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Local Commissioners Memorandum

Section 1

Transmittal:	09-LCM-05
To:	Local District Commissioners
Issuing Division/Office:	Office of Budget, Finance & Data Management
Date:	June 12, 2009
Subject:	Stimulus Food Stamp / Supplemental Nutrition Assistance Program Administrative Funding under the American Recovery and Reinvestment Act
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Attachments:	FFY 2009 Supplemental Nutrition Assistance Program Administrative Funding Allocations under the American Recovery and Reinvestment Act
Attachment Available On – Line:	yes

Section 2

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to issue local district federal fiscal year (FFY) 2009 allocations for additional Food Stamp/Supplemental Nutrition Assistance Program (SNAP) administrative funding provided under the American Recovery and Reinvestment Act of 2009 (ARRA).

II. Background

ARRA, also known as “the Stimulus Bill,” provided significant new resources for SNAP. In addition to an across-the-board benefit increase that went into effect April 1, 2009, states were granted additional SNAP administrative funding to help offset the cost of implementing the benefit increase and to support states as they confront rising caseloads due to the economic downturn. New York State received a total of \$24 million in new administrative funding for the two FFYs covered by ARRA (FFY 2009 and FFY 2010). FFY 2009 funds are being allocated to the local districts to cover the increased costs associated with processing the growing number of Food Stamp applications. A breakdown of individual county allocations for FFY 2009 is attached. Local districts will be notified regarding the FFY 2010 allocations at a later date.

III. Program Implications

The Office of Temporary and Disability Assistance (OTDA) has established local district allocations for the SNAP administration portion of the ARRA. The federal methodology for awarding funding to states was based on a two-part formula, with 75% of the funds allocated to states based on each state’s share of SNAP households and 25% based on each state’s share of the increase in the number of households participating in SNAP. NYS is allocating these funds to local districts using the same factors for the period January through December 2008. Using the discrete dollars identified by the U.S. Department of Agriculture (USDA) for NYS for each factor, each district is receiving their proportional share of funds based on statewide SNAP households and each district’s proportional share of the increase in the number of statewide households participating in SNAP. Allocating funds in this manner is consistent with OTDA’s commitment to increasing SNAP enrollments.

IV. Claiming Instructions

The ARRA grant is 100 percent federal funds. There is no match requirement for these funds. The match requirement for the regular 50 percent federal SNAP administrative funds remains in effect. It will not be necessary for the local districts to submit a separate claim in order to access the funds provided through this allocation. Since the ARRA award is available for expenditures beginning March 1, 2009, OTDA will reimburse 100 percent of the gross amount of certification costs with ARRA funds for expenditures beginning with the original Schedule D-7 (Distribution of Food Stamp Expenditures to Activities, LDSS-2347E) claim submission for March 2009 until a district’s allocation has been expended. The dollar amount to be reimbursed will be amounts taken from Section 1, Line 8, Column 2 (Certification) and Section 2, Line 6, Column 2, and added together. This will be paid at 100 percent federal share, up to the amount of the allocation, out of a separate cost center set up specifically for these funds and will appear as a bottom-line adjustment on a separate claims settlement.

Since the ARRA funds cannot be used as the match for regular (non-ARRA) USDA SNAP funding, for those costs reimbursed with 100 percent ARRA funds, there will be a bottom-line adjustment to reflect the reduction of the regular 50 percent federal share of SNAP, which was reflected as part of the USDA settlement above the line. Adjusting entries related to these transactions should be processed as a debit to A4611 and a debit to A400 for the federal share adjustment amount, and as a credit to A4611 for the ARRA federal share amount. Please note that the CFDA (Catalog of Federal Domestic Assistance) number for the ARRA funds is 10.561 (State Administrative Matching Grants for Food Stamp Program), the same as for regular SNAP administration. The ARRA funds must be considered part of the SNAP cluster for single audit purposes, but they must be separately identified with the prefix of “ARRA” on the Statement of Expenditures of Federal Awards (SEFA).

ARRA funds for FFY 2009 for SNAP administrative costs are available for obligation until September 30, 2009. As with regular SNAP administrative funds, these obligations must be liquidated within 90 days following the end of the respective fiscal year.

Issued By: **John Wyld for Michael Normile**
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