

<b>CALFRESH - FISCAL GUIDELINES MANUAL</b>
<b>600 Fiscal Documentation/Record Keeping</b>

**601. General Information**

USDA requires that all *Network* Contractors maintain accurate, detailed records of both the State Share contributions and Federal Share expenditures associated with the program. Equally as important, Contractors must be able to verify the source of funds used to pay for state share expenditures.

The *Network* will periodically review documentation to ascertain an organization's adherence to the fiscal documentation requirements of the contract agreement. Prior to the review, the assigned Contract Manager (CM) will send the Contractor a letter of notification and identify the period (quarter) that will be chosen.

**602. Required Supporting Documentation**

When requested, an organization will be required to submit one copy of all source documentation associated with State Share and Federal Share expenses in a selected billing period. Contractors will be required to separate, batch, and label each set of documentation according to the line item to which the expense is billed and to which report it pertains (i.e., State Share Documentation Report or Invoice). All documentation that is batched for each line item must equal the total amount reflected for that line item on either the State Share Documentation Report or Invoice.

If the Contractor's accounting system is capable of generating reports that contain detailed expenditure object codes to record actual expenses for qualifying *CalFresh* activities, those reports may be submitted in lieu of a calculator tape, electronic spreadsheet, or a summary page. If a Contractor submits computer-generated reports, the Contractor needs to provide a key for the expenditure object codes that have been designated. The Contractor should highlight the expenses that pertain to the State Share Documentation Report and Invoice and indicate to which report they pertain.

For organizations that do not have electronic systems in place to track costs, the *Network* will provide samples of manual documentation support schedules to help capture expenditures. The organization may create a computer-generated version of these schedules, provided the forms conform to the format and contain all the required information. Please ensure these versions fit on 8½" x 11" paper.

**Source documentation** should include, but is not limited to the following documentation for each of the line items A - H.

A. **Personnel Salaries:** Documents must be based on actual expenditures and include:

1. Payroll registers or cancelled checks.
2. Computer or manual reports/ledgers summarizing personnel expenses that include percent of time/number of hours, actual salary, etc.
3. Weekly Time Logs, Quarterly Time Studies or Semi-Annual Certificate of Activity – documentation of time spent on qualifying *CalFresh* outreach activities:
  - Staff who are budgeted for **less than 100 percent** of their time on *CalFresh* outreach activities must provide signed, Weekly Activity Logs or Quarterly Time Studies. The use of a Quarterly Time Study must be pre-approved by USDA.

- Full-time staff or part-time staff who are budgeted for **100 percent of their time** on *CalFresh* outreach must provide a signed duty statement describing 100% of all time spent on *CalFresh* outreach activities. They are also required to have Semi-Annual Certificate of Activity signed and on file.
- B. **Fringe Benefits:** Records of actual expenditures associated with fringe benefits and a list of items billed under this line item.
- C. **Operating Expenses:** Vendor invoices, bills, or receipts for all operating expenses that were originally listed under this line item in the budget justification. If space or rent is being charged, also provide a formula on how the amount billed was calculated or prorated if the space is shared with other programs.
- D. **Equipment Expenses:** Vendor invoices, bills or receipts for all equipment purchases that were originally listed under this line item in the budget justification. Any equipment that has been purchased with Federal Share funding, must also be recorded on the Contractor Equipment Purchased with California Department of Public Health (CDPH) Funds form.
- E. **Travel and Per Diem:** Travel claim forms, receipts, bills, and invoices for items that were originally listed under this line item in the budget justification. Keep the following points in mind when completing and processing travel expense claims:
1. Travel expense claims must reflect the traveler's name and title or classification, start and end date, time of travel, and a travel description.
  2. Department of Personnel Administration (DPA) travel reimbursement guidelines must be applied to all employees, subcontractors, consultants, advisory committee members, etc. See "Travel Reimbursement Information," in your contract.
  3. The *Network* will not reimburse costs above the maximum DPA State rates.
- F. **Subcontracts:** Subcontractor expenses should be documented with invoice, bills, or receipts for all costs claimed. In addition, provide subcontract agreement(s) and/or MOUs for any subcontractor expenses. These agreements must include the subcontract cost, term, and deliverables. Note: Prime Contractors are responsible to ensure that subcontractors adhere to *Network* contract requirements.
- G. **Other Costs:** Vendor invoices, bills, or receipts for items that were originally listed under this line item in the budget justification.
- H. **Indirect Costs:** Records of actual expenditures associated with indirect rates (including vendor purchase orders for outside services such as utilities, janitorial, payroll, bookkeeping, legal, etc.) and a list of items billed under Indirect Costs. Indirect Cost Certification Form or documentation of federally negotiated indirect rate should also be kept on file.

### **603. Access to Records**

Contractors must maintain records reflecting actual expenditures for each year covered by the term of the contract. These source documents must be available if the *Network* chooses to review fiscal records or if the USDA chooses to audit the Contractor. All source documents must be maintained in project records for a minimum of three years after the end of the contract term. All documents used to support and substantiate expenses must be accessible to the State upon request.