).

## What are the State agency's responsibilities to E&T providers?

The State agency must also be responsible to E&T providers. Additional responsibilities include, but are not limited to:

- Ensuring E&T providers are well-informed of all E&T program policies and regulations, [Civil Rights policies](#), and State-specific regulations;
- Providing technical assistance to ensure E&T providers offer high quality services;
- Establishing financial systems to manage reimbursement for E&T provider services;
- Establishing data management systems to track E&T participants engaged with provider programs and services; and
- Establishing good working relationships with E&T providers to better understand the services offered and ensure E&T participants referred to providers are well-matched to those services.

State agency responsibilities to E&T providers are detailed in the requisite sections of the [Code of Federal Regulations](#).

# Case Management in E&T

## What is case management in E&T?

Case management in E&T is a set of services to guide and support E&T participants as they engage with an E&T program. Case management services can include, but are not limited to: comprehensive intake assessments, individualized service plans, progress monitoring, or coordination with service providers. In accordance with the [Act](#), all E&T participants must receive case management and at least one [E&T component](#).

## Is case management an allowable expense in E&T?

Yes. Case management services when offered as part of an E&T program are allowable.



## Who must receive case management services in E&T?

All E&T participants must receive case management services as part of the E&T program.

## What are the required elements of case management?

Case management services must be designed to support the participant as the participant progresses through an E&T program. For that reason State agencies have flexibility to offer a variety of services and tailor those services to the needs of the participant. The Act provides [examples of allowable case management activities](#), but State agencies may offer additional services, as appropriate. It is also important that the provision of case management services [not be an impediment](#) to participation in E&T. To this end, State agencies also have the responsibility to ensure that case management services are provided through an efficient administrative process and targeted to the needs of participants.

## Is there a limit to the types of activities that can be included in case management?

Yes. State agencies have flexibility in the types of services offered through case management, but can only use E&T funds for allowable components, activities, and participant reimbursements. For instance, a case manager may conduct an employability assessment and determine an individual likely struggles with substance use disorder. The case manager can identify helpful resources in the community and refer the individual to substance use disorder services as part of E&T case management, but State agencies cannot use E&T funds to pay for substance use disorder treatment services, as substance use disorder treatment services are not an allowable activity in the E&T program.

## What does it mean that the provision of case management services should not be an impediment to participation?

Case management services are intended to help, not hinder participation in E&T. More pointedly, case management, particularly in a [mandatory E&T program](#), should not create barriers that make it difficult for the participant to comply with the requirements of E&T. For instance, State agencies should do their best to accommodate the needs and access issues of participants when arranging case management appointments. The State agency should ensure that case management meetings and provision of services serve a purpose in advancing the success of the E&T participant, and are not simply “box checking” activities that misuse the participant’s time. Further, the flexibility provided within case management also allows State agencies to adjust the timing and frequency of case management appointments. For instance, if a participant met with a

case manager early in the E&T program, and the participant is otherwise successfully participating in the assigned E&T component, the case manager could determine that further appointments will only be scheduled on an as-needed basis. In addition, if a participant misses a case management appointment, but is successfully attending the E&T component, the State agency may decide to reach-out and determine the need for re-scheduling the case management appointment, rather than immediately reporting the missed appointment as non-compliance.

### **How will FNS determine that case management services are not an impediment to participation?**

State agencies are required to describe in their E&T State plan how they will provide efficient and targeted case management to all E&T participants. FNS also reviews State agency processes during management evaluations. If a State agency is not providing efficient services to participants that are targeted to facilitate success in the E&T component, FNS will require that the State agency take corrective action. As always, FNS will be ready to provide technical assistance.

### **Who can provide case management?**

State agencies have flexibility in how they deliver case management services. State agencies can offer case management through State agency employees, E&T providers, or through other means like contractors.

### **When must an E&T participant receive case management?**

State agencies have flexibility in how they deliver case management services. As a best practice, State agencies should provide case management services soon after referral to E&T and periodically, as needed, throughout a participant's progression through an E&T program. Regular engagement with case management services ensures the participant is well-supported to successfully complete the program.

### **What are the responsibilities of the case managers?**

Case managers must support E&T participants as they progress through the E&T program. Participation in case management must not be an [impediment to successful completion of an E&T program](#) or otherwise complying with the requirements of E&T.

In addition, if a case manager becomes aware of a participant circumstance that may qualify that participant for an [exemption from a work requirement](#) or [good cause](#) for non-compliance with a work requirement, the case manager must provide that information to the appropriate staff in the State agency who can then make the determination. Note

that if the case manager is employed by an E&T provider, the E&T provider must also notify the State agency of non-compliance with a work requirement within 10 days.

## E&T Components

### What is an E&T component?

An E&T component is a broad category of employment or training activities defined by the Act. An E&T program offered by a State agency must include one or more of these components:

- Supervised job search
- Job search training
- Workfare
- Work experience
- Education
- Self-employment training
- Job retention
- Activities provided under the 2014 E&T pilots that the Secretary of the United States Department of Agriculture determines have a demonstrable impact on reducing dependency and improving self-sufficiency. (Note: evaluation results from the pilot projects are expected by the end of 2021.)

### What is an E&T activity?

E&T activities are specific types of employment or training offerings that compose an E&T component. E&T components are made up of E&T activities. For instance, the job search training component is made up of several activities including employment assessments, assistance with resume writing and interview skills, instruction on performing a job search, and other similar activities.

### What is supervised job search?

Supervised job search was added as an E&T component by the Agriculture Improvement Act of 2018 (also known as the 2018 Farm Bill). Supervised job search replaced the job search component. Supervised job search programs are those that occur at State-approved locations at which the activities of participants are directly supervised and the training and activities of participants tracked in accordance with guidelines issued by the State agency.

Supervised job search may be conducted independently or within a group setting, and may also be conducted remotely, in-person, or a combination of both. State agencies should tailor the delivery of supervised job search services to the particular needs of participants. State agencies must also provide the necessary [participant reimbursements](#) required for participation (e.g. laptops and hotspots as needed for remote job search conducted on the internet or transportation vouchers for in-person job search). State agencies may also tailor how they track participation using a range of options from automated computer processes to informal job application counts shared by the participant.

State agencies must also ensure that supervised job search activities have a direct link to increasing the employment opportunities of individuals engaged in supervised job search. That is, a participant in supervised job search must be likely to find a job through the activity, and there must be appropriate jobs available for that participant in the community.

### **How should State agencies supervise job search?**

Participants in supervised job search must have at least one meeting a month with a qualified staff member to review job search activities, get feedback, troubleshoot issues, and discuss next steps. This meeting may occur remotely or in-person, and be synchronous with the job search activities or asynchronous. Interactive software or other types of automated processes on a computer do not meet the requirement for engagement with a qualified staff person at least once a month. In between meetings with a qualified staff person, the State agency may use other supervisory techniques such as software that tracks time spent logged into a job search website, or computer assessments that automatically identify next steps for the participant.

### **What is unsupervised job search?**

Unsupervised job search is job search that does not meet the definition of [supervised job search](#). Unsupervised job search is not an E&T component; however, it can be allowable in certain circumstances as detailed [below](#).

### **Will FNS reimburse for job search that does not meet the definition of supervised job search?**

Job search that does not meet the definition of supervised job search can be included as a subsidiary activity within a broader E&T component, so long as it makes up less than half the time spent in the broader E&T component. For instance, a State agency may offer an education component teaching E&T participants computer programming skills. During the last week of the course, participants are expected to engage in unsupervised job search for several hours a day. So long as the time spent searching for a job makes up less than half the time in the computer programming course, the

unsupervised job search is an allowable activity, and the State agency may seek reimbursement.

## Can job search count toward the able-bodied adults without dependents (ABAWD) work requirement?

Job search, whether supervised or unsupervised, can count towards the [ABAWD work requirement](#), so long as job search makes up less than half of the time spent in the requirement. For instance, if an ABAWD takes a job training class for 20 hours a week to count towards the ABAWD work requirement, no more than 10 hours can be spent doing job search (supervised or unsupervised) during that week.

## What is job search training?

Job search training is a component that enhances the job readiness of participants by teaching them job seeking techniques, increasing job search motivation and boosting self-confidence. This component may consist of job skills assessments, and other direct training or support activities. These are distinct from “work readiness” activities, which are included in the education component.

Job search training differs from supervised job search because of the need to conduct training activities.

## What is E&T workfare?

E&T workfare is a component in which SNAP recipients work off the value of their household’s monthly SNAP allotment through an assignment at a private or public non-profit agency, including community-based organizations. In lieu of wages, workfare participants receive compensation in the form of their household’s monthly benefit allotment. The primary goal of workfare is to improve employability and encourage individuals to move into regular employment while improving the community. Workfare assignments cannot replace or prevent the employment of regular employees. Workfare assignments must provide the same benefits and working conditions provided to regular employees performing comparable work for comparable hours.

There are also several types of workfare outside of the E&T program, and which are not E&T components. For example, ABAWDs can elect to participate in comparable workfare, which may be self-initiated to fulfill the [ABAWD work requirement](#), if this is a State option. In a self-initiated workfare program, ABAWDs voluntarily participate and find their own workfare job assignments to remain eligible for SNAP.

## What is work experience?

A work experience program is designed to improve the employability of household members through actual work experience or training, or both, and to enable individuals employed or trained under such programs to move promptly into regular public or private employment. Work experience is a planned, structured learning experience that takes place in a workplace for a limited period of time. Work experience may be paid or unpaid, as appropriate, and consistent with other laws such as the Fair Labor Standards Act. Work experience may be arranged within the private for-profit sector, the non-profit sector, or the public sector. Labor standards apply in any work experience setting where an employee/employer relationship, as defined by the Fair Labor Standards Act, exists.

A work experience program may include either a work activity or a work-based learning program. Both work activities and work-based learning opportunities must involve a planned and structured learning experience.

- A **work activity** is performed in exchange for SNAP benefits that provides an individual with an opportunity to acquire the general skills, knowledge, and work habits necessary to obtain employment. The purpose of work activity is to improve the employability of those who cannot find unsubsidized full-time employment.
- A **work-based learning program** in SNAP E&T is a sustained interaction with industry or community professionals in real world settings to the extent practicable, or simulated environments at an educational institution that foster in-depth, firsthand engagement with the tasks required in a given career field, that are aligned to curriculum and instruction. Work-based learning emphasizes employer engagement, includes specific training objectives, and leads to regular employment. Work-based learning can include internships, pre-apprenticeships, apprenticeships, customized training, transitional jobs, incumbent worker training, and on-the-job training as defined under WIOA. Work-based learning can include both subsidized and unsubsidized employment models whereby E&T funds are used to subsidize the participant's wage.

A work experience program must:

- Not provide any work that has the effect of replacing the employment of an individual not participating in the employment or training experience program; and
- Provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours.

## What is education?

The education component includes a wide range of activities that improve basic skills and the employability of SNAP participants. Such programs include Adult Basic Education (ABE), basic literacy, English as a Second Language (ESL), high school equivalency (GED), career and technical education (CTE), and other post-secondary education. Education components can offer SNAP participants an opportunity to earn postsecondary credentials valued by employers and industry, including certificates and degrees, industry-recognized credentials, and licensures. Education may also include “work readiness” activities, such as general skills building, developing good work habits, and building a work history. FNS can only approve education components that establish a direct link to job-readiness.

There are specific rules regarding what can be charged to an E&T education component. Activities charged to E&T may not supplant non-federal funds for existing educational services and activities and E&T may not be charged more than what the general public would pay for the same service. There are also regulations pertaining to students enrolled in institutes of higher education and their eligibility for SNAP at 7 CFR 273.5.

## What is self-employment training?

Self-employment training is a component that improves the employability of participants by training them to design and operate a small business or another self-employment venture.

E&T participants receive technical assistance in developing business plans and in creating financial marketing plans. Participants also learn how to access small business grants and other business support services.

## What is job retention?

The job retention component is meant to provide support services for at least 30 days and up to 90 days to individuals who have secured employment. Individuals are eligible to receive job retention services if they received SNAP benefits in the month of or the month before they start job retention, and may receive job retention services after leaving SNAP unless the individual is leaving SNAP due to a failure to comply with the general work requirement or an intentional program violation. The participant must have secured employment after or while receiving other E&T services. There is no limit to the number of times an individual may receive job retention services, as long as the individual has re-engaged with E&T prior to obtaining new employment.



## What kinds of job retention services can be paid for with E&T funds?

Job retention can include services like job coaching and troubleshooting issues that may impact employment. For instance, a job coach could help a participant find constructive ways to handle a dispute with a fellow employee, or help a participant identify a child care provider. Participants in job retention may also receive [participant reimbursements](#) that are reasonably necessary and directly related to participation in job retention, like clothing required for the job, equipment or tools required for a job, transportation, and child care.

State agencies may use their [100 percent Federal E&T grants](#) to pay the costs of administering job retention services, as with any approved E&T activity. However, [participant reimbursements](#) under the job retention component must be funded by the State agency, with [50 percent Federal reimbursement](#).

## What kinds of activities from the 2018 E&T pilots are allowable?

The 2018 Farm Bill permits activities from the 2014 Farm Bill E&T pilots to become allowable E&T activities if those activities, based on results from the independent evaluation, have a demonstrable impact on the ability of participants to find and retain employment that leads to increased household income and reduced reliance on public assistance. The results of the independent evaluation are expected in late 2021.

## How are allowable E&T components identified on the FNS-583?

State agencies must report participation in E&T components on the [FNS-583](#). The following table cross-walks the names of the components (and common activities within those components) with their acronym on the FNS-583.

<b>FNS-583 Acronym</b>	<b>Description</b>
SJS	Supervised Job Search
JST	Job Search Training
JR	Job Retention Services
SET	Self-Employment Training
W	Workfare
EPB	Educational Program, Basic Education and/or Foundational Skills Instruction (includes High School Equivalency programs)
EPC	Educational Program, Career and/or Technical Education Programs or Other Vocational Training
EPEL	Educational Program, English Language Acquisition
EPIE	Educational Program, Integrated Education and Training or Bridge Programs



EPWRT	Educational Program, Work Readiness Training
EPO	Educational Program – Other. State must provide description
WA	Work Activity
WBLI	Work-based learning, Internship
WBLI-SUB	Work-based learning, Internship, Subsidized by E&T
WBLOJT	Work-based learning, On-the-job Training
WBLOJT-SUB	Work-based learning, On-the-job Training, Subsidized by E&T
WBLPA	Work-based learning, Pre-apprenticeship/Apprenticeship
WBLPA- SUB	Work-based learning, Pre-apprenticeship/Apprenticeship, Subsidized by E&T
WBLTJ	Work based learning, Transitional Jobs
WBLTJ – SUB	Work based learning, Transitional Jobs, Subsidized by E&T
WBLO	Work-based learning- Other, State must provide description
WBLO – SUB	Work-based learning- Other, State must provide description, Subsidized by E&T

### What level of effort must each component entail?

The level of participation depends on the component, but must be sufficient to effectively and efficiently provide the participant with the necessary training to move into employment. In other words, the E&T participant should be making satisfactory progress towards employment. Note that the hours of participation for mandatory participants in workfare or in a work experience component, along with the hours worked by other household members, must not exceed the value of the monthly allotment divided by the higher of the applicable State or Federal minimum wage. Also note that level of effort for an E&T component is a separate concept from the number of hours an ABAWD must work or engage in job training as part of the [ABAWD work requirement](#).

### What is the maximum amount of time a participant can spend in an E&T program?

The State agency cannot mandate more than 120 hours per month. In addition, the hours worked by a mandatory participants in a work component (i.e. [work experience](#) or [workfare](#)), plus the hours worked by other household members, cannot exceed the value of the household monthly benefit divided by the higher of the applicable Federal or State minimum wage. Mandatory and voluntary participants in [work-based learning](#) can volunteer to work more hours, so long as the voluntary E&T participant receives the same compensation for comparable work for comparable hours earned by non-SNAP E&T participants, and no minimum wage laws are violated. However, participants in a work activity or workfare cannot work additional hours, even on a voluntary basis, because their participation is limited to working off the value of their benefit.

## What guidance is available to help determine whether an E&T activity or service may be approved?

[Activities](#) are specific offerings within an E&T component. To be allowable, an activity must fit within one of the E&T components listed at 7 CFR 273.7(e)(2). Services are other types of offerings within an E&T program, most specifically including [case management services](#). All E&T [components](#) and services must support [the purpose of the E&T Program](#) in accordance with section 6(d)(4) of the [Act](#). The purpose of the E&T program is to assist members of SNAP households in gaining skills, training, work, or experience that will increase their ability to obtain regular employment and meet State or local workforce needs.

If an E&T activity or service does not support the purpose of E&T, it is not approvable. For instance, participation in a drug or alcohol treatment and rehabilitation program is not an allowable activity or service in E&T because it is not directly providing participants with the skills or training to obtain employment. In addition, these services are not an allowable participant reimbursement. An E&T case manager may identify the need for substance use disorder treatment and make a referral, but E&T cannot pay for the treatment and time spent in treatment cannot count toward the mandatory E&T requirement. Also note, that regular participants in a drug addiction or alcohol treatment and rehabilitation program must be exempt from the general work requirement, and consequently are exempt from mandatory E&T. Case managers must inform the appropriate State agency staff of a participant's participation in a treatment program, so that the State agency staff can determine if the individual should receive an exemption.

In addition, an activity must entail a [certain level of effort](#) and may not delay the individual's eligibility for benefits or issuance of benefits. For instance, a State agency may choose to [serve applicants](#) in E&T, but participation in E&T must not delay the processing of the participant's application.

## May mental health services be provided under E&T?

Mental health services are not generally allowable under E&T. As stated above, to be an allowable E&T activity, service, or participant reimbursement, the activity, service, or participant reimbursement must [further the purpose of E&T](#). The provision of mental health services does not further the purpose of E&T.

Individuals deemed mentally unfit in accordance with the work registration exemptions at 7 CFR 273.7(b), or individuals with other types of mental health challenges who may be exempt from the requirement to participate in E&T by State agency criteria, cannot be mandatory E&T participants. State agencies may choose to serve individuals with mental health challenges in E&T and through the provision of case management services, identify potential mental health challenges and make referrals to mental health services, but E&T cannot fund mental health services.

## May an E&T component address substance use disorders?

Generalized anti-drug, anti-alcohol and mental health discussions are permissible as part of an approved component, as they are important topics related to employability and maintaining a job. The amount of time spent on such discussions should not be more than would normally be dedicated to other employability topics. For instance, if a training component covers job search, interview preparation, dress, hygiene, etc., then the drug, alcohol or mental health discussions should take up no more time than the other sub-topics.

As stated above, to be an allowable E&T activity or service, the activity or service must [further the purpose of E&T](#). The provision of substance use disorder treatment does not further the purpose of E&T. Case managers may identify potential substance use disorders and make appropriate referrals to agencies that can help. However, substance use disorder treatment, defined as behavior modification therapy for those who use drugs or alcohol to the detriment of themselves and others, is not an allowable E&T activity.

## Workfare

### What types of workfare are there?

There are several types of workfare programs, including [SNAP E&T workfare](#), optional workfare authorized under Section 20 of the [Act](#), comparable workfare, and others. With the exception of SNAP E&T workfare, all other forms of workfare are operated outside of the E&T program and are not E&T components. State agencies may only use SNAP E&T funds for E&T workfare. The requirements for SNAP E&T workfare, among other types of workfare, are outlined at 7 CFR 273.7(m).

### How long can a SNAP participant participate in E&T workfare?

In accordance with 7 CFR 273.7(e)(4)(ii), the time spent by household members collectively each month in an E&T work program (e.g. workfare and work experience components) along with any additional workfare hours must not exceed the number of hours equal to the household's monthly allotment divided by the higher of the applicable Federal or State minimum wage. Thus, the maximum number of hours that a SNAP participant can spend in workfare must be calculated on a household basis considering the number of hours other household members spend working, in an E&T work program, or in workfare.

In addition, the total hours of participation in an E&T program for an individual in a month, together with any workfare hours or hours worked for compensation (in cash or in-kind), must not exceed 120.

## What is SNAP E&T Workfare?

SNAP E&T workfare is operated as part of an E&T program as a component and must comply with all E&T program requirements (e.g. participants must receive [case management](#), [participant reimbursements](#), etc.).

## What kinds of organizations can the State agency partner with to implement SNAP E&T workfare?

SNAP E&T workfare may only be performed at public or private nonprofit agencies. Under a SNAP E&T workfare program or an optional workfare program, contractual agreements must be established between the operating agency and a workfare placement organization.

## What other laws do State agencies need to comply with to implement workfare?

Workfare programs and placements are subject to the Fair Labor Standards Act (FLSA) and minimum wage laws apply. States with questions about FLSA requirements should work with their State Wage and Hour Division to ensure workfare programs comply with all Federal requirements.

## Can E&T funds be used for workfare outside of an E&T program?

No. E&T funds may only be used for the cost of planning, implementing, and operating a SNAP E&T program. Workfare outside of an E&T program, including optional workfare and comparable workfare, is not part of a SNAP E&T program. Optional workfare has its own line on the State's SF-778 Budget Form and its own letter of credit within the SNAP accounting system.

## Should a State agency include workfare in its E&T State plan?

It depends. If a State agency intends to offer E&T workfare as part of its E&T program, then E&T workfare must be included in the E&T State plan, along with any other components the State agency plans to offer. In addition, if a State agency is choosing to take the ABAWD pledge, and the State agency intends to offer any type of workfare as a qualifying activity, the State agency should indicate this intention in the ABAWD pledge section of the E&T State plan.

## Where can I learn more about different types of workfare?

The Federal requirements for workfare are found in 7 CFR 273.7(m).

# Workforce Partnerships

## What is a workforce partnership?

A workforce partnership is a partnership between the State agency and employers or other employment entities to create new ways for SNAP participants to gain high-quality, work-related skills, training, work, or experience that will increase the ability of the participants to obtain regular employment. Workforce partnerships must meet certain criteria to be certified by the State agency, and comply with certain reporting requirements.

## Are workforce partnerships part of an E&T program?

No. Workforce partnerships are not part of an E&T program. Workforce partnerships are part of the broader SNAP program. No funds from the [Act](#) may be used to support workforce partnerships.

## Can participation in a workforce partnership count toward mandatory E&T?

Yes. A mandatory E&T participant can meet their [mandatory E&T requirement](#) through participation in a workforce partnership.

## Can participation in a workforce partnership count toward the ABAWD work requirement?

Yes. An ABAWD can meet the [ABAWD work requirement](#) through participation in a workforce partnership.

## Where can I learn more about workforce partnerships?

Workforce partnerships are described in greater detail in 7 CFR 273.7(n).

# Work Supplementation

## What is work supplementation?

Work supplementation is a State option that allows a State agency to provide work and training opportunities to households receiving both SNAP and Temporary Assistance for

Needy Families (TANF) benefits by supplementing the wage of the participant with the cash value of the SNAP and TANF benefits. To operate a work supplementation program, the State agency must submit for FNS approval a work supplementation plan. For more information about work supplementation, see the regulations at 7 CFR 273.7(l).

### **Is work supplementation part of an E&T program?**

No. Work supplementation is not part of an E&T program. Work supplementation is a State option in the broader SNAP program. E&T funds may not be used to support a work supplementation program.

### **How does work supplementation affect SNAP work requirements?**

A SNAP recipient participating in a work supplementation program must be excused from meeting any other work requirements.

## **Civil Rights and SNAP E&T**

### **How do Civil Rights laws and regulations apply to E&T programs?**

State agencies administering SNAP E&T programs must:

- Comply with Federal law and ensure that individuals eligible for and participating in E&T are not discriminated against based on race, color, national origin, age, sex (including gender identity and sexual orientation), religious creed, disability and political belief.
- Ensure policies are implemented in accordance with Title II of the Americans with Disabilities Act (ADA)/ Americans with Disabilities Act Amendments Act (ADAAA) and Section 504 of the Rehabilitation Act requirements.
- Ensure locations are physically accessible to individuals with disabilities and free auxiliary aids and services and other reasonable modifications are provided.
- Verify effective communication is provided to individuals with disabilities (i.e., Braille, large print, sign language interpreter, etc.).
- Display the appropriate *And Justice For All* poster in a prominent area for the public to view.
- Ensure public websites that provide information regarding E&T have the full nondiscrimination statement, or a direct hyperlink to it, on their respective program home webpages.

- Ensure there are no substantive differences in client referrals to E&T activities based on race and/or ethnicity.
- Ensure staff involved in all levels of E&T (i.e. managers, supervisors, frontline staff, volunteers, etc.) receive annual Civil Rights training.
- Ensure meaningful access to persons with limited English proficiency (LEP).
- Translate vital documents based on the results of the State agency's language assessment of what languages other than English are spoken most frequently statewide and provide interpreter services to program applicants and participants free of charge.
- Notify program applicants and participants of the availability of free language assistance services.
- Ensure that citizenship and immigration status does not give rise to discrimination.

### **How does the requirement to provide reasonable modifications apply to E&T?**

The ADA requires public entities to make reasonable modifications to allow participants with disabilities to participate in programs. If the public entity can demonstrate that a particular modification would fundamentally alter the nature of its service, program, or activity, it is not required to make that modification. However, SNAP State agencies are expected to begin a conversation with SNAP participants and potential E&T participants during eligibility to learn of any potential accessibility concerns. The State agency should then consider the participant's concern and make timely and reasonable modifications to serve the household in E&T.

### **Where can I learn more about the applications of Civil Rights to E&T?**

The [SNAP E&T Guidance on Civil Rights Requirements](#) provides more information of the application of civil rights requirements in E&T programs.



# Chapter 2 – E&T Eligibility and Participation





# General Work Requirement

## What is the SNAP general work requirement?

As a condition of SNAP eligibility, individuals must comply with the SNAP general work requirement unless [exempt from the requirement](#). Individuals required to comply with the general work requirements are referred to as [work registrants](#).

The general work requirements entail:

- Registering for work at time of application and every 12 months thereafter;
- Participating in a E&T program, if assigned by the State agency;
- Participating in a workfare program, if assigned by the State agency;
- Providing information on employment status to the State agency;
- Reporting to an employer, if referred by the State agency and if the potential employment is suitable;
- Accepting a bona fide offer of suitable employment; and
- Not voluntarily quitting a job without good cause or reducing work hours to less than 30 hours per week.

All SNAP recipients that do not meet a Federal exemption, as described in 7 CFR 273.7, must work register or be registered by the State agency. Most State agencies include a general work registration statement on the SNAP application.

## Who is a work registrant?

A work registrant is a SNAP applicant or recipient who must comply with the [general work requirement](#) because he or she does not meet one of the following Federal exemptions from the general work requirement:

- Already working at least 30 hours a week (or earning wages at least equal to the federal minimum wage multiplied by 30 hours);
- Meeting work requirements for another program (TANF or unemployment compensation);
- Taking care of a child under 6 or an incapacitated person;
- Unable to work due to a physical or mental limitation;
- Participating regularly in an alcohol or drug treatment program; or

- Studying in school or a training program at least half-time (but college students are subject to other eligibility rules).

## What are the other SNAP work requirements?

In addition to the [general work requirement](#), a SNAP work registrant may also [be required to participate in E&T \(i.e. mandatory E&T\)](#) if they do not meet a [State-specific exemption from E&T](#). A SNAP work registrant may also qualify as an [ABAWD](#) and be required to comply with the [ABAWD work requirement](#).

# E&T Eligibility

## Who is eligible to participate in E&T?

SNAP [applicants](#) and participants are eligible to participate in E&T. E&T participants can be either [mandatory](#) or [voluntary](#).

## What is a mandatory E&T participant?

A mandatory E&T participant is a [work registrant](#) who does not meet a [State-specific exemption](#) from E&T (i.e. required to participate as a condition of eligibility for SNAP) and is referred to an E&T program by the State agency.

## What does it mean to meet a State-specific exemption from E&T?

All [work registrants](#) must participate in E&T if required to by the State agency; however, State agencies have broad authority to exempt work registrants from the requirement to participate in E&T. Exemptions vary by State agency and can include geographic location, pregnancy, and low-English proficiency. Some State agencies may exempt certain work registrants from the requirement to participate in E&T, but require others to participate. State agencies may choose to require verification of an exemption from the requirement to participate in E&T. In these cases, State agencies should not [refer](#) individuals to E&T until after the period of time to provide the exemption passes, and the State confirms the individual is not exempt. Many State agencies exempt all work registrants from E&T and run completely [voluntary E&T programs](#). It is important to note that if a work registrant meets a State-specific E&T exemption the recipient must still meet the [general work requirement](#).

When determining who will not be exempted from E&T, and therefore [required to participate in E&T](#), State agencies should consider how best to balance available resources for E&T programs with the number of work registrants in the State. It is the [State agency's responsibility](#) to ensure there is an appropriate and available opening in

an E&T program for every applicant or recipient required by the State agency to participate in E&T.

### **What is a voluntary E&T participant?**

Voluntary E&T participants are SNAP recipients who are exempt from [mandatory E&T participation](#), but choose to pursue E&T. Because voluntary participants are exempt from mandatory E&T, they cannot be disqualified for failure to comply. State agencies may choose to exempt all SNAP work registrants from mandatory E&T and only serve volunteers. Further, State agencies can choose to serve non-work registrants (who are by statute exempt from mandatory E&T) as volunteers. Other State agencies may focus on serving mandatory participants, but also allow some SNAP participants to volunteer. State agencies have the authority to establish criteria for voluntary participation in E&T. For instance, a State agency could decide to serve voluntary participants who live in a certain geographic location or decide to serve [ABAWDs](#) who volunteer for E&T.

### **What is the difference in administrative responsibilities to run a mandatory versus voluntary program?**

State agencies that run [mandatory E&T programs](#) have additional responsibilities compared to State agencies that run only [voluntary E&T programs](#). State agencies administering mandatory E&T programs must ensure that individuals referred to E&T have been properly [screened for an exemption](#) from mandatory E&T using [State-specific criteria](#), and ensure there is an [appropriate and available opening in an E&T program](#) for that participant. If there is not an appropriate and available component, then the State agency must provide [good cause](#). State agencies must also exempt individuals from mandatory E&T if the costs of [participant reimbursements](#) exceed the State agency cap, or if the participant reimbursement is not available. All mandatory E&T participants must also receive the [consolidated work notice](#) and oral explanation explaining the mandatory E&T requirement, in addition to other work requirements, as applicable. If a mandatory E&T participant fails to comply, the State agency must establish if the non-compliance was without good cause, and [issue a Notice of Adverse Action](#), if appropriate.

State agencies that focus on voluntary rather than mandatory participants may save administrative time because eligibility workers spend less time determining [non-compliance](#) and good cause, issuing [Notice of Adverse Action](#) letters, and rescheduling missed appointments with clients. Less time spent on these activities translates to more time and resources that can be dedicated to service delivery. If a voluntary participant repeatedly fails to comply with an E&T activity or service, the State agency may discontinue E&T for that individual or place him or her in a different activity.

## Can a State agency enroll a voluntary participant in E&T without screening and referring the participant?

To be considered a [voluntary E&T participant](#), an individual must knowingly volunteer for the E&T program, be [screened](#) by the State agency to determine if the individual meets [State-specific criteria](#) for voluntary participation, be [referred](#) by the State agency to an approved and appropriate E&T component, and be provided appropriate participant reimbursements. These requirements also apply to participants who have been reverse referred to the State agency by an E&T provider.

## Can a State agency limit the number of voluntary participants it serves?

SNAP regulations do not limit the number of volunteers that can participate in an E&T program; however, State agencies can choose to limit the number of people they serve through their E&T program. This includes the number of volunteers.

State agencies have the authority to establish [State-specific criteria](#) regarding who will participate in their E&T programs. (Note this does not mean that State agencies have the authority to discriminate against protected classes.) For example, a State agency could limit the number of volunteers it will serve based on existing financial resources or where there are appropriate E&T providers. In addition, State agencies do not have to serve volunteers (i.e. a State agency may choose to serve only [mandatory participants](#)).

This information should be included in the [E&T State plan](#).

## Are all work registrants required to participate in E&T?

All [work registrants](#) are required to participate in E&T unless they meet the criteria for a [State-specific exemption](#) from E&T. State agencies must establish screening criteria to determine which work registrants will be required to participate in E&T and which will be exempt. State agencies can choose to exempt all work registrants from the requirement to participate in E&T – in other words, the State agency can choose to run an all [voluntary E&T program](#).

Alternatively, the State agency may choose to exempt certain types of work registrants from the requirement to participate in E&T. The criteria used to determine who is required to participate in E&T must not discriminate against protected classes and must be applied consistently.

## What is the difference between a work registrant and a mandatory E&T participant?

The terms “[work registrants](#)” and “[mandatory E&T participants](#)” are often confused or used interchangeably. However, it is important that State agencies understand the difference between these two terms, as their meanings are very distinct and have corresponding provisions in the SNAP regulations.

Work registrants are SNAP participants who have not met any Federal exemptions from the SNAP [general work requirement](#) and are therefore required to register for work or be registered by the State agency. All work registrants are mandatory E&T participants, unless they meet a [State-specific E&T exemption](#) from the requirement to participate in E&T. If a work registrant meets a State-specific E&T exemption from the requirement to participate in E&T, then that individual is a work registrant, but not a mandatory E&T participant. If a work registrant meets a State-specific exemption from E&T and chooses to volunteer for E&T, then that individual is also not a mandatory E&T participant and remains a work registrant.

As a result, not all work registrants are mandatory E&T participants, but all mandatory E&T participants are work registrants.

## Is there an age limit for who can participate in E&T?

A person younger than 16 years of age or a person over the age of 60 is exempt from the general work requirement. Some 16 or 17 years olds must [work register](#) (those who are the head of a household and are not in school or “an employment training program” at least halftime). Sixteen and 17 year olds who are exempt from work registration and individuals over 60 may [volunteer](#) for E&T.

There are special considerations for serving high school students in E&T. States agencies should review the December 20, 2020 memo “[Use of SNAP Employment and Training funds for SNAP recipients who are attending high school.](#)”

# Able Bodied Adults without Dependents

## Who is an ABAWD?

ABAWD stands for an able bodied adult without dependents. ABAWDs are subject to the [ABAWD work requirement](#). An individual is not subject to the [time limit](#) for ABAWDs if he or she meets one of the following exemptions:

- Under 18 or 50 years of age or older;

- Unable to work due to a physical or mental limitation;
- Responsible for a dependent child or residing in a household where a household member is under age 18;
- Is otherwise exempt from the [general work requirements](#); or
- Is pregnant.

## What is the ABAWD work requirement?

ABAWDs are limited to three months of SNAP benefits in a three-year period ([the time limit](#)) unless they are fulfilling the ABAWD work requirement. ABAWDs can fulfill the ABAWD work requirement by doing any one of the following things:

- Work at least 80 hours a month. Work can be for pay, for goods or services (for something other than money), unpaid, or as a volunteer;
- Participate in a work program at least 80 hours a month. A work program could be SNAP Employment and Training or another Federal, State, or local work program;
- Participate in a combination of work and work program hours for a total of at least 80 hours a month;
- Participate in workfare for the number of hours assigned each month (the number of hours will depend on the amount of the SNAP benefit.)

In certain specific circumstances, State agencies have the ability to waive the time limit. State agencies may also extend SNAP eligibility to a limited number of ABAWDs subject to the time limit through “discretionary exemptions.” Each discretionary exemption extends eligibility to one ABAWD for one month. The quantity of discretionary exemptions available to the State agency is equal to 12 percent of the State’s caseload that is subject to the time limit.

Learn more about [ABAWDs](#).

## What is the ABAWD time limit?

ABAWDs are limited to three full months of SNAP benefits in a three-year period unless they are fulfilling the [ABAWD work requirement](#) or otherwise exempt. ABAWDs who have reached the time limit can regain eligibility by fulfilling the ABAWD work requirement for 30 consecutive days.

## What is an ABAWD waiver?

An ABAWD waiver temporarily waives the [time limit](#) for all ABAWDs residing within the geographic area covered by the ABAWD waiver. An ABAWD time limit waiver does not waive the general SNAP work requirement.

## Can ABAWDs participate in E&T?

ABAWDs may participate in E&T to fulfill the ABAWD work requirement and remain eligible for SNAP. In fact, some State agencies require ABAWDs participate in E&T as [mandatory participants, although State agencies are not required to do so](#). However, if the E&T component does not provide at least 80 hours a month, the ABAWD must identify other opportunities to fulfill the balance of the hours beyond participation in E&T. It should also be noted that [supervised job search](#) and [job search training](#), when offered as [components of an E&T program](#), are not qualifying activities that may fulfill the [ABAWD work requirement](#). However, job search, including supervised job search, or job search training activities, when offered as part of other E&T program components, are acceptable as long as those activities comprise less than half the total required time spent in the components.

## Are all ABAWDs mandatory E&T participants?

No. State agencies have the authority to use [State-specific criteria](#) to exempt individual [work registrants](#) or categories of work registrants from E&T participation. If an ABAWD meets a State-specific E&T exemption, he or she is not required to participate in E&T. However, State E&T exemptions do not absolve ABAWDs from the [ABAWD time limit](#).

For example, Joe is an ABAWD receiving SNAP benefits and residing in County A. The State agency exempts all work registrants in County A from the requirement to participate in E&T, so Joe is not a mandatory E&T participant. However, County A does not have an [ABAWD waiver](#), and as a result Joe is subject to the [ABAWD time limit](#). In order to avoid receiving a countable month against the ABAWD three month participation time limit, Joe must work, volunteer to participate in an E&T program or another qualifying work program for at least 80 hours a month, or participate in workfare in order to remain eligible for SNAP. Because he is not a mandatory E&T participant, Joe cannot be disqualified for failure to comply with E&T if he does not participate in E&T.



# Screening, Assessment, and Referral in E&T

## What does it mean to screen for E&T participation?

All State agencies must screen to determine if an individual should be referred to E&T. Screening is the process to determine if an individual meets [State-specific criteria](#) to participate in E&T. All [work registrants](#) are [required to participate in E&T](#) unless they meet a [State-specific E&T exemption](#). If a State agency chooses to serve [volunteers](#) in E&T, State agencies must also screen volunteers to determine if they meet State-specific criteria for voluntary participation. Individuals who are identified as potential E&T participants (i.e. reverse referrals) must also be screened by the State agency to determine if the individual meets State agency criteria to participate in E&T. After a State agency determines an individual meets State-specific criteria to participate in E&T, either for voluntary or mandatory E&T, the State agency must [refer](#) that individual to the E&T program.

## Is screening an allowable E&T cost?

Screening for E&T is a SNAP certification function, not an E&T function. As a result, screening for E&T is not an allowable E&T cost.

## What does it mean to assess a SNAP E&T participant?

A SNAP participant should be assessed prior to placement in a specific E&T component. Assessment should include an in-depth evaluation of employability coupled with employment goals and skills assessments. This can be done by an E&T counselor, case manager, or an E&T service provider. The results of the assessment should be matched with [criteria for participation](#) for individual components and specific activities. Please note that the objective of the assessment is to determine the most appropriate E&T component for an E&T participant, not to determine whether the participant is subject to the SNAP [general work requirement](#) or should be [referred to E&T](#). The latter steps are part of the SNAP certification process, and are not allowable E&T expenses.

The following is a list of skills or knowledge that could be examined with suggested assessment tools.



Skill or Knowledge	Assessment Tool
Literacy Level	Standardized tests, one-on-one interview/observations (i.e. client's ability to read and complete forms in case file).
Communication Skills (including English proficiency)	Standardized test, one-on-one interview
Education	Questionnaire, resume, or one-on-one interview
Employment History	Questionnaire, resume, or one-on-one interview
Employment-Related Skills, Abilities and Interests	Questionnaire, one-on-one interview, or online assessment
Employment Barriers and Steps Necessary to Overcome Barriers	Questionnaire or one-on-one interview

Many local workforce investment boards have extensive resources for assessment. State agencies can partner with local workforce boards and American Job Centers to maximize existing, experienced, and local resources.

**Who can provide assessments?**

An assessment can be completed in a variety of ways. Some State agencies use a one or two page form that the participant completes. Others allow the E&T coordinator to objectively assess the participant in-person. Some State agencies partner with other related programs or offices (WIOA, American Job Centers) or non-governmental agencies to provide a more comprehensive assessment.

With the requirement that all E&T participants receive [case management](#), in addition to at least one component, the assessment can be incorporated into the overall case management that the participant receives.

**Are assessments an allowable E&T cost?**

Assessments are conducted on individuals who have been determined eligible for participation in E&T. As a result, assessments are an allowable E&T cost.

**What does it mean to determine the criteria for participation in an E&T component?**

State agencies should be matching E&T participants with the E&T components and activities that meet their training needs and where participants are most likely to be

successful in obtaining training or experience that leads to new skills to obtain a better job. As such, State agencies are highly encouraged to determine criteria for participation in E&T components and activities that consider the types of participant skills, knowledge, or experience that are most likely to lead to success in the component.

### **Can a State agency serve TANF participants in E&T?**

E&T funds cannot be used to serve recipients of TANF cash assistance. Before placement in an E&T program, there must be a mechanism to ensure that the participant is not a TANF cash recipient. Note: By statute, VT, WI, CO and UT are authorized to spend a limited amount of E&T funds on TANF cash recipients.

### **Can a State agency serve SNAP applicants in E&T?**

Yes. Both SNAP applicants and SNAP participants can be referred to E&T programs and receive E&T services.

### **Are there specific policies related to serving SNAP applicants?**

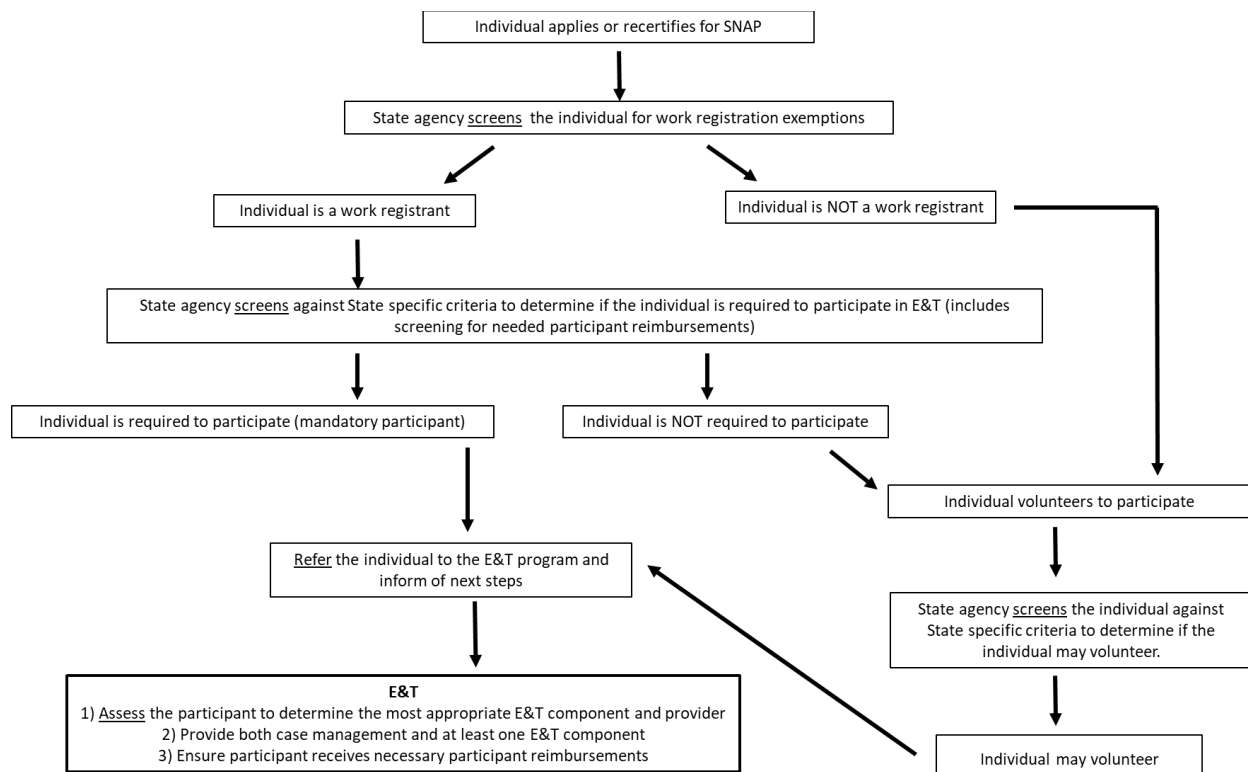
Yes. The State agency must [screen](#) applicants to determine if it is appropriate for them to participate in E&T, refer the applicant to E&T, provide the applicant with [participant reimbursements](#), and inform the applicant of E&T participation requirements including how to access the component and consequences for failing to participate. The State agency must not impose requirements that would delay the determination of an individual's eligibility for benefits or in issuing benefits to any household that is otherwise eligible.

### **When does an individual become a SNAP E&T participant?**

An individual becomes an E&T participant once he or she is [referred](#) to an E&T program. This definition holds for both [mandatory](#) and [voluntary](#) E&T participants.

### **What are the major steps in the flow of a SNAP applicant from application to referral to an E&T program?**

The following flow chart explains the basic steps as an individual progresses from application to referral to an E&T program.



## What is an employment plan?

While not a requirement for SNAP E&T participants, many State agencies create employment plans (EP) for each participant to document the services the State agency will provide based on the participant's interests and goals that were uncovered in the [employment assessment](#). An employment plan could include the following:

- Employment objective (should be consistent with assessment).
- Activities to be undertaken (i.e. E&T components, case management) to achieve objective.
- Tentative dates, times and locations for each activity.
- Hours of activity required each week.
- Services provided by agency (e.g. child care, transportation).
- Statement of participant's responsibilities and consequence of failing to comply.
- Signature of participant and eligibility worker or E&T coordinator.

# Participant Reimbursements

## What are participant reimbursements?

State agencies are required to pay for or reimburse E&T applicants and participants, including E&T volunteers, for all expenses that are reasonably necessary and directly related to participation in an E&T program. FNS will reimburse 50 percent of State agency payments for allowable participant reimbursements. Participant reimbursements include—but are not limited to—dependent care, transportation, books and supplies, clothing and uniforms, and personal safety items.

## Are there guidelines to assess whether a participant expense is an approvable participant reimbursement?

State agencies have flexibility to determine the types of participant reimbursements that will be offered to applicants and participants, within certain guidelines. In order to be allowable, participant reimbursements must be reasonably necessary and directly related to participation in an approved service or component in an E&T program, and meet all Federal cost principles (2 CFR 200.404), including what a “prudent person” would pay. State agencies must include participant reimbursements in their E&T State plans, which are subject to review and approval by FNS.

Participant reimbursements **cannot**:

- Be available through another government program or available at no cost to the participant through a private source,
- Be used to support a client’s regular employment unless the participant is enrolled in the [job retention component](#) and the participant reimbursements are linked to participation in that component, and
- Be used to, among other things, pay bad debt such as outstanding fines or fees, or make on-going regular payments.

The [E&T State Plan](#) must contain information about the participant reimbursements offered by the State agency and their cost. The FNS Regional Office must review and approve the E&T State Plan.

## What if a State agency cannot provide sufficient participant reimbursements for an individual?

State agencies may [set caps on the amount of reimbursements](#) that will be paid. However, if a State agency cannot pay for or reimburse participants, or the individual’s

allowable monthly expenses exceed the State agency cap, then the State agency must exempt the participant from E&T or find another suitable component for which the participant's expenses do not exceed the State's ability to pay. Voluntary participants should be informed that expenses in excess of the State agency's allowable reimbursement amount will not be paid with E&T funds.

### **If an individual is exempt from the general work requirement, and consequently from mandatory E&T, but volunteers to participate in E&T, can the State agency provide a participant reimbursement that overcomes the reason for the exemption from the general work requirement?**

If an individual is exempt from the [general work requirement](#) and would like [to volunteer for E&T](#), but requires a special accommodation to participate in the component that is otherwise an allowable E&T expenditure (e.g. a sign language interpreter, or special computer software), those items or services can be provided as participant reimbursements. This is allowable even if in doing so, the participant reimbursement overcomes an exemption from the general work requirement. Note this only applies to voluntary participants.

### **May the State agency use TANF reimbursement guidelines for E&T?**

The significant differences that exist between E&T and TANF Work Programs preclude FNS from allowing State agencies to cover the entire array of expenditures considered suitable under TANF guidelines. A person participating in a TANF Work Program is exempt from participation in SNAP E&T. In addition, State agencies are prohibited from expending any Federal E&T funds on Title IV cash assistance recipients.

### **Can both voluntary and mandatory participants receive participant reimbursements?**

Yes. State agencies are required to provide payments to both [mandatory](#) and [voluntary](#) applicants and participants for expenses that are reasonably necessary and directly related to participation in the E&T program.

### **Can the State agency cap participant reimbursements?**

State agencies may establish a cap on participant reimbursements. Caps can vary within State agencies, as well. For example, if one area of the State has higher transportation costs than others, such as a metropolitan area with bus vouchers versus a rural area where participants need gas cards, the State agency can set different caps on transportation to meet local needs.

## What happens if a participant's costs to participate in E&T exceed what the State agency can pay?

State agencies must provide payment to [mandatory](#) and [voluntary](#) applicants and participants in the E&T program for expenses that are reasonably necessary and directly related to participation in the E&T program. Mandatory participants must be exempted from E&T if their participation expenses exceed the State agency's allowable reimbursement amount, or the State agency cannot provide the necessary service. Voluntary participants should be informed that expenses in excess of the State agency's allowable reimbursement amount will not be paid with E&T funds.

## Can a State agency create a standardized reimbursement package for E&T participants? For example, if an E&T participant is placed in a CTE program can the State agency give him or her a standardized reimbursement package to cover tuition, books, transportation, and childcare?

No. A State agency must reimburse the actual costs of transportation and other costs that it determines to be reasonably necessary and directly related to participation in the E&T program up to the [maximum level of reimbursement established by the State agency](#). Not all E&T participants incur the same costs for participation in an E&T component. For example, two E&T participants may be placed in a CTE course; one participant may need reimbursements for books and transportation, while the other participant only needs reimbursement funds for books because they bike to class. The E&T program can only pay for the actual cost of participation.

A State agency may create a method for participant allowances that reflects the approximate costs of participation and this method must be approved by FNS through the [E&T State plan](#). This method must be reasonable and verifiable. If a State agency has an approved method to provide participant reimbursements, it must still give participants an opportunity to claim actual expenses up to the maximum level of reimbursements established by the State agency.

## When should SNAP participants be informed and offered participant reimbursements?

Starting with [screening](#), through [referral](#) to E&T, and during any subsequent [assessment](#) and [case management](#), E&T participants should be regularly informed of their right to receive participant reimbursements, and the types of participant reimbursements available. The State agency must also inform all [mandatory participants](#) of their right to be exempted from mandatory E&T if the cost of participant reimbursements exceed the [State cap](#) or the State agency is unable to provide the reimbursements. This information is also required to be part of the [consolidated written](#)

[notice](#) and oral explanation that all households with members subject to a work requirement must receive at application, recertification, whenever a member loses and exemption, and whenever a new member joins the household. As a best practice, the State agency's initial [screening](#) should identify any participant reimbursement necessary for successful participation in E&T, and connect the individual to those resources if referred to E&T.

### **Do participants have to submit receipts to receive participant reimbursements?**

State agencies have flexibility in how they establish the value of participant reimbursements. State agencies can provide the payments in advance (e.g. a bus voucher for the month), or ask participants for receipts. However, State agencies must be prepared, at FNS request, to demonstrate that participant reimbursements are reasonable, necessary and directly related to participation in the program.

### **Can E&T case managers or providers provide participant reimbursements?**

Yes. E&T [case managers](#) and [providers](#) can provide participant reimbursements to E&T participants. To be reimbursable the costs must be reasonably necessary and directly related to participation in the E&T component. The State agency must establish procedures with E&T providers to ensure participant reimbursements are appropriately administered.

### **Can E&T 100 percent funds be used to pay for participant reimbursements?**

No. By statute, E&T [100 percent funds](#) cannot be used to pay for participant reimbursements. Only E&T [50/50 funds](#) can be used to pay for participant reimbursements.

## **Non-compliance with Mandatory E&T**

### **What happens if a mandatory E&T participant does not comply with mandatory E&T?**

The State agency must disqualify [mandatory](#) E&T participants who fail to comply without [good cause](#) with E&T program requirements. Compliance in an E&T program is defined by the State agency, but at minimum should include some level of effort to perform the first act required by the program, i.e. attending the first training session or



making the first job contact. A disqualification for failure to comply applies only to mandatory participants and not to [voluntary](#) participants.

## What process must the State agency follow if an E&T participant has failed to comply with mandatory E&T?

If the State agency has partnered with E&T providers, those partners have 10 days to inform the State agency of the noncompliance. Whether the State agency has partnered with E&T providers or not, as soon as the State agency learns of the individual's noncompliance it must determine whether [good cause](#) for the noncompliance exists. Within 10 days of establishing that the noncompliance was without good cause, the State agency must provide the individual with a [notice of adverse action](#). If the State agency offers a [conciliation process](#) as part of its E&T program, it must issue the notice of adverse action no later than the end of the conciliation period. The good cause determination is a standalone activity that cannot be blended into the conciliation process or issuance of the notice of adverse action.

## What information must the notice of adverse action contain?

The notice of adverse action must explain in easily understandable language the particular act of noncompliance committed and the proposed period of disqualification. The notice must also specify that the individual may request a fair hearing and may, if appropriate, reapply at the end of the disqualification period. Information must be included on or with the notice describing the action that can be taken to avoid the disqualification before the disqualification period begins. More information about the Notice of Adverse Action can be found in the [Model Notice Toolkit](#).

## When does the disqualification period begin?

The disqualification period must begin with the first month following the expiration of the [10-day adverse notice period](#), unless a fair hearing is requested.

## What is a conciliation process?

When an individual fails to comply with the [general work requirements](#) or [mandatory E&T](#), the State agency may offer a conciliation process. During the conciliation period the individual must take action to come into compliance. If a State agency will offer a conciliation process, it must include the procedures that will be used and the length of the conciliation period in the [E&T State plan](#).

# Good Cause

## When does an E&T participant have good cause for failure to comply with mandatory E&T?

The State agency is responsible for determining good cause when a SNAP recipient fails or refuses to comply with SNAP work requirements. Since it is not possible to enumerate each individual situation that should or should not be considered good cause, the State agency must take into account the facts and circumstances, including information submitted by the employer or E&T provider and by the household member involved, in determining whether or not good cause exists.

Good cause includes circumstances beyond the member's control, such as, but not limited to, illness, illness of another household member requiring the presence of the member, a household emergency, the unavailability of transportation, or the lack of adequate child care for children who have reached age six but are under age 12. State agencies may also provide good cause for leaving employment as defined at 7 CFR 273.7(h)(1) and (2).

State agencies must also provide good cause for non-compliance with [mandatory E&T](#) when the State agency is unable to identify an [appropriate and available slot in an E&T program for a mandatory E&T participant](#).

## What does it mean that a State agency is unable to identify an appropriate and available slot in an E&T program for a mandatory participant?

State agencies running [mandatory E&T programs](#) have the responsibility to ensure appropriate E&T slots are available for all participants required to participate in E&T. If a SNAP participant is required to participate in E&T, and there is not an appropriate slot available, the E&T participant must not be found to have failed to comply with mandatory E&T. The lack of an appropriate and available slot is not the fault of the E&T participant and the State agency must provide good cause until an appropriate and available opening is identified and the participant is informed. Note that State agencies have the responsibility to not only ensure enough slots are available, but to ensure that individuals are referred to appropriate components that are well-matched to the participants' needs and will advance the participants' training or experience.

## **An E&T provider reported that a mandatory participant did not show up or stopped participating. Can the State agency disqualify the individual for noncompliance?**

No. E&T providers must notify the State agency within 10 days of the noncompliance, but E&T providers cannot make determinations of whether good cause exists and consequently if an individual should be disqualified. Regulations at 7 CFR 273.7(i) provide that the State agency is responsible for determining good cause when a SNAP participant fails or refuses to comply with SNAP work requirements. The determination of good cause is a certification function and must be performed by State SNAP agency merit system personnel.

In determining good cause, the State agency must take into account the facts and circumstances, including information submitted by providers, employers, and by the household member involved, in determining whether good cause exists. This means that a State agency cannot act on an incidence of noncompliance with work requirements based solely on information from an employer or an E&T provider without first attempting to obtain information from the SNAP participant.

## **What role do case managers play in determining good cause?**

Determining good cause is an eligibility function and not an E&T function. As such, [E&T case managers](#) cannot determine good cause. However, E&T case managers must report circumstances that may indicate a participant has good cause to the appropriate staff in the State agency who can then use that information to make a good cause determination.

## **Does an ABAWD still have to comply with the ABAWD work requirement if they received good cause for failure to comply with mandatory E&T?**

If an [ABAWD](#) was required by the State agency to participate in SNAP E&T and received good cause for failure to comply with E&T, then the ABAWD must also receive good cause for failure to comply with the [ABAWD work requirement](#), with one exception. If the ABAWD received good cause for non-compliance with mandatory E&T because of a lack of an appropriate and available opening in an E&T program, then the ABAWD must not receive good cause from the ABAWD work requirement, unless the ABAWD should receive good cause for some other reason. This exception exists because ABAWDs have other ways of meeting the ABAWD work requirement beyond SNAP E&T.

# Provider Determinations

## What is a provider determination?

An E&T participant may receive a provider determination when the [E&T provider](#) determines the individual is not a good fit for the E&T [component](#) in which the individual is participating. The E&T provider then informs the State agency of the provider determination and the State agency must take one of [four actions](#) to identify a program or service that may be a better fit for the individual.

## What criteria must the E&T provider use to make a provider determination?

Only the [E&T provider](#) has the authority and responsibility to make the provider determination. Since E&T providers know their programs best, providers have flexibility to use their own judgment to determine if an individual is not a good fit for their program. E&T providers must not discriminate against protected classes when making provider determinations. State agencies should review provider determinations to ensure E&T providers are making reasonable decisions about which individuals are not a good fit for their programs. State agencies must ensure E&T providers adhere to all Civil Rights laws.

## What is the difference between provider determinations and good cause?

Provider determinations are based on criteria, specific to an E&T provider, that establish who is likely to be successful in a particular E&T component. Individuals with a provider determination cannot be disqualified for failure to comply with mandatory E&T while the State agency determines the [next step](#) for that individual. Only E&T providers have the authority and responsibility to make provider determinations. On the other hand, [good cause](#) criteria are used to identify individuals who, through no fault of their own, are not compliant with a SNAP work requirement (i.e. [general work requirements](#), [mandatory E&T](#), and the [ABAWD work requirement](#)). Individuals who receive good cause for lack of compliance with a work requirement cannot be disqualified so long as they have good cause. Only eligibility workers can determine good cause.

## How long does the E&T provider have to inform the State agency of the provider determination?

The E&T provider has 10 days to inform the State agency of the provider determination.

## How long does the State agency have to inform the participant of the provider determination?

The State agency has 10 days to inform the participant of the provider determination.

## What does the State agency have to tell the individual with the provider determination?

The State agency must inform the individual of the provider determination and explain the next steps. The State agency must also inform the individual that a provider determination does not mean the individual is being disqualified, and provide contact information if the individual has questions. In the case of an ABAWD who has received a provider determination, the State agency must also notify the ABAWD that the ABAWD will accrue countable months toward their three-month participation time limit the next full benefit month after the month during which the State agency notifies the ABAWD of the provider determination, unless the ABAWD fulfills the work requirements, or the ABAWD has good cause, lives in a waived area, or is otherwise exempt.

## What action must the State agency take to ensure the individual with a provider determination is connected to a program with a better fit?

The State agency must take one of the following four actions for an individual with a provider determination:

- 1) Refer the individual to an appropriate E&T [component](#). The State agency may refer the individual to another E&T component; however, as a best practice the State agency should consider if an individual who has already received a provider determination is a good candidate for E&T, or if the fourth option below would be a better fit.
- 2) Re-assess the individual's mental and physical fitness. If the individual is not determined mentally or physically fit, then the individual must be exempted from [mandatory](#) E&T. The State agency may also re-assess the individual for other exemptions from the [general work requirements](#), mandatory E&T, or the [ABAWD work requirement](#), as applicable.
- 3) Refer the individual to an appropriate [workforce partnership](#), if applicable. If the State agency has certified one or more workforce partnerships, the State agency may refer an individual to a workforce partnership at the option of the individual. The State agency must provide individuals with sufficient information about workforce partnerships to make an informed decision about participating.
- 4) Coordinate with other Federal, State, or local workforce or assistance programs to identify work opportunities or assistance for the individual. The State agency may decide that an individual with a provider determination would be better

served by a program outside E&T or a workforce partnership. If the State agency chooses this option, the State agency must exempt the individual from mandatory E&T.

### **When must the State agency take one of the four actions above?**

The State agency must take one of the [four actions](#) by the individual's next recertification.

### **Can an individual with a provider determination be disqualified for failure to comply with E&T?**

No. An individual with a provider determination cannot be found to have refused without good cause to participate in mandatory E&T from the time the E&T provider makes the provider determination until the State agency takes one of the four actions.

### **How does a provider determination affect ABAWDs?**

If an ABAWD is also a mandatory E&T participant, and the ABAWD receives a provider determination, then the ABAWD cannot be disqualified for failure to comply with the [mandatory](#) E&T requirement. However, the ABAWD is still subject to the [ABAWD work requirement](#) unless the ABAWD has good cause, lives in a waived area, or is otherwise exempt. ABAWDs subject to the ABAWD work requirement who receive a provider determination must find another way to fulfill the ABAWD work requirement.

ABAWDs who receive a provider determination will accrue countable months toward the [three month participation time limit](#) the next full benefit month after the month during which the State agency notifies the ABAWD of the provider determination, unless the ABAWD fulfills the work requirements in accordance with 7 CFR 273.24, or the ABAWD has good cause, lives in a waived area, or is otherwise exempt.

## **E&T Partners**

### **What are E&T partners?**

State agencies have flexibility in how they deliver their E&T programs. State agencies frequently partner with organizations in the community, such as American Job Centers, community colleges, and community-based organizations, to serve a greater number of SNAP participants and diversify their E&T component offerings. Partners should have the expertise and experience to provide high-quality employment and training services to SNAP participants.

## How are E&T partners funded?

State agencies must enter into a formal agreement with an E&T provider to deliver services to E&T participants. State agencies may fund E&T partners with [100 percent funding](#). If they use State funds, or other non-Federal funds, FNS will provide them with [50 percent reimbursement](#) for allowable expenses.

As 100 percent Federal funds and State funds tend to be limited, in order to grow their programs, many State agencies enter into partnerships with E&T providers who agree to provide E&T services to SNAP recipients using their own non-Federal funds. State agencies then submit these expenditures to FNS as their own. FNS reimburses the State agencies 50 percent, who then pass reimbursement on to the E&T provider. FNS has historically referenced partnerships funded this way as “third-party partnerships.” Third-party partners can receive some 100 percent funding, particularly if they are a new partner and are building their E&T programs.

For more information on reimbursing E&T providers and allowable costs see [Chapter 4](#).

## Can E&T providers provide case management?

Yes. E&T providers can provide [case management](#) to E&T participants.

## What are the responsibilities of E&T providers?

State agencies must establish an agreement with E&T providers to provide E&T services and provide oversight to ensure the third party provider complies with all applicable E&T laws and regulations.

Not all organizations will be a good fit as an E&T provider for a State’s E&T program. E&T providers must be prepared to identify eligible SNAP participants, identify and track non-Federal expenditures eligible for reimbursement (as applicable), and collect and report participant data to the State agency. Depending on the agreement with the State agency, E&T providers may take on additional responsibilities, such as providing participant reimbursements and providing E&T case management services. Partnerships won’t always be a one-size-fits-all approach and State agencies should carefully consider their own needs for the E&T program as they partner with various organizations. State agencies should regularly monitor and conduct audits of E&T providers to ensure that all fiscal and E&T laws and regulations are being met. There are some activities that are the sole responsibility of the State agency that should never be taken on by an E&T provider. Among other things, these include screening for work registrant status, and determining good cause for noncompliance with mandatory E&T.



## What is an intermediary?

An intermediary provides support to State agencies by centralizing and performing a number of required and essential administrative tasks that a State agency would otherwise be required to do (note: intermediaries may not perform certification tasks like screening and issuing SNAP notices). Thus, an intermediary may increase capacity and support E&T programs by leveraging established leadership roles, key partnerships, and expertise within the workforce and employment and training arena.

## What should a State agency consider if they would like to partner with an intermediary?

The benefits of an intermediary include:

- Support expansion of the E&T program by assuming administrative and operational tasks.
- Provide flexibility that may not be available within the State agency & State government.
- Expedite the process of securing E&T partners.
- Integrate E&T within the workforce arena by leveraging an intermediary's established roles, partnerships, and expertise.
- Provide access to key partners with limited administrative capacity, but strong connections to priority populations and communities.
- Focus on specific workforce arenas and/or target populations, for example:
  - Community College/workforce education arena.
  - Services for specific populations.
  - Services to specific geographic areas.

If a State agency chooses to work with an intermediary, the State agency still remains responsible for the SNAP E&T program and must be significantly involved in monitoring the work of the intermediary. Thus, when deciding whether or not to use an intermediary model, the State agency needs to evaluate their ability to manage the intermediary versus the amount of benefits derived from having an intermediary. In addition, when choosing an intermediary, State agencies should consider that an intermediary needs strong knowledge of E&T policy, particularly fiscal issues, as well as knowledge of working with partners in the local workforce development system. The State agency should also consider how the intermediary will be funded; the State agency may need to use 100% funds (and possibly other funds) to support the intermediary. Lastly, State agencies using intermediaries should establish clear roles, responsibilities, and levels of authority to ensure programs are well-managed.

## How can State agencies learn more about identifying and working with E&T providers?

The [SNAP E&T Operations Handbook: A Step-by-Step Guide to Developing, Implementing, and Growing a SNAP E&T Program](#) is a “soup to nuts” guide for State agencies and other stakeholders on how to build a SNAP E&T program using E&T providers, and specifically third-party partners to deliver services. It outlines a “Plan, Implement, Grow” framework that State agencies can use to thoughtfully plan their SNAP E&T program growth. In the Handbook, State agencies will find helpful step-by-step information on the following topics:

- Developing a third-party partnership strategy and implementation plan.
- Building a system for data tracking, reporting and analysis.
- Securing third-party partnerships.
- Building a participant referral system.
- Building a participant eligibility confirmation system.
- Third-party providers and invoicing.

## Reporting

### What is the reporting life cycle?

FNS encourages State agencies to think how the [E&T State Plan](#), the [FNS-583](#), and the [Annual Outcome Report](#) collectively tell a story about the operation of the State’s E&T program over the course of the year. In the E&T State Plan, the State agency lays out the plan for the E&T program for the upcoming fiscal year. On the FNS-583, the State agency reports on E&T program implementation for each quarter. On the Annual Outcome Report, the State agency reports on outcomes for the E&T program. State agencies should examine the data in each report and assess whether they align with one another or signal that program changes should be made for the subsequent fiscal year. For example, if a State estimates that 250 participants will enroll in an education component but the 583 data reports only 12 participants, the State could either explore the component to determine why there is so little take-up or adjust the estimate of participation for the subsequent fiscal year.

## What reports are required in E&T?

Federal regulations require State agencies to report on their E&T activities in two Federal reports: the [E&T Program Activity Report \(also known as the FNS-583\)](#) and the [Annual Outcome Report](#).

## What is the FNS-583?

The FNS-583 or Quarterly Participation Report is a quarterly report documenting how many individuals participated in E&T. The State agency submits an E&T Program Activity Report to FNS no later than 45 days after the end of each Federal fiscal quarter. The report contains monthly figures for:

- Participants newly work registered;
- Number of ABAWD applicants and recipients participating in qualifying components;
- Number of all other applicants and recipients (including ABAWDs involved in non-qualifying activities) participating in components; and
- ABAWDs subject to the three month time limit who are exempt under the State agency's discretionary exemption allowance.

The State agency must also submit annually, on its first quarterly report, the number of work registrants in the State on October 1 of the new fiscal year.

The State agency must submit annually, on its final quarterly report:

- The number of individuals of applicants and participants required to participate in E&T;
- The number of individuals who began participation in an E&T program;
- The number of individuals who began participation in an E&T component;
- The number of applicants and participants determined ineligible for failure to comply with E&T requirements;
- A list of E&T components it offered during the fiscal year and the number of ABAWDs and non-ABAWDs who participated in each; and
- The number of ABAWDs and non-ABAWDs who participated in the E&T Program during the fiscal year.

Each individual must be counted only once.

## What is the Annual Outcome Report?

State agencies must submit an Annual Outcome Report by January 1 for the preceding Federal fiscal year. The annual report must contain the following information summarizing the E&T activities for the past year.

- The number and percentage of E&T participants and former participants who are in unsubsidized employment during the second quarter after completion of participation in E&T. And the number and percentage of these participants who:
  - Are voluntary vs. mandatory participants;
  - Have received a high school degree (or GED) prior to being provided with E&T services; and
  - Are ABAWDs.
- The number and percentage of E&T participants and former participants who are in unsubsidized employment during the fourth quarter after completion of participation in E&T. And the number and percentage of these participants who:
  - Are voluntary vs. mandatory participants;
  - Have received a high school degree (or GED) prior to being provided with E&T services; and
  - Are ABAWDs.
- Median average quarterly earnings of the E&T participants and former participants who are in unsubsidized employment during the second quarter after completion of participation in E&T. And the number and percentage of these participants who:
  - Are voluntary vs. mandatory participants;
  - Have received a high school degree (or GED) prior to being provided with E&T services; and
  - Are ABAWDs.
- The total number and percentage of participants that completed an educational, training work experience or an on-the-job training component. And the number and percentage of these participants who:
  - Are voluntary vs. mandatory participants;
  - Have received a high school degree (or GED) prior to being provided with E&T services; and
  - Are ABAWDs.
- The number and percentage of E&T participants who:

- Are voluntary vs. mandatory participants;
  - Have received a high school degree (or GED) prior to being provided with E&T services;
  - Are ABAWDs;
  - Speak English as a second language;
  - Are male vs. female
  - Are within each of the following age ranges: 16-17, 18-35, 36-49, 50-59, 60 or older.
- Outcome measures for all E&T components identified in a State's [E&T State plan](#) related to components that are designed to serve at least 100 participants a year.
  - State agencies that have committed to offering all at-risk ABAWDs participation in a qualifying activity and have received Pledge funds must include:
    - The monthly average number of individuals in the State who are at-risk ABAWDs;
    - The monthly average number of individuals to whom the State agency offers a position in a qualifying activity;
    - The monthly average number of individuals who participate in such programs; and
    - A description of the types of employment and training programs the State agency offered to at risk ABAWDs and the availability of those programs throughout the State.

## Can the State agency examine additional measures in the Annual Outcome Report?

Yes. State agencies are encouraged to collect additional information that can improve program performance, particularly information that can improve equity, inclusion, and equal opportunity for those who are served. For instance, State agencies may track and report component outcomes by race or ethnicity.

## What is an Outcome Measure?

An outcome measure is used to determine the effect – both positive or negative – of an intervention or training. Outcome measures should be quantifiable. Below are examples of outcome measures that may be used to determine the effectiveness of an E&T component. Outcome measures are different from [process measures](#).

- The percentage of E&T participants who received a credential by the completion of the training.

- The average wage of participants 6 months after completion of the component.
- The percent of E&T participants employed 4 months after completion of the component.

### **How is an outcome measure different from a process measure?**

A process measure is used to determine if a particular intervention was provided. Unlike an [outcome measure](#), it is not used to determine if the intervention had an effect. Process measures can be used in E&T to measure how a training was delivered like the number of people who attended a component, the number of services provided, or the length of the training. The following are examples of process measures that may be used to measure how a training was delivered, but should not be used in place of an outcome measure:

- The number of E&T participants who completed an E&T component;
- The number of transportation vouchers distributed to E&T participants; and
- The number of E&T participants who sat for a credential exam.

### **Where can I find out more about the E&T Annual Outcome Report?**

FNS has provided more information on this [website pertaining to the Interim Rule](#).

### **How does FNS use the data from the FNS 583 and Annual Outcome Report?**

FNS uses data from the FNS-583 and annual outcome report to monitor program performance and outcomes, and to identify areas where FNS can offer technical assistance to improve the program.

# E&T Notices

## What notices are required in E&T?

There are no E&T specific notices; however, any notice in the broader SNAP program may be provided to an E&T participant if the conditions for that notice apply. Among the required notices most commonly sent to E&T participants are:

- The [consolidated work notice](#); and
- The [notice of adverse action](#).

A State agency may also choose to provide certain informational notices to E&T participants, which are not required, but improve communication with E&T participants. For instance, a State agency may provide an E&T participant with a notice informing them of an E&T appointment. State agencies may also choose to send a notice to an E&T participant with a [provider determination](#) informing the individual of that determination.

## What is a consolidated work notice?

The consolidated work notice is a notice provided to any SNAP household where at least one household member has a work requirement (i.e. the [general work requirement](#), [mandatory E&T](#), and the [ABAWD work requirement](#)). The notice must include all pertinent information related to each of the applicable work requirements, including:

- An explanation of each applicable work requirement;
- Which individuals are subject to which work requirement;
- Exemptions from each applicable work requirement;
- An explanation of the process to request an exemption (including contact information to request an exemption);
- The rights and responsibilities of each applicable work requirement;
- What is required to maintain eligibility under each applicable work requirement;
- Pertinent dates by which an individual must take any actions to remain in compliance with each applicable work requirement;
- The consequences for failure to comply with each applicable work requirement;



- An explanation of the process for requesting good cause (including examples of good cause circumstances and contact information to initiate a good cause request); and
- Any other information the State agency believes would assist the household members with compliance.

If an individual is subject to mandatory E&T, the written notice must also explain the individual's right to receive [participant reimbursements](#) for allowable expenses related to participation in E&T, up to any applicable [State cap](#), and the responsibility of the State agency to exempt the individual from the requirement to participate in E&T if the individual's allowable expenses exceed what the State agency will reimburse. In addition, the State agency must provide a comprehensive oral explanation to the household of each applicable work requirement pertaining to individuals in the household.

### **When must the State provide the consolidated work notice?**

The consolidated work notice must be provided during eligibility, when a previously exempt household member or new household member becomes subject to these work requirements, and at recertification.

### **What is the notice of adverse action?**

The notice of adverse action is a notice sent to a SNAP household when the State agency intends to disqualify the household or a member of the household from eligibility for SNAP benefits.

# Chapter 3 – Funding



# Funding Basics

## How is E&T funded?

E&T is funded through three major funding streams: [100 percent funds](#), [50/50 funds](#), and [ABAWD Pledge funds](#). Each of these types of funding is discussed more below.

## What are E&T 100 percent funds?

FNS provides State agencies with grant money to fund the administrative costs of an E&T program. These grants are often called 100 percent funds, because it is 100 percent Federal funding. E&T 100 percent funds can be used for any allowable cost that is necessary and reasonable for the planning, implementation, and operation of a State E&T program. This can include hiring a consultant to improve administration, marketing the E&T program, salaries for third-party providers, as well as State agency administration of E&T.

E&T 100 percent funds are appropriated annually for E&T programs and distributed to State agencies based on a formula. A State agency is not obligated to spend all of its E&T grant money. If these funds have not been spent by the end of the Federal fiscal year, FNS can [reallocate](#) the unobligated, unexpended funds to State agencies that request additional 100 percent grant money. Additional allocations are subject to availability.

## Are there expenses that 100 percent grant money may not be used for?

Yes. 100 percent grant money cannot be used to cover other non-E&T processes, such as the determination of SNAP eligibility or disqualification from SNAP. 100 percent funds can also not be used for [participant reimbursements](#). Additional information about allowable and unallowable costs can be found in [the section on allowable costs](#).

## How are 100 percent funds distributed to State agencies?

In the Spring, FNS distributes a preliminary allocation memo that approximates the amount of 100 percent funds each State agency will receive for the upcoming fiscal year.

The initial allocation of 100 percent Federal funding is based on a formula. Ninety percent of the grant is based on the number of State [work registrants](#) relative to nationwide statistics. The remaining ten percent is based on the number of [ABAWDs](#) in

a State. Funding is NOT based on the number of participants in an E&T program. No State receives less than \$100,000.

E&T 100 percent funds are two year allocations, but are only available to State agencies for one fiscal year. Any 100 percent funds that are not spent during the first fiscal year are recovered by FNS at the end of the fiscal year to be reallocated to other State agencies for the second fiscal year according to a [reallocation formula](#).

### **If the number of people participating in the E&T program falls, will the State's allocation be reduced for the coming year?**

No. E&T grants are based on State [work registrants](#) and the number of [ABAWDs](#). Grants are not based on actual participation. State agencies decide who they will serve and can exempt individuals, categories of work registrants or all individuals from [mandatory](#) participation in an E&T program. Individuals receiving a [State-specific exemption](#) from mandatory E&T are still counted as work registrants.

### **What are 50/50 funds?**

There are two kinds of 50 percent reimbursement that a State agency can claim. The first kind is a 50 percent reimbursement for additional administrative costs for the planning, implementing and operating of an E&T program that exceed the [100 percent grant](#).

The second kind of 50 percent reimbursement that a State agency can claim is for [participant reimbursements](#).

### **Is there a difference in what can be paid for with 100 percent funds versus 50/50 funds?**

Both [100 percent funds](#) and [50/50 funds](#) can be used to pay for the administrative costs of the E&T program. However, E&T 100 percent funds cannot be used for any [participant reimbursements](#), such as transportation, uniforms, or childcare. Only 50/50 funds can be used to cover the costs of participant reimbursements.

### **May a State agency receive reimbursement for expenses paid for by the E&T grant?**

No. The [100 percent grant](#) may be used to fund 100 percent of the administrative costs of planning, implementing, and operating a State E&T program in accordance with the State E&T plan. FNS cannot reimburse State agencies for E&T grant expenditures

since that that would be reimbursing Federal funds with Federal funds, which is unallowable.

### **Does a State agency have to spend all of its 100 percent funds?**

A State agency is not obligated to spend all of its E&T [100 percent funds](#). If these funds have not been spent by the end of the Federal fiscal year, FNS will [reallocate](#) the unobligated, unexpended funds to other States that have requested additional 100 percent grant money according to a reallocation formula.

While a State agency does not have to spend all of its 100 percent funds, FNS strongly encourages State agencies to work with their FNS regional offices to identify local opportunities to advance the training opportunities for SNAP participants.

### **Does a State agency have to use all their 100 percent funds before seeking 50 percent reimbursement of eligible costs?**

A State agency does not have to spend the entirety of its [100 percent grant](#) before claiming a 50 percent reimbursement for additional administrative expenses; however, spending the 100 percent Federal grant first on allowable administrative costs of planning, implementing and operating an E&T program makes more sense from a financial management standpoint.

### **Are the 50/50 funds a reimbursement or a match?**

SNAP E&T is a reimbursement program. In a reimbursement program, in order to be eligible for payment, funds for allowable activities must be expended, after which FNS reimburses the State for 50 percent of expenditures. As long as the State agency records total outlays, FNS will reimburse the State agency 50 percent of the total outlays. In a matching program, the amount of funds made available to the State agency is simply matched, usually on a dollar per dollar basis. The distinction means that under SNAP regulations, cash contributions cannot be used for administrative costs. The reimbursement model requires that an expense occurred.

### **Can a State agency use an unallowable cost as the State share to draw down Federal 50 percent reimbursement?**

No. The State agency is reimbursed 50 percent of all allowable administrative costs to an E&T program. Unallowable costs cannot be charged to the Federal government or put up as a State expense for 50 percent reimbursement.

# Funding Reallocations

## What funds does FNS reallocate?

Every year each State agency receives a specified amount of [100 percent funds](#). Any 100 percent funds that are not spent by the State agency by the end of the fiscal year are recouped by FNS and reallocated to other State agencies based on [reallocation criteria](#).

## What criteria does FNS use to reallocate 100 percent funds?

The 2018 Farm Bill established the following reallocation formula for E&T 100 percent funds:

- **Priority A.** Not less than 50 percent shall be reallocated to requesting State agencies that were awarded grants to operate SNAP E&T pilots under 2014 Farm Bill to conduct E&T pilot programs and activities that FNS determines have the most demonstrable impact on the ability of participants to find and retain employment that leads to increased household income and reduced reliance on public assistance.
- **Priority B.** Not less than 30 percent shall be reallocated to State agencies requesting funds to implement or continue E&T programs and activities that FNS determines have the most demonstrable impact on the ability of participants to find and retain employment that leads to increased household income and reduced reliance on public assistance and that is targeted toward:
  - Individuals 50 years of age or older;
  - Formerly incarcerated individuals;
  - Individuals participating in a substance abuse treatment program;
  - People with disabilities seeking to enter the workforce;
  - Other individuals with substantial barriers to employment; or
  - Households facing multi-generational poverty to support employment and workforce participation through an integrated and family-focused approach to providing supportive services.
- **Priority C.** The remainder of the funds shall be reallocated to requesting State agencies to use for allowable E&T programs and activities that FNS determines have the most demonstrable impact on the ability of participants to find and retain employment that leads to increased household income and reduced reliance on public assistance.

## When does a State agency need to request reallocated 100 percent funds?

The State agency should include a request for reallocated funds in the [E&T State plan](#) for the year the State agency would plan to use the reallocated funds. The request must include a separate budget and narrative explaining how the State agency intends to use the reallocated funds. FNS will review all State agency requests for reallocated funds and notify State agencies of the approval of any reallocated funds to allow State agencies approximately 270 days to use the funds. FNS' approval or denial of requests for reallocated funds will occur separately from the approval or denial of the rest of the E&T State plan.

## What information does the State agency need to provide FNS to request reallocated 100 percent funds?

The State agency request for reallocated funds must contain the following information for proper review and consideration to occur:

- The specific amount of additional funds requested.
- Indicate if the request is to conduct E&T programs and activities authorized as part of the requesting State's 2014 Farm Bill pilot ([priority A above](#)).
- Indicate if the request is to target a highly-barriered population and state the targeted population including any specific characteristic of the individuals to be targeted, such as disabled veterans ([priority B above](#)).
- Indicate if the request is to conduct other E&T programs and activities that would meet the requirements of [priority C](#).
- A detailed plan for the use of the additional funds that includes:



- New or existing services or initiatives the funds will support.
- Cost of these services.
- Partners involved.
- The location where the services will be provided.
- Specific components or activities that will be provided and the estimated number of participants to be served in each component.
- How the proposed plan enhances existing services or builds new opportunities for participants to gain access to employment and training services.
- Any information the State agency has on how the use of additional funds will support E&T programs and activities that have a demonstrable impact on the ability of participants to find and retain employment that leads to increased household income and reduced reliance on public assistance.
- Any other useful details to better explain the proposed plan for the use of the additional funds.

### Will a State receive all the reallocated funds they request?

Possibly. FNS must balance requests from many State agencies against the reallocation criteria and available funds for reallocation. In making reallocation decisions, FNS aims to maximize the impact of the reallocated funds on advancing the purpose of E&T.

## ABAWD Pledge Funding

### What is the ABAWD pledge?

The Act appropriates \$20 million every year to State agencies that pledge to serve all [at-risk ABAWDs](#) by offering them a slot in a [qualifying activity](#) that fulfills the [ABAWD work requirement](#). State agencies that pledge must have at-risk ABAWDs that they are prepared to serve on October 1st. A State agency under a statewide ABAWD [waiver](#) cannot pledge because there are no at-risk ABAWDs.

### What is an at-risk ABAWD?

An at-risk [ABAWD](#) is an ABAWD who is in the last month of the [three month ABAWD time limit](#) who is not exempt from the [ABAWD work requirement](#), is not subject to an [ABAWD waiver](#), and has not received a discretionary exemption from the ABAWD work requirement. At-risk ABAWDs can be either applicants or recipients.

## What is a qualifying activity?

Qualifying activities include education, training, and workfare activities that fulfill the [ABAWD work requirement](#). Job search, both [supervised](#) and [unsupervised](#), is not a qualifying component, but it can be offered as part of other E&T components as long as it comprises less than half of the total required time an ABAWD spends in the E&T component.

## How does a State agency request to be a pledge State?

A State agency must make the request to become a pledge State in the annual [E&T State plan](#). The request must include the following information:

- A commitment to comply with the requirements of the pledge;
- The estimated costs of complying with the pledge;
- A description of management controls to meet the requirements of the pledge;
- A discussion of the State capacity and ability to serve vulnerable ABAWDs;
- Information about the size and special needs of the State ABAWD population; and
- Information about the education, training, and workfare components that the State will offer to allow ABAWDs to remain eligible.

FNS will review the information in the E&T State plan and may require the State agency to correct certain deficiencies, including opening findings from a management evaluation, in order to be eligible to pledge. FNS will not accept any pledges after the start of the fiscal year.

## How does FNS decide how much each pledge State will receive?

Pledge grants are allocated based on the number of ABAWDs in each participating State as a percentage of ABAWDs in all the participating States. These figures are taken from FNS quality control data.

## What if the amount of pledge funds received by a State agency is not enough to provide a slot in a qualifying activity to all at-risk ABAWDs?

By taking the pledge, State agencies are committing to serve all [at-risk ABAWDs](#) in the State by offering them a slot in a [qualifying activity](#). If the pledge funds received by a

State agency are insufficient to cover this commitment, the State agency must use additional State funds to ensure that every at-risk ABAWD is served. Also note that the amount of pledge funds received by a State agency may fluctuate year-to-year, depending on how many States request and are approved to pledge.

### **When does the State agency have to offer the qualifying activity?**

The regulations do not specify a time-frame for when the State agency has to make the offer of a qualifying activity. However, the regulations do state that the additional funds are to be used by the State agency to defray the cost of offering a slot in a [qualifying activity](#) to an [at-risk ABAWD](#) applicant or recipient. The regulations also provide that while a State agency may use a portion of the pledge funding to provide E&T services to ABAWDs who do not meet the at-risk criteria, the State agency must guarantee that the ABAWDs who meet the at-risk ABAWD criteria are provided the opportunity remain eligible.

These regulations taken as a whole make it clear that pledge States must be active and intentional in their attempt to offer opportunities for at-risk ABAWDs. One way to do this is to offer these opportunities in the third month. However, given the length of time it may take to engage and enroll an ABAWD in a qualifying activity, as a best practice State agencies should attempt to engage the ABAWD as early as possible in their eligibility period. Thus, a State agency may comply with this requirement by providing information on the availability of qualifying activities at certification or recertification, as long as the State agency informs the ABAWD again in their third month that a slot is available in a qualifying activity.

### **Does an actual slot in an education, training, or workfare program need to underlie an offer to an at-risk ABAWD?**

Yes, there must be an actual slot. The regulations at 7 CFR 273.37(d)(3)(x) specifically state that a “slot must be made available” to serve the ABAWD and allow the ABAWD to remain eligible. In order to make an offer that would permit an ABAWD to remain eligible for SNAP, an actual slot must exist to allow the ABAWD to meet the [ABAWD work requirement](#). State funds expended through an approved [E&T State plan](#) to meet the pledge are eligible for [50 percent reimbursement](#). If a State agency fails, without good cause, to meet its pledge commitment, the State agency may be disqualified from participating in subsequent fiscal years.

## **Does self-initiated workfare meet the definition of an offer of a qualifying education, training or workfare opportunity for States pledging to offer such services?**

No. Self-initiated workfare, where the participant finds his or her own workfare slot, does not meet the definition of an offer of a slot in a [qualifying activity](#). While self-initiated workfare is one way for an ABAWD to meet the [ABAWD work requirement](#), a pledge State must take an active and intentional approach to offering an ABAWD a slot in a qualifying activity. In self-initiated workfare, the participant must take the action and initiative, thus self-initiated workfare does not meet the conditions of the pledge.

## **If a pledge State has findings from a SNAP E&T Management Evaluation (ME) review related to meeting the pledge State requirements that are unresolved, are they eligible for pledge State status in the following year?**

In order to be approved as a pledge State, the State agency must address any E&T management evaluation (ME) findings that relate to meeting the pledge State requirements and be in compliance by October 1<sup>st</sup>. If a State agency does not address its deficiencies by the beginning of the new fiscal year, the State agency will not be allowed to participate as a pledge State.

# Chapter 4 – Allowable Costs



# Allowable Costs - General

## Are there general guidelines that can be used to assess whether E&T expenditures are allowable?

To be allowable, expenditures must be valid obligations of the State, local government, subrecipient, or contractor and must be necessary, reasonable and allocable charges under an approved [E&T State plan](#). Allowable costs are specified in Office of Management and Budget (OMB) cost circulars, SNAP regulations, and FNS policy guidance.

The following conditions apply to allowable costs for E&T products or services:

- Must directly relate to an approved E&T [component](#) or service, i.e., allocable;
- Must be necessary and reasonable;
- Must not be for products or services that are outside the scope of the E&T program; and
- Must not be a general expense required to carry out the overall responsibilities of a State or local government, such as a State's funding for education provided for by statute.

The E&T State Plan must contain information about the product or service and its cost. The Regional Office must review and approve the E&T State Plan in order for a State to receive reimbursement.

## What do the terms “reasonable and necessary” mean when applied to costs?

All costs covered by E&T must meet a “reasonable and necessary” test.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. Thus, reasonable costs:

- Provide a program benefit generally commensurate with the costs incurred;
- Are in proportion to other program costs for the function that the costs serve; and
- Are what a prudent person would incur in like circumstances.

A cost is necessary if it is needed in the performance of the program. Thus, necessary costs:

- Are incurred to carry out functions of E&T;
- Cannot be avoided without adversely affecting program operations;
- Do not duplicate existing efforts; and
- Are the net cost after applicable credits. For example, an organization receives a 5 percent discount for paying for an item with cash that has a list price of \$100, so the organization only pays \$95. The organization must identify the cost of the item as \$95 in the SNAP budget.

### **Where can I find the regulations on allowable costs?**

Regulations on allowable costs can be found in the following sections of the [Code of Federal Regulations](#).

- OMB regulations: 2 CFR 200
- Departmental rules: 2 CFR 400
- SNAP rules: 7 CFR 271 through 285

### **What are the documentation, reporting and recordkeeping requirements required for contracts?**

For there to be a State agency obligation to pay, there must be legal documents that tie any expenditure to a payment process, i.e. contract, invoices, checks, etc. Generally Accepted Accounting Standards apply to the entire contract performance and payment system. The contract must stipulate the terms and conditions for the entire process, including performance reporting, invoicing, and payment by the State. There must be a written trail which may be reviewed by FNS and audited by USDA. 2 CFR 200 (Appendix II) provides direction on what grantees and subrecipients should include as contract provisions and 2 CFR 200.334 provides that records must be maintained for three years after grantees or subrecipients make final payments and all pending matters are closed. These are Federal requirements.

### **What are the differences in the meanings of costs, expenditures, and State agency obligations?**

“Expenditure” is the correct term when talking about cash outlays. “Costs” is a more general term that basically means the monetary value assigned to something that has or will be spent by the grantee. This general term “cost” may or may not be due for payment.



“State Obligation to Pay” is used as a term of art to imply that certain commitments have been made by a grantee or implementing agent, for which there is a legal requirement for payment. Generally these result in a commitment to a cost or expenditures as defined by legal documents, such as contracts or memorandum of understanding.

2 CFR 200.1 provides definitions of financial terms for Federal grants.

## What are direct costs?

Direct costs are defined in 2 CFR 200.413 as costs that can be identified specifically with a particular final cost objective such as:

- Staff salaries and benefits of employees for the time devoted and identified specifically to E&T;
- Cost of materials acquired, consumed, or expended specifically for the intended purpose (i.e. E&T);
- Equipment and other approved capital expenditures; and
- Travel expenses incurred specifically to carry out E&T.

## Are there other cost categories?

E&T budgets may include [indirect costs](#) as well. Indirect costs are costs incurred by a State agency or a subrecipient in support of allowable activities that are directly charged to sponsoring Federal or State agencies. Indirect costs are covered in the following section. State agencies must charge their indirect costs in accordance with an approved indirect cost rate agreement.

## What administrative expenses are allowable?

Allowable administrative costs are operational costs for E&T, including all administrative expenses that are [reasonable and necessary](#) to operate approved E&T activities.

Allowable administrative expenses include, but are not limited to:

- Salaries and benefits of personnel involved in SNAP E&T and administrative support;
- Office equipment, supplies, postage, and copying/printing costs;
- Lease or rental costs;
- Maintenance expenses;
- Other [indirect costs](#); and

- Charges for travel for the purpose of fulfilling the approved E&T State plan objectives based on official State, local, or university travel regulations. Some States only allow the use of a State rate for personally owned vehicles (POV). Other States allow the choice of using the State POV rate or the rate the IRS announces annually as the federal standard POV rate to calculate the cost of operating a vehicle for business travel. See the current [IRS rate](#) for business miles.

## What administrative expenses are unallowable?

Unallowable costs per 2 CFR 200 for State and local governments include:

- Bad debts, uncollected accounts or claims, and related costs as outlined in 2 CFR 200.426.
- Contributions to an emergency reserve or similar provision for unforeseen events (contingencies). (Note: These are not insurance payments which are allowable.)
- Contributions and donations (usually these are political in nature).
- Costs that are primarily for entertainment, amusement or social activities. (Note: Meals are cited in the OMB regulations as unallowable but within the context of training, meals might be allowable.)
- Fines, violations or penalties for failure to comply with Federal, State, or Local laws.
- Costs of general government, such as the Governor's office. Costs that may be directly charged to a Federal grant may be allowable; such as if a person assigned to the governor's office devotes 100 percent of his/her time to SNAP. Each situation, however, must be judged on its own merit.
- Payments to third parties as part of an indemnification agreement.
- Losses not covered by permissible insurance.
- Legislative expenses.
- Shortfalls in one grant cannot be charged to another Federal grant (Recovery of Costs under Federal Funding Agreements). (Note: This is not the same as charging two Federal grants for a share of the costs of the activity if both agencies benefit from the activity funded. However, an allocation basis must be established for sharing the costs in proportion to the benefit each receives.)
- Alcoholic beverages.
- Advertising and public relations unless used for recruitment of staff, acquisition of material for the grant, or publishing the results of the grant. (Note: Paid media buys for educational purposes via an outreach program are

not precluded by this provision, but note that radio, television and billboard advertisements that promote SNAP benefits and enrollment are unallowable costs under SNAP regulations.)

- Alumni activities.
- Commencement and convocations.
- Legal fees that result from a failure to follow Federal, State or Local Laws. If certain conditions are met, the Federal government may allow some legal fees in accordance with 2 CFR 200.435.
- Executive lobbying.
- Goods and services for private use.
- Housing and personal living expenses.
- Fundraising and investment management.
- Interest costs, with certain exceptions.
- Political party expenses.
- Costs incurred before approval of the outreach plan (pre-agreement costs).
- Scholarships and student aid (except for Institutes of Higher Education).
- Student activity costs.
- Travel is allowable but with restrictions as to amount and level of transportation cost (for example, no first class tickets).

### **Are subscriptions and professional activity costs allowable?**

Cost of memberships for the institution (with staff who work directly on SNAP E&T activities) in business, technical, and professional organizations are allowable. The cost must be prorated according to the percentage of time spent by the employees working on SNAP E&T and consistent with the effort to promote the provision of quality SNAP E&T activities (2 CFR 200.)

Professional registration or license fees paid by individuals are not allowable since the fees are considered personal expenses, not institutional expenses.

Conference fees and related travel expenses must be justified and reasonable. The conference attendance must have a direct link to the activities in the [E&T State plan](#) and the provision of quality SNAP E&T services and activities.

## **Is outreach for E&T an allowable cost?**

Outreach directed to individuals already enrolled in SNAP to inform them about the State E&T program is allowable. If a State agency intends to use any radio, television, or billboards advertisements to conduct this outreach, the State agency must ensure they do not promote SNAP benefits or enrollment, but can provide information about E&T to SNAP participants. State agencies may also use social media and websites as part of an informational campaign to encourage participation in E&T among SNAP participants.

## **If E&T services are provided on tribal land, how should those services be reimbursed?**

E&T programs administered on reservations may receive enhanced reimbursement. In accordance with 7 CFR 281.9(a), if a State agency administers an E&T program on a reservation, 75 percent of all approved administrative costs incurred on the reservation for residents of the reservation may be reimbursed by E&T funds. In addition, in some cases the State agency may receive enhanced reimbursement for E&T activities and services incurred off the reservation for residents of the reservation when the State agency is administering SNAP on that reservation.

## **How are reasonable staff wages and benefits determined?**

Staff wages and benefits are set on a reasonable hourly basis in line with the duties being performed in the E&T State plan, or the Federal minimum hourly wages established by the United States Department of Labor. The wages under the E&T State plan are not necessarily the same as wages paid to the individual when they perform the duties for which they may be credentialed. Their benefits and wages must relate to the E&T task they perform.

Staff time claimed for E&T activities cannot be used as a reimbursement item for any other Federal grant. Staff wages eligible for reimbursement may not be based on the number of people that apply for SNAP (e.g., a set fee for every application submitted by the staff person). Hourly wages or other forms of compensation for time spent performing allowable E&T activities are reimbursable. No entity that receives funding under the FNA may pay staff per application, regardless of the source of funding for staff wages.

Additionally, the cost of staff time must conform to the established written policy of the State agency or subrecipient, and be consistently applied to both Federal and non-Federal activities.

## **How does one allocate staff time when staff perform work on different grants?**

If Staff perform work chargeable to different grants or programs, the cost of staff time must be shared across the grants or programs. This is called cost-allocation, a requirement of 2 CFR 200, Subpart E.

Time sheets or random-moment time study can be used to capture staff time spent on SNAP E&T activities. Most States have methods to determine how staff time is spent. However, FNS understands that subrecipients doing SNAP E&T for the first time may not have the systems in place to evaluate staff time in this manner.

To estimate staff resources for the project budget, a subrecipient may use the State agency's cost allocation method. After the project is approved and in operation, the subrecipient should use time sheets, a random moment time study, or other methods as approved by FNS to track actual staff time spent on SNAP E&T activities.

As discussed above, a State or subrecipient may not base staff compensation on the number of people who apply for SNAP.

## **Must an agency charge the E&T grant the same amount it charges other grants or payees?**

Yes. If the agency provides the same services to multiple grants or payees, the E&T grant must be charged the same amount as other grantees. If the agency provides a discount to other grants or payees for the same services, the agency must provide the same discount to E&T.

## **When determining the value of allowable goods and services for reimbursement, may a profit be included?**

If the entity is allowed to make a profit (a for-profit entity or not-for-profit entity in certain circumstances), a reasonable profit may be included in the cost of goods and services charged to E&T. Government entities are forbidden from charging a profit. Companies are required to declare their profit/non-profit status with the IRS. Although a profit may be included, the cost of goods and services must pass the reasonable costs test by being consistent with market prices for comparable goods and services.

Issues regarding profits normally do not come up in the E&T program since most grantees and subrecipients are government entities and forbidden from making a profit. When grant funds pay for services in the private sector, profits are being paid. As long as the entity is allowed to make a profit a profit may be included in the costs of the services provided.

If dealing with for-profit or not-for-profit entities, the profit normally will be built into the cost of the service being purchased and the profit percentage may not be included as a number. When an entity says it will perform some service for \$75 per case, a judgment as to whether that charge is necessary and reasonable must be made. If there is a profit in that \$75, the profit is not really being accepted or rejected. The guard against overcharge is the determination that the expenditure is necessary and reasonable. This is determined by looking at costs of salaries, supplies and other charges.

Contracts that specify that cost plus a percentage of costs will be used to calculate the charge are not allowed so grantees and subrecipients may not recognize a profit using this methodology.

## Allowable Components and Related E&T Costs

### May the E&T grant be used to fund an education component?

Yes. Section 6(d)(4)(B)(V) of the Act and 7 CFR 273.7(e)(2)(vi) identify as an allowable component educational programs or activities to improve basic skills and literacy, or otherwise improve employability, including educational programs determined by the State agency to expand the job search abilities or employability of those subject to the program. However, States implementing the education component must be aware of how several cost principles relate directly to this component. Due to the unique nature and rules for the education component, State agencies are encouraged to work with the FNS Regional offices to determine whether a proposed E&T education component is allowable.

In general, E&T funding should be used to provide new programs to enhance the employability of SNAP participants, rather than supplant present State funding for existing activities. In addition, all E&T activities, including educational activities, must adhere to Federal cost principles. Federal regulations at 2 CFR 200.444(a)(5) provide that Federal funds cannot be used for the general costs of State or local government. This includes general types of government services normally provided to the general public, such as public education. Lastly, SNAP regulations at 7 CFR 273.7(d)(1)(ii)(C) have specific requirements for E&T funds used for education. These regulations state that Federal funds made available to a State agency for the education component shall not be used to supplant non-Federal funds used for existing services and activities that promote the purposes of the education component.

In practice this means E&T funding should not be used to provide educational activities in a State where those same educational activities were already provided by the State or local government. This includes primary and secondary education, as well as other

educational activities where the State is providing those educational services. For example, a State may make a commitment to provide high school equivalency preparation services to every State resident. In this case, the State has declared their obligation to fund these services for any State resident and E&T funding could not be used to supplant the funding for that obligation.

Moreover, when determining the amount to charge the E&T grant, the State agency must not charge more than what the general public or the client would pay if not participating in E&T. At an institution of higher education, a State may provide funding to support the education of students which effectively reduces the amount of tuition charged to the general public. The State agency may not charge E&T for the difference between the actual costs of instruction and the tuition and fees that are charged to the general public. For instance, the actual cost (i.e. faculty time, space) of providing a community college course may be \$750 per student, but the community college only charges tuition and fees of \$500 per student to the general public. The State may not charge \$750 to the E&T grant, since this is not the charge to the general public.

### **Can E&T funds be used to pay for services associated with high school?**

No. State agencies may not use SNAP E&T funds to pay for costs associated with programs or courses offered through public high schools. Federal regulations at 2 CFR 200.444(a)(4) provide that Federal funds cannot be used for the general costs of State or local government. This includes general types of government services normally provided to the general public, such as public education.

This is true even if the course meets the purpose of SNAP E&T. For example, if a public high school offers a curriculum choice for a class that leads to an industrywide credential, SNAP E&T funds cannot be used to pay for any costs associated with that class.

States agencies should review the December 20, 2020 memo "[Use of SNAP Employment and Training funds for SNAP recipients who are attending high school](#)" if approached to provide E&T services for high school students.

### **What if an educational activity, such as vocational training, is provided by State or local government, but space and funds are limited and more classes would be required to serve E&T participants? Can a State agency use E&T funds to pay for additional slots?**

It depends. If the activity is provided as a result of a State commitment to offer the service to any qualifying individual, then using E&T funds to pay for SNAP participants



to receive those services would constitute supplanting (as in the example above). This holds even if the State's funds are insufficient to cover the number of individuals for whom the State has committed to provide education services

However, if a training is funded through the State or local government and the State has only committed to serve a limited number of individuals, E&T funds can be used to supplement the State or local funding to cover additional "slots" for E&T participants. This enhances the capacity of the State or local government above and beyond what it currently is to enable additional SNAP E&T participants to receive the training. As in all E&T components, reimbursements for education activities must be reasonable, necessary, and allocable.

### **What if a community-based organization offers educational activities? Can a State agency use E&T funds to pay for E&T participants?**

A State agency may use E&T funds to pay for educational activities at community-based organizations provided that they supplement the capacity of the organization to serve E&T participants without displacing existing funds for current students. The community-based organization would also need to figure out the per student cost of its educational activities and [allocate costs](#) to the E&T program accordingly. If the community-based organization charges other grants for these services, the E&T program must be [charged consistently](#) with how the other grants are charged. Costs charged to the E&T program must be [reasonable and necessary](#). Funds used to receive reimbursement must not be from a Federal source and cannot be used to meet the matching requirements of another program.

### **May E&T funds be used for medical screening to determine physical or mental fitness for work if a State's TANF program requires such screening?**

E&T participation commences with the start of participation in an E&T program – either case management or a component. Consequently, activity prior to an applicant's participation in an E&T component, such as this medical screening, may not be charged to E&T.

However, this charge may be an appropriate administrative charge to the certification process. Section 6(d)(1)(D)(iii)(II) of the Act prohibits a State agency from using a meaning, procedure, or determination for SNAP that is less restrictive than what is used for TANF. Although there is no Federal definition or requirements for establishing physical or mental incapacity for TANF, State agencies do have flexibility to make their own eligibility and payment rules. State agencies are prohibited from using Federal TANF funds to pay for medical services.

The expense associated with a doctor's examination or medical assessment required to substantiate that an individual is unable to participate in work or training activities, or to establish eligibility under the deprivation factor of incapacity, is an allowable cost for determining SNAP eligibility. Therefore, SNAP administrative funds (not E&T funds) for determining eligibility may be used to reimburse State agencies for half of their expenses for such verification, as this cost is considered reasonable and necessary to the program. Again, although this may be an allowable SNAP certification cost, E&T funds cannot be used for this purpose.

**May the State agency use E&T funds to pay for solicitation of contract proposals? For example, if a State agency is issuing a "Request for Applications" to select three to five contractors to perform E&T statewide, is the State agency allowed to charge its advertising costs for the procurement of those services to E&T?**

Yes. SNAP regulations allow advertising as an allowable charge if it is being done for the procurement of goods and services. This assertion is supported in 7 CFR 277 Appendix A, Paragraph A (2)(b) and by the OMB Cost Circular at 2 CFR 200.421.

## Third Party Reimbursements

**What State or private spending can be used as the State share for a 50/50 reimbursement?**

General State funds, local tax levies, donations from private firms or non-profit organizations are appropriate sources for the State share of E&T funding. Subrecipients of a State agency, or third-party funders and providers of approved E&T services, can fund E&T activities and the State agency can [reimburse them with 50 percent Federal funds](#). For nongovernmental organizations, there must be a cash outlay for the SNAP E&T goods or services provided in order to receive a 50 percent reimbursement. [In-kind](#) contributions from non-government organizations are not allowable as charges to FNS programs.

The State share of E&T funding for a 50 percent reimbursement cannot be from a Federal source. Federal E&T funds cannot be used to reimburse expenses paid with other Federal funds unless specified by Federal legislation.

## **If the State agency has agreed to only reimburse a subrecipient a portion of the subrecipient's expenditures, may the State agency receive 50 percent reimbursement based on the subrecipient's full expenditure?**

For nongovernmental organizations, there must have been a cost (expenditure) for the goods or services that were provided in order for them to qualify for reimbursement in E&T. For example, if a non-profit subrecipient spent actual cash for an allowable activity, 50 percent of the allowable outlay will be reimbursed to the State agency, provided the following conditions are met: 1) the subrecipient spent funds that did not include any Federal funds; and 2) the expenditure was for an allowable E&T activity approved in the [E&T State plan](#). FNS reimburses 50 percent of allowable expenditures regardless of whether the State agency actually pays the full cost for the activity. Therefore, regardless of what percentage of allowable expenditures a State agency agrees to reimburse a subrecipient, FNS has a legal obligation to reimburse 50 percent of expenditures spent on allowable E&T activities. The State agency must then pass those funds on to the subrecipient. For instance, the State agency has an agreement with a subrecipient to reimburse 45 percent of the subrecipient's allowable E&T expenditures. The subrecipient expends \$100,000 on allowable E&T activities. FNS will reimburse the State agency \$50,000 for the allowable E&T expenditures. The State agency will then reimburse the subrecipient \$45,000.

FNS cautions against contracts where the State agency agrees to reimburse a subrecipient a fixed amount (e.g. \$45,000) rather than a percentage of expenditures (e.g. 45 percent). Funding in the E&T program is based on an expenditure model. FNS must only reimburse the State agency for 50 percent of allowable expenditures. Thus, if the State agency has an agreement with a subrecipient to reimburse \$45,000 and the subrecipient only expends \$80,000 on allowable services, FNS is only able to reimburse the State agency \$40,000 (50 percent of expenditures). To avoid improper payments, FNS recommends State agencies review or audit these types of funding agreements.

## **How is the amount of reimbursement determined?**

Consider this example, the State agency enters into an agreement to pay an organization one half of the cost of the services it provides. Services costing \$120,000 are provided; the negotiated amount that must be paid to the organization by the State agency is \$60,000.

FNS [reimburses 50 percent](#) of allowable costs. In this example, the Federal reimbursement will be \$60,000. It does not matter that this is the total amount that will be charged to the State agency for the services. As long as the government receives goods or services contracted to be provided consistent to their worth, the Federal government reimburses the expenditures at a full 50 percent, whether or not the State agency actually pays the subrecipient any State funds for the services provided. This

transaction does not short-change the Federal government because the full value (\$120,000) of the services was provided. FNS' concern is not whether the State agency actually paid the subrecipient full price for expenditures, but rather whether there were allowable expenditures for which FNS has an obligation to pay. The amount that FNS reimburses can then be provided to the subrecipient based on the agreement between the State agency and the subrecipient.

In a similar example, if the subrecipient had expenditures of only \$60,000, the reimbursement would be \$30,000. The reimbursement will always be 50 percent of allowable expenditures in the approved E&T State plan, regardless of how much the State agency actually pays on the bill (0 percent, 20 percent, 50 percent, or 80 percent).

### **Why aren't the services that the State agency doesn't have to pay for (that is, the amount the contractor agrees to absorb) a cash donation or an in-kind?**

If there is an expenditure for allowable goods and services approved in the E&T State plan, it is not [in-kind](#). Also, since no cash is exchanged, a [cash donation](#) is not involved. The State agency may receive reimbursement from FNS for [50 percent](#) of the expenditure.

## **Cash Donations**

### **Is the State agency allowed to receive reimbursement for private cash donations?**

Under certain conditions, reimbursement may be provided for private cash donations spent on E&T. Private cash donations are cash donations from a private source that is not operating under formal agreement with the State agency to provide local SNAP services. SNAP regulations at 7 CFR 277.4(c)(2) provide that matching costs may consist of project costs financed with cash or in-kind contributions donated by other non-Federal public agencies and institutions. Paragraph (d) provides that except as prohibited by paragraph (e) (which prohibits matches for in-kinds from non-governmental entities for SNAP), all such contributions are allowable when certain conditions are met. Therefore, in order for expenses paid with cash donated to a State agency to be allowable for reimbursement, the State must obtain a waiver from the Regional Office. The waiver is basically a statement that four conditions will be met:

- The cash is under the control of the state (the entity making the donation has no influence on how the money is spent);
- The cash will not revert to the donor;

- There are no strings attached to the cash; and
- There will be no advertising use of the cash donation, but acknowledgement of the donation can be made, such as this action was made possible thru a donation from Safeway Groceries, or something along those lines.

A waiver is needed for each cash donation. Only cash donations to the State agency from third parties that are not operating under formal agreement with the State agency to provide local SNAP services are considered relevant to this section of regulations.

**May State agencies obtain general blanket waivers for prior approval in the event they might receive a private donation, providing there are also blanket assurances of compliance to the four conditions cited above?**

No. Each private donation warrants separate scrutiny. FNS will not provide approvals of prospective blanket waivers because there is no information provided in such waivers, making it not possible to provide the necessary assurances as they pertain to a specific donation. Such waivers should be sought when a specific cash donation is impending at which point FNS will process the waiver expeditiously.

**Is cash held by local subrecipients considered private cash that may be Federally reimbursed only after a private cash donation waiver has been approved?**

No, a waiver is not necessary in this situation. Funding held by a State subrecipient of the State agency is not considered to be private cash and need not be donated to the State agency in order to be expended for SNAP purposes or Federally reimbursed. Nothing in Federal policy requires that cash from subrecipients be subjected to the waiver requirements for private cash donation nor donated to the State agency in order to be expended for SNAP purposes or Federally reimbursed. This funding is simply a financial resource of the subrecipient. Consistent with the State plan, the subrecipient may spend the cash it holds on approved E&T activities and submit its billings to the State agency, at which point the State agency may reimburse the subrecipient for 50 percent of the subrecipient’s allowable expenses. (Note that States may have different operating policies.)

**Are there limitations on the types of private entities that may make cash donations for which the State agency may receive reimbursement?**

Cash donations may be accepted from any entity as long as the State agency obtains a waiver from the Regional Office and the cash donation meets [waiver conditions](#).

**Once the State agency receives the private cash donation (as long as the donation meets private cash donation conditions and a waiver has been approved), may the state utilize other organizations to perform the actual services (public or private)?**

Yes. The money may be thought of as State revenue to be spent on allowable program expenditures by the State agency and its subagents.

## In-Kind Expenses

### What is the definition of an "in-kind"?

In Federal grants, "in-kind" means a non-cash contribution, usually the value of volunteer time. But it may also be things like office space. Requirements at 2 CFR 200.967 CFR 3016.3 define third party in-kind contributions as property or services which benefit a Federally assisted project or program and which are contributed by non-Federal third parties without charge to the grantee or a cost-type contractor under the grant agreement. FNS does not consider cash to be an in-kind, although some State agencies may identify cash as an in-kind from a subrecipient or use the term to mean the funds provided by a subrecipient.

### What are common examples of in-kinds?

Examples of in-kind benefits may include:

- Space donated to a government entity, such as a church basement or a private university classroom, when the private entity does not expect reimbursement for use of this space. If the private entity normally charges rent, the standard rental value can be used as an in-kind value. If not, the value of the privately owned, donated space would be calculated at depreciation value or the use allowance rate.
- A volunteer's time at a non-Federal, public entity providing SNAP E&T services. An example would be instructors at a State community college that volunteer to tutor E&T students outside of class and on-top of their normal workload without payment. There is no cost outlay. As with other expenses charged to a Federal grant, a volunteer's time cannot be billable to any other Federal grant.

## What types of entities are allowed to receive reimbursements for in-kinds?

According to SNAP regulations at 7 CFR 277.4(e), only governmental entities may receive reimbursements for in-kinds. A governmental entity is defined as any organization of State or local government that is supported by funds derived from general tax revenues (receipts) of a State or locality specifically allocated from appropriate budgetary authority such as a State legislature, county or local government. Examples of governmental entities that may receive reimbursements for in-kinds include:

- Public entities, which are an arm of government;
- Public libraries;
- State universities; and
- State community colleges.

## What types of entities are not allowed receive Federal reimbursements for in-kinds?

Entities that may not receive reimbursement for in-kinds include:

- Private entities, even if under contract with State government;
- Private university;
- Private nonprofits (such as YMCA); and
- Public/private organizations. \*

\*There can be entities that are technically classified as public but do not initially appear to be public entities. For example, in one case USDA Office of General Counsel ruled that the Almond Board was an instrument of government because it was allowed to collect taxes. If there are any doubts about the public nature of a third party contributor, the question should be referred to the Regional Office.

## What basis is used to determine whether an entity may receive reimbursements for in-kinds?

To make this determination, the entity's establishing authority and work activity need to be known. For SNAP, only governmental entities may receive reimbursements for in-kinds, per 7 CFR 277.4(e).



## What basis is used to determine whether a contribution is “in-kind” and if it is, whether it is allowable?

The key to understanding policy regarding an in-kind is to know whether the goods or services that were made on behalf of SNAP E&T incurred costs and were in the approved [E&T State plan](#). If costs were incurred, then it is not an “in-kind”. If in-kinds (services and goods that were free to the provider) were used, you will need to know whether the provider entity is a governmental entity, which is the only type of entity that may receive reimbursement for in-kinds for SNAP.

Using space as an example:

- If space is paid for, then it would qualify as an expenditure that may be reimbursed;
- If space was free, no costs were incurred, it is an in-kind and may be reimbursed by SNAP if provided by a governmental entity; and
- If space was free, no costs were incurred, it is an in-kind, but may not be reimbursed if provided by a non-governmental agency. This limitation is unique to SNAP.

Using staff as an example:

- If paid staff devote 10 percent of their time doing an allowable program activity, the costs for that 10 percent are considered expenditures that may be reimbursed;
- If unpaid staff (volunteers) devote 10 percent of their time doing an allowable program activity and the provider is a governmental entity, the value of the services rendered may be reimbursed; and
- If unpaid staff (volunteers) devote 10 percent of their time doing an allowable program activity and the provider is not a governmental entity, the value of their services may not be reimbursed. Again, this limitation is unique to the SNAP.

## Are Federal reimbursements for private in-kinds allowed by SNAP?

No. SNAP only allows State and local governments to charge for in-kinds (non-cash) as outlays to SNAP, per 7 CFR 277.4(e). As a result, in-kinds from a for-profit entity cannot be reimbursed. The status of the subrecipient must be established to determine whether in-kinds are allowable.

## May a State agency seek 50 percent reimbursement or use the E&T grant to pay for an allowable in-kind from a governmental entity?

Yes. The State agency may seek [reimbursement for 50 percent](#) of the value of the allowable in-kind or expend the [100 percent](#) E&T grant. For example, if a governmental entity donated space worth \$100, the State agency could receive Federal reimbursement of \$50 (one-half the value of the donated service/item) or expend \$100 of the 100 percent E&T grant. ([See calculating the value of space in government owned buildings.](#)) For services, the State agency may receive Federal reimbursement for one-half of the common market rates for the services rendered or expend the 100 percent E&T grant. The value of the service actually rendered must be considered. For example, if a medical doctor were to volunteer to hand out pamphlets, the value of the service would not be calculated using doctor's wages. In addition, if more than one entity benefits from the donation of goods or services, they should be cost allocated. For example, if donated computer equipment is used by both SNAP E&T and TANF, both programs must bear a portion of the cost.

## How should a value be set for volunteer services?

As described [earlier](#), volunteer services from private organizations are not eligible for Federal reimbursement. Use the following principles to set a value for non-Federal government volunteer service to a State agency:

- Compute the volunteer's wages on a reasonable hourly basis in accordance with the duties being performed for SNAP E&T or based on the Federal minimum hourly wage established by the United States Department of Labor;
- Record time for the volunteer; and
- Do not use the value of the volunteer's time as a match for any other Federal grant.

## How should a value be set for donated goods?

Use the following principles to set a value for [donated goods from a non-Federal governmental entity to the State agency](#):

- Compute the value for goods (other than publicly owned space) on reasonable fair market value; and
- Do not use the value of the donated good as a match for any other Federal grant.

# Building Space

## What kind of building space expenses may be incurred?

A State agency or subrecipient can incur expenses related to four possible types of building space:

- Space in a publicly (government) owned building;
- Space in a publicly (government) rented building;
- Space in a privately owned building; or
- Space in a privately rented building.

## How should a value be set on building space owned by the State agency?

The costs of space owned by the State agency (publicly owned) may only be recovered with a depreciation schedule, plus applicable charges for utilities, maintenance, and general upkeep. Cost for space owned by a public entity cannot be reimbursed based on private market rental rates, regardless of whether it is direct billed or donated (2 CFR 200.436). SNAP E&T share of the costs should be calculated using the percentage of square footage used for SNAP E&T. Use allowance is no longer allowable under 2 CFR 200.

## What is the policy for calculating privately owned building space rented by the State agency?

### Example: Project Budget Narrative for a Project Involving One Privately Rented Building:

Here is an example assuming that 6 of the 10 staff in a rented building are involved with SNAP E&T. The 6 staff average 21% of their time on SNAP E&T. Note that staff salaries are not used in the calculation.

- Total square feet occupied = 5,000 sq ft
- Total staff = 10; SNAP E&T staff = 6;  $6 \div 10 = .6$
- $5,000 \text{ sq ft} \times .6 \text{ staff} = 3,000 \text{ sq ft}$

If staff average only 21% of their time on SNAP E&T, then  $3,000 \text{ sq ft} \times .21 = 630 \text{ sq ft}$  that can be charged to the SNAP E&T program.  $630 \div 5,000 = .126$

If rent is \$100,000 per year then  $\$100,000 \times .126 = \$12,600$  that can be budgeted for SNAP E&T activity building space.

### **Example: Project Budget Narrative for a Project Involving Two Privately Rented Buildings**

There are two calculations for this example. The first is a calculation involving multiple persons at a building conducting outreach, and the second is a calculation involving one person at a separate location conducting outreach. Note that staff salaries are not used in the calculation. Below are the calculations for each location:

#### ***Calculation for Main Office Space***

Location: 123 Main Street, Main Office, MyState (multiple people at location)

- Total square feet occupied = 5,000 sq ft
- Total staff = 10; SNAP E&T staff = 6;
- SNAP E&T staff percentage (SNAP E&T staff  $\div$  total staff) =  $6 \div 10 = 60\%$
- Square footage used by SNAP E&T staff = 3,000 sq ft
- Average % of time each SNAP E&T staff member devotes to SNAP = 40%
- Chargeable SNAP E&T square feet (average % of time times square footage used by SNAP E&T staff):  $40\% \text{ times } 3000 \text{ sf} = 1200 \text{ sq ft}$
- % of square feet chargeable to SNAP E&T:  $(1200 \div 5000) = 24\%$
- Yearly Rent: \$250,000
- Main Office SNAP E&T Occupancy (total rent times % of square feet chargeable to SNAP E&T):
  - $24\% \text{ times } \$250,000 = \$60,000$

#### ***Calculation for Satellite Office Space***

Location: 99 Eastern Blvd, Mytown, MyState (1 person at satellite location)

- Total Square Feet: 200 sq ft
- Total Staff: 1
- SNAP E&T staff: 1
- SNAP outreach staff percentage (SNAP E&T staff  $\div$  total staff):  $1 \div 1 = 100\%$
- Square footage used by SNAP E&T staff: 200 sq ft

- Average % of time each SNAP E&T staff member devotes to SNAP E&T Program: 50%
- Chargeable SNAP E&T square feet (average % of time times square footage used by SNAP E&T staff):  $50\% \times 200 \text{ sq ft} = 100 \text{ sq ft}$
- % of square feet chargeable to SNAP E&T ( $100 \text{ sf} \div 200 \text{ sf}$ ) = 50%
- Yearly Rent: \$22,000
- Satellite Office SNAP E&T Occupancy (total rent times % of square feet chargeable to SNAP E&T):  $22,000 \text{ times } 50\% = \$11,000$

Total for Main Office Space and Satellite Location:  $\$60,000 + \$11,000 = \$71,000$

### What is the calculation for publicly owned building space rented by the State agency?

The calculation is the same for [privately rented building space](#).

### What is the calculation for building space expenses incurred by subrecipients?

If the subrecipient owns the space it occupies, it incurs building-related costs and claims SNAP reimbursement for the portion allocable to SNAP E&T. Examples of such cost items include depreciation, maintenance, security, taxes, insurance, utilities, etc. Such costs are generally parallel to those incurred by the State agency for space it owns and occupies ([as outlined above](#)).

If the subrecipient occupies space rented from another entity, rent is the principal occupancy cost for which it claims reimbursement from the State agency. The landlord sets the subrecipient's periodic rental payment to recover the cost items (depreciation, maintenance, security, taxes, insurance, utility, etc.) and also to provide for a profit. However, some lease agreements may provide for the tenant (that is, the subrecipient) to pay one or more of those cost items directly; the principal example is utilities.

## Property Procurement and Management

### What are the rules for property procurement and management?

Prior Federal approval must be received before the State agency may procure or request reimbursement for equipment valued at more than \$5,000. Review and approval of equipment purchases are normally conducted during review of the proposed budget when [the E&T State plan](#) is submitted to the appropriate Regional Office.

Budget reviews ensure that proposed equipment requests do not duplicate previous year's equipment purchases for the same project.

Inventory records must be maintained for equipment that is paid for in full, or in part, with Federal funds. A physical inventory is required every two years.

### **What special considerations are there for States that would like to operate a laptop loaner program?**

State agencies may use SNAP E&T funds —50 percent Federal reimbursement funds or direct Federal grant funds — to purchase laptops or other computer equipment that may be loaned to E&T participants. In addition, State agencies must follow Federal cost principles regarding disposition of equipment.

## **Indirect Cost Policy**

### **What are indirect costs?**

Indirect costs are costs incurred by a State agency or a subrecipient in support of allowable activities that are directly charged to sponsoring Federal or State agencies. Indirect costs are often a single amount expressed as a percentage in a project budget. Indirect costs are also called overhead costs.

Indirect costs are determined either through an approved indirect cost rate or cost allocation plan that details how the costs are to be shared by the funding agencies. Indirect cost rates are documented through an indirect cost plan approved by a [cognizant agency](#). Indirect cost rate plans are usually associated with larger entities. Small and mid-size subrecipients acting as State agency contractors or subrecipients may not have an approved indirect cost plan. A cost allocation plan, also approved by a cognizant agency, is a more extensive plan that combines many different allocations. Cost allocation plans are most often used by larger grantees.

### **Which cost items are inherently indirect?**

Very few costs are indirect. Most of the cost outlays associated with a project are direct costs. Classification as direct or indirect normally depends on treatment in the accounting system prescribed by the State agency. Examples of indirect costs may include:

- Staff that support general office administrative functions;
- Financial staff that handle all billing activities; and

- General building maintenance and utility expenses.

### **What is a cognizant agency?**

A cognizant agency is the Federal agency recognized by the Office of Management and Budget (OMB) as having the predominant interest in terms of program dollars. FNS is the cognizant agency for a few State agencies although the U.S. Department of Health and Human Services is the cognizant agency for most. The Federal agency that provides the most Federal money becomes the cognizant agency for that organization.

FNS may request additional documentation in support of the submitted indirect cost rate. The State agency and subrecipients should ensure that the approved indirect cost plan or cost allocation plan from the Federally assigned cognizant agency is available for FNS review, if needed.

### **What is acceptable documentation of an approved indirect cost plan?**

Supporting documentation can consist of a scanned letter or electronic correspondence from the [cognizant agency](#) to the State agency. State agencies are responsible for ensuring that indirect costs included in the [E&T State plan](#) are supported by an indirect cost agreement approved by the appropriate cognizant agency and are claimed in accordance with that agreement.

A subrecipient may have an indirect cost rate already approved by a Federal cognizant agency because it may receive Federal funding for other activities directly from the Federal government.

### **What is an example of an indirect cost rate already approved by a Federal cognizant agency that should be used in the E&T State plan?**

One example is a subrecipient that has an indirect cost rate plan approved for its SNAP Outreach Plan activities. The same indirect cost rate should be used in both the SNAP Outreach Plan and the E&T plan.

### **What if a State agency partners with a subrecipient that does not have an approved indirect cost rate plan or cost allocation plan?**

FNS has determined that under 2 CFR 200.332 the prime grantee (in this case, the State agency) is responsible for determining the appropriate rate in collaboration with the subrecipient, unless the subrecipient has an approved Federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government.



In the absence of an approved indirect cost rate plan, a State agency and its subrecipient can make one of three choices each Federal fiscal year. The first two choices assume that a subrecipient has overhead costs that the project benefits from and that are not included in the direct cost category.

- Choice 1: Use the [Federal de minimis rate](#) of 10 percent.
- Choice 2: Seek approval from the [cognizant agency](#) to use an indirect cost rate developed for the project.
- Choice 3: Use no rate (zero) and do not ask for reimbursement of indirect costs.

### **What are the Federal requirements for a subrecipient using the Federal de minimis rate of 10 percent?**

A subrecipient must have indirect costs that benefit the project, which are not already recouped through direct costs charged to the project. For some small projects all costs may be directly charged.

The 10 percent rate is the Federal de minimis indirect cost rate that can be used on Federally funded projects in the absence of a rate approved by a [cognizant agency](#). The 10 percent standard rate may be used indefinitely, and is determined by multiplying 0.10 by the total direct costs.

The 10 percent rate is not to replace a rate approved by a cognizant agency. It is possible that a State agency or subrecipient has an approved indirect cost rate less than 10 percent. The correct rate to use is the current rate approved by the cognizant agency, even if it is lower than 10 percent.

If a State agency or subrecipient elects to use the 10 percent indirect cost rate, it must provide a statement about the types of costs it is seeking to recover through use of the de minimis rate. The types of costs included in this statement are then compared to the direct costs charged to the grant. The same costs (such as supervisors, administrative support, utilities) cannot be included in both categories.

### **What is involved if a subrecipient wants to develop its own indirect cost rate plan?**

If a subrecipient does not have an approved indirect cost rate or cost allocation plan from a cognizant agency, the subrecipient may seek approval from the State agency to use a rate developed by or for it. The State agency must indicate its acceptance of the subrecipient's indirect cost rate in the E&T State plan. If the State agency does not accept the indirect cost rate, the FNS Regional Office also will not accept the rate. In

addition, the FNS Regional Office may accept or reject the rate based on the rate computation documents provided.

The State agency should retain documentation of its indirect cost rate review process for FNS review if needed. In the event a State agency has approved a plan which is later determined to be unacceptable, indirect costs charged through that plan may be disallowed.

Contracted accounting services to develop an indirect cost rate are an allowable program cost. Such costs may be included in the E&T plan budget as either direct or indirect costs. Note that only the proportionate share of the costs of developing the indirect cost rate for SNAP E&T may be charged.

If the State agency approves a rate in excess of 10 percent, then supporting documentation should be provided to FNS. FNS will not approve this portion of the budget until supporting documentation of the requested rate above 10 percent is received and found acceptable.

### **Can a subrecipient organization use the approved indirect cost rate plan of the State agency?**

A subrecipient cannot use the State agency's approved indirect cost rate. Indirect costs vary by organization and program. If a subrecipient incurs overhead or indirect costs, it must have its own, unique indirect cost rate plan or justify use of the [10 percent de minimus rate](#).

### **Can a State agency or subrecipient charge for building space as a direct cost and use the 10 percent Federal de minimis rate for indirect costs?**

Building space cannot be included as both a direct cost and an indirect cost in a project budget. Normally, building space is not included in the indirect rate, but if it is, the State agency or subrecipient cannot claim any additional costs for building space.

### **Why would a subrecipient choose not to use an indirect cost rate?**

It is possible for a subrecipient to incur no indirect costs. For example, a subrecipient may be entirely dedicated to SNAP E&T and all costs are direct costs. Another example is a subrecipient whose indirect costs are so low and/or minimal (support staff spend minimal time on SNAP E&T or there are minimal building maintenance costs) that it does not want reimbursement because the cost of calculating indirect costs would be higher than the funding received.

**In a project involving multiple subrecipients, does the lead subrecipient make the decision concerning the indirect cost rate for all subrecipients?**

Each subrecipient makes its own choice concerning the indirect rate it will use.

**If one organization is in multiple State E&T plans, should it use the same indirect cost rate for each project?**

If an organization has an approved indirect cost rate from its [cognizant agency](#), it must use that rate in each E&T State plan. If the organization does not have an approved indirect cost rate, it may use different rates for each project following the guidelines [above](#).

## **USDA's Non-Discrimination Statement**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

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