



MARK B HORTON, MD, MSPH
Director

State of California—Health and Human Services Agency
California Department of Public Health



ARNOLD SCHWARZENEGGER
Governor

August 23, 2007

TO PROJECT COORDINATORS
NETWORK FOR A HEALTHY CALIFORNIA (NETWORK)

SUBJECT: PROGRAM LETTER #07-09
CLARIFICATION ON THE UTILIZATION OF INTERNS WITH FOOD
STAMP NUTRITION EDUCATION (FSNE) FUNDING

This letter is to notify you that the *Network* has received clarification about the use of interns for FSNE activities. United States Department of Agriculture (USDA) has determined that the use of interns to conduct FSNE activities as well as to meet an internship field requirement constitutes supplanting, which is unallowable.

Review of the Office of Management and Budget (OMB) Federal Circular A-87 and the FSNE Plan Guidance has concurred with the USDA's determination on the use of interns. This review has also provided the following provisions when determining the purpose and impact of interns on FSNE activities:

- If an intern's time is deemed not to be part of their field requirement for their internship and their activities are allowable FSNE activities, the intern time can be used towards state and federal cost share(s).
- Providing payment to interns for their time with FSNE activities may be allowable depending upon the situation. The criteria for approval are:
 1. There is a bona fide employer-employee relationship between the student and the contractor for the work performed.
 2. The tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work.
 3. The intern is a volunteer, with no compensation from FSNE.

Project Coordinators
Page 2
August 23, 2007

Interns who are working on FSNE must account for their time, as would any full-time or part-time staff. The financial review of this charge must take into account both the type of work performed and the number of hours worked.

If contractors have interns in their budgets that are using their time to meet internship field requirements, they should contact their Contract Manager who will assist them with any budget adjustments.

Rosanne K. Stephenson, M.P.A.
Staff Services Manager I
Cancer Prevention and Nutrition Section