



**DATE:** December 2, 2024

**SUBJECT:** Fiscal Year 2025 Commodity Credit Corporation (CCC) The Emergency Food Assistance Program (TEFAP) Funding

**TO:** Regional Directors  
State Directors  
TEFAP State Agencies

This memorandum provides information about the approximately \$500 million in additional support for emergency food programs that the United States Department of Agriculture (USDA) is providing in Fiscal Year (FY) 2025 under the statutory authority of the Commodity Credit Corporation (CCC) Charter Act for distribution through The Emergency Food Assistance Program (TEFAP). CCC funding will help emergency food organizations as they continue to deal with supply chain challenges and elevated food costs by supporting food purchases and TEFAP eligible recipient agencies' (ERAs)<sup>1</sup> operational costs for the storage and distribution of the additional food purchases. The CCC funds are being offered in addition to TEFAP entitlement foods, bonus foods, and TEFAP administrative funds.

The majority of the \$500 million in TEFAP resources provided through CCC will support the purchase of USDA Foods for distribution through TEFAP. USDA anticipates offering a variety of USDA Foods acceptable to State agencies' emergency food programs. USDA expects to make the first ordering catalogs available to State agencies this fall and anticipates the first deliveries for this allocation to begin early in calendar year 2025.

A portion of the FY 2025 CCC funding will be available to support TEFAP ERAs' operational expenses associated with the USDA Foods purchased with CCC funds (CCC USDA Foods). While USDA will distribute the CCC funds for operational costs to State agencies, State agencies must pass through 100 percent of these funds to ERAs and cannot retain any funds for use at the State level. The allowable uses of this operational funding (referred to as "ERA operational funds") are detailed in Attachment A, Conditions for Funds Available for the Storage and Distribution of CCC FY 2025 funds.

The operational funding is being provided to State agencies in the contiguous United States in the amount of \$3,000 per truck of CCC USDA Foods ordered to distribute further to ERAs. Funding is being provided to noncontiguous States and U.S. Territories administering TEFAP, to be distributed further to ERAs, in the amount of \$4,000 per truck of CCC USDA Foods ordered to account for the increased costs of storage and distribution. The additional USDA Foods will be offered in fair share quantities to TEFAP State agencies through multiple phases, for distribution through TEFAP ERAs.

---

<sup>1</sup> TEFAP ERAs are generally private nonprofit entities as defined in 7 CFR 251.3(d).

ERA operational funding will be provided in multiple phases, corresponding to the food ordering phases. The first offer of ERA operational funding will be provided following the closure of the first food ordering phase, which is expected to close in late December 2024. Following the receipt of the amount of the first offering, to receive the ERA operational funds State agencies must sign the attached agreement (Attachment B) and return it to their respective FNS Regional Office with the total amount they choose to accept after receipt of the allocations, which are forthcoming. A State agency's acceptance of all or a part of these funds indicated by the signed agreement (Attachment B) will serve as acknowledgment of, and agreement with, the conditions outlined in Attachment A, which includes information about allowable uses, the period of performance, reporting and recordkeeping requirements, and oversight responsibilities.

Additional information regarding the first phase amounts of ERA operational funds and the date to return the signed agreement will be forthcoming.

USDA appreciates the commitment of TEFAP State agencies to emergency feeding efforts and looks forward to continued partnership as additional funds are provided through the CCC.

*/s/ Original Signature on File*

Melissa Abelev  
Acting Associate Administrator  
Supplemental Nutrition and Safety Programs  
Food and Nutrition Service

*/s/ Original Signature on File*

David Tuckwiller  
Deputy Administrator  
Commodity Procurement Program  
Agricultural Marketing Service

Attachments

## Attachment A

### Conditions for Funds Available for the Storage and Distribution of Commodity Credit Corporation (CCC) The Emergency Food Assistance Program (TEFAP) USDA Foods in Fiscal Year 2025

#### Disbursal of ERA Operational Funds

ERA operational funding is being provided to State agencies in the contiguous United States in the amount of \$3,000 per truck of CCC USDA Foods ordered. Funding is being provided to noncontiguous States and U.S. Territories administering TEFAP, to be distributed further to ERAs, in the amount of \$4,000 per truck of CCC USDA Foods ordered. These per truck amounts may change as purchases proceed.

State agencies are required to pass through 100 percent of these funds to ERAs within their State and cannot retain any funds for use at the State level. State agencies have the discretion to give these funds to ERAs either through cash advances or through reimbursement payments. Funding provided via cash advances must be reconciled based on the actual costs incurred.

The funding will be provided to State agencies via electronic transfer, using the Web Supply Chain Management System (WBSCM). These funds will not flow directly through FNS. However, FNS will be assisting the USDA Agricultural Marketing Service (AMS) in the transfer of these funds through WBSCM. To receive payment, State agencies must be registered and active in [SAM.gov](http://SAM.gov) and the Unique Entity ID number must be on file in WBSCM.

State agencies will need to ensure the operational funds only go to ERAs receiving CCC USDA Foods and that those ERAs only use the funds for allowable expenses associated with CCC USDA Foods. State agencies can use a variety of methods to ensure the correct usage of these funds. Some examples include:

- Providing the funds to ERAs as a per-pound amount based on the amount of CCC USDA Foods received.
- Reimbursing ERAs based on invoices for allowable direct expenditures, such as a contract for additional storage space for CCC USDA Foods.
- Providing funds to ERAs based on anticipated costs, requiring ERAs to maintain records of all allowable administrative costs incurred, and ensuring that those costs equal or exceed the funds advanced to the ERA.

Alternate methods may also be allowable. State agencies are responsible for ensuring the funds are only used for allowable costs and that adequate documentation is available to support subsequent audit activity. All documentation must be kept for a period of 3 years after the final phase of ERA operational funds is provided or longer if related to an audit or investigation in progress. State agencies should also include a review of CCC USDA Foods ERA operational funds as part of any required ERA review within the next 3 years. This review may be conducted using the principles set forth in Policy Memorandum [FD-126, Review of Administrative Funds Provided to ERAs in TEFAP](#).

**Allowable Uses of ERA Operational Funds**

ERA operational funds must be used for TEFAP ERA operational costs associated with the receipt, storage, and distribution of the CCC USDA Foods.

These funds are separate and distinct from regular TEFAP administrative funds. These funds may be used for the same types of expenses as regular TEFAP administrative funding but are limited to those operational expenses associated with CCC USDA Foods. Additionally, unlike TEFAP administrative funds, these funds may not be spent by the State agency on behalf of the ERA. The funds must be spent directly by the ERA.

State agencies and ERAs may refer to TEFAP regulations at 7 CFR 251.8(e) and section IX of [Instruction 716-3 Rev. 1](#), TEFAP Administrative Costs, to determine what types of costs are allowable. The following list provides examples of allowable costs; however, this list is not meant to be exhaustive. Other costs may be deemed allowable if they are directly associated with the receipt, storage, and distribution of CCC USDA Foods. State agencies are encouraged to make the most efficient and effective use of these funds possible. To that end, State agencies may restrict the use of these funds by disallowing one or more types of allowable expenses as stated in 7 CFR 251.8(e)(2).

***Examples of Allowable Uses of ERA Operational Funds***

- Fees charged by commercial warehouse operators and common carriers for storage and transportation of CCC USDA Foods.
- Acquisition cost of equipment used in the physical handling, storage, and transportation of CCC USDA Foods.
- Maintenance and repair of equipment described above.
- Salaries of temporary workers hired to assist with the handling, storage, transportation, or distribution of CCC USDA Foods.

**Period of Performance associated with the ERA Operational Funds**

USDA expects to provide these funds to State agencies in multiple phases prior to September 30, 2025. The period of performance is from DATE OF MEMO through September 30, 2026. State agencies must obligate the funds by no later than September 30, 2026, and liquidate no later than December 31, 2026.

**State-level Reporting, Recordkeeping, and Oversight of ERA Operational Funds**

TEFAP State agencies are responsible for ensuring the funds are used for allowable expenses. Since these funds can only be used for costs associated with CCC USDA Foods, State agencies must ensure that all ERAs can differentiate between CCC USDA Foods and other TEFAP entitlement or bonus foods for reporting purposes.

State agencies will be required to report the total combined funds used at the end of all the CCC USDA Foods ordering phases. This reporting requirement is separate from regular TEFAP administrative funds reporting and State agencies will not use the FNS-667 form. USDA will

provide State agencies with additional information about how to complete and submit reporting later in FY 2025.

ERA Operational Funds **will be reported** under the unique Catalog of Federal Domestic Assistance (CFDA) Number 10.187, which is listed under the AMS assistance listings. These funds **should not be reported** under the TEFAP administrative funds CFDA number (10.568). Please note, TEFAP CCC USDA Foods may be reported under the TEFAP Food Commodities CFDA, 10.569.

#### **Federal Oversight of ERA Operational Funds**

USDA will provide oversight to ensure that these funds are used appropriately. State agencies may be subject to a USDA review of the State agency's documentation, including a review of invoices.

#### **Recovery of Unused ERA Operational Funds**

State agencies will be responsible for returning any unspent funds to USDA. State agencies must recover any unused funds that remain at the ERA level and return them to USDA via check or an electronic transfer. Further guidance on the process for returning funds will be forthcoming.

**Attachment B**

**SAMPLE AGREEMENT ONLY - PLEASE DO NOT SIGN AND RETURN**

**A blank copy of this agreement will be sent with the first phase amounts following the closure of the first FY 2025 ordering phase.**

**Fiscal Year 2025 Commodity Credit Corporation Eligible Recipient Agency Operational Funds: USDA - State Agency Agreement**

*Please hardcopy sign and scan or digitally sign by DATE TO BE PROVIDED. Once signed, email this attachment to your FNS Regional Office contact. FNS Regional contacts will in turn provide a signed copy to the Funding and Technology Division. This agreement serves as the award document for the Commodity Credit Corporation Eligible Recipient Agency Operational Funds.*

**State agency:** \_\_\_\_\_

I, \_\_\_\_\_, agree to accept and use \$ \_\_\_\_\_ of the funds offered to me under the conditions outlined in the accompanying memorandum dated December 2, 2024, *Conditions for Funds Available for Storage and Distribution of Commodity Credit Corporation (CCC) TEFAP USDA Foods in Fiscal Year 2025*.

Signed,

\_\_\_\_\_  
TEFAP State Agency Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
FNS Regional Office Representative