Emergency Food Assistance Program (EFAP) Subcontractor Biennial Meeting Handout
(Must be distributed to all subcontractors)

The Washington State Department of Agriculture's (WSDA) Emergency Food Assistance Program (EFAP) is a state-funded program that supports local emergency food providers with funding. The funding is flexible and may be used for the purchase of food, operational costs, nutrition training, equipment, and repairs.

EFAP funding is unique in that it is locally driven. The power to decide how each county will spend their allocated budget is determined by the participating food pantries and county lead contractor.

Every biennium the current lead contractor for your county is required to hold a meeting (or multiple meetings) before the start of the biennium (July 1, 2021 – June 30, 2023). The purpose of the meeting is to give food pantries an opportunity to vote and voice their opinion on how the funds would best serve their county, or multi-county region, for the next two-year EFAP contract period. It is important to discuss future funding possibilities now, so that you have a plan in place should additional funding be shifted to the program.

Attendance Required

Attendance is mandatory for all food pantries and food banks that receive, or wish to receive, funding and/ or services supported with EFAP funding. If the director cannot be present, they should appoint another person such as a board member or the next highest ranking staff or volunteer to attend. Given the COVID-19 crisis, the meetings this year may be conducted virtually.

In extreme cases, the contractor may excuse a food pantry from attending the meeting and still provide EFAP funding to that food pantry. A food pantry that has been excused from being present may submit an absentee ballot. The ballot should include all votes that took place at the meeting.

A food pantry that misses the discussions and presentations will not have an informed vote and may want to consider abstaining from the vote.

Decisions and Voting

All decisions are made with a two-thirds vote of participating food pantries and the contractor, as applicable. Only food pantries who will be entering into a subcontract with the contractor are allowed to vote. Food bank distribution centers are not allowed a vote.

- The lead contractor (which might also serve as a food bank distribution center) may vote on everything other than who should be the lead contractor.
• If the lead contractor is also a food pantry, then they may only get one vote.

• If there are not enough eligible voters for determining a two-thirds majority, then WSDA may cast deciding votes (i.e., there are less than three votes in the county).

Note: If a food pantry is not present at the meeting, two-thirds refers to all of the food pantries in a county receiving EFAP funds and food for the next biennium, not two-thirds of those present at the meeting. All votes should be made, and reported separately in the meeting minutes.

Voting Structure

Contractors wishing to clarify the voting structure for the biennial spring meeting should hold a pre-meeting to determine voting structures which may include the following:

• One vote per agency – regardless of the number of sites. Each separate organization gets a vote (an organization might have more than one site).

• One vote per food pantry site. Each food pantry site gets a vote.

Multi-county Considerations

If a contractor serves multiple counties, they can propose to pool all of the counties’ funds. Each county would need to have a two-thirds vote from the food pantries involved. If agreed upon, all of the counties’ funding would be combined into one single allocation and considered as a single allocation.

WSDA encourages multi-county areas to consider pooling funds as a means to evenly disperse funding and resources among all of the service area's food pantries and to ease the administrative burden on the contractor.

If a county's food pantries receive fewer funds by doing this, they can vote to remove their county's funds from the multi-county group with a two-thirds vote. The other counties may continue to vote as a block.

Meeting Topics

The following topics must be covered during the meeting in the order they are listed.

1. New Food Pantries

If a new food pantry in your county or multi-county region is interested in receiving EFAP funding and/or services, the first order of business must be a vote on whether or not to include the new pantry in EFAP services. This will allow the organization to participate in any subsequent voting.

Prior to the meeting, the prospective agency must notify the lead contractor of their intent to participate in the program. The contractor must verify that:

• The organization is currently registered as a nonprofit agency/corporation with the Washington Secretary of State Office.

• The food pantry has been active for at least one year prior to the start of the subcontract.
  - The food pantry has been distributing food, engaging in client data collection practices, and has had set hours of operation for the duration of the year.
- This does not mean organizations that have primarily been distributing CFAP (Farmers to Families) Food Boxes throughout the last year. If the organization has a set physical location, food storage capabilities, client intake systems, and a regular distribution schedule, then they may be considered to have been in operation as a food pantry during that time.

• The organization is a public agency, a recognized tribe, or a 501(c)(3) nonprofit.

• If a nonprofit agency, they have had IRS 501(c)(3) nonprofit status for at least one year prior to the start of the subcontract.

If the food pantry meets the criteria listed above, they may be denied EFAP funding ONLY if the existing group of EFAP food pantries and contractor can substantiate that the new food pantry provides services that duplicate those of current EFAP supported pantries. Some non-duplication factors to consider are: distance from other food pantries, hours and days of operation, specific population served, and access to special dietary food.

New food pantries must be allowed to make their case for receiving EFAP prior to a vote and should check with the contractor to see if they have a preferred presentation format.

2. Lead Contractor

If the current contractor or participating food pantry is contacted by an interested agency in your county or multi-county region that wants to serve as the lead contractor, they must tell that agency to notify WSDA of its interest in writing or by email two weeks prior to the meeting. Any agencies requesting to be the contractor must be allowed to present their case prior to the vote.

The prospective agency must address the following:

• Plan for providing services to the food pantries.

• How much EFAP funding they are requesting to provide services.

• How they plan on spending their share of the EFAP funds.

Only food pantries may vote to determine who will be the lead contractor unless the current/potential contractor is also a participating food pantry.

Each county can have only one contractor with the exception of King County, which may have up to three. An organization may be the contractor for more than one county, but each county must vote separately for the contractor.

A contractor has the right to take 10 percent of the county's EFAP allocation to cover its costs of administering the EFAP contract since administering the contract can be a time-consuming and challenging responsibility.

If the contractor performs two or more functions (e.g., contractor and/or food bank services and/or direct client food pantry services), they have the right to claim 15 percent administrative costs.

There are no limitations to operational funding levels.

3. Food Bank Distribution Center

If another agency in your county or multi-county region wants to serve as the food bank distribution center, they must notify the current contractor prior to the meeting. Both the contractor and the food pantries have the ability to vote on this topic.
Any agencies requesting to be the food bank distribution center must be allowed to present their case prior to the vote and should check with the contractor to see if they have a preferred presentation format.

**Note:** There can be more than one food bank distribution center per county.

The prospective agency must address the following:

- Plan for providing services to the food pantries.
- How much EFAP funding they are requesting to provide services.
- How they plan on spending their share of the EFAP funds.
- How the food will be transported from the food bank to the food pantries.
- An allocation formula for distributing food among the food pantries.

**Note:** A food bank distribution center has the right to take up to 10 percent of its EFAP allocation for administrative purposes to cover its costs of being the county distribution center. WSDA strongly urges food pantries to consider providing the local food bank with operational funding as a means to receive substantially discounted or free food.

### 4. Funding Allocations

Both the contractor and the food pantries must decide how their county's EFAP funds should be spent. You may allocate funding for one or all of the following purposes in any combination or amount.

- To individual food pantries for administrative costs (10 percent of total allocation), operational costs, equipment purchases, food, special dietary needs food, and dues. You will need to determine the formula for allocating funds among the food pantries. This formula can change from biennium to biennium, depending on the needs of your county. EFAP policies state that the formula must be based on substantiated need indicated for each food pantry. Contractors report using service counts figures (new and/or returning clients), census tract poverty data, pounds of food distributed, adjusted backpack figures, a subcontractor base, or a combination of measurements.

  **Note:** While this must be at least a two-thirds vote, we encourage contractors to try to reach a consensus.

- To the food bank(s) or contractor to provide food and support to the food pantries. Determine how many food bank(s) will be supporting the food pantries and the amount of funding to allocate to the food bank(s).

- Items or services that will benefit the entire group of food pantries that participate. These funds will be taken off the top before further allocating the EFAP funds. These costs may include:
  - Purchase of special dietary needs food.
  - Payment of dues for the WA Food Coalition or any other anti-hunger agency (up to 1 percent of allocation).
  - Equipment purchases that will benefit the entire service area.

  **Note:** Once funds are allocated to any food pantry, that agency has the right to decide for itself how to spend its own funding within the EFAP guidelines, including up to 10 percent for administrative costs, along with operational costs, equipment purchases, special dietary needs food, and dues. Lead contractor and food bank distribution centers may take up to 10 percent of available funds for administrative costs if they deem that necessary.
Examples of a few possible funding decisions:

**Example #1**
- 10% Contractor admin
- 1% for WA Food Coalition dues
- 35% Food bank
- 54% Food pantries

**Example #2**
- 10% Contractor admin
- 75% Food bank #1
- 10% Food bank #2
- 5% Special dietary needs food purchases

**Example #3**
- 10% Contractor admin
- 69% Food pantries
- 20% Shared equipment/equipment funding reserve
- 1% for WA Food Coalition dues

**Example #4**
- 7% Contractor admin
- 46.4% Food pantries
- 40.9% Food bank
- 0.7% WA Food Coalition dues
- 5% Equipment

**Allowable Expenses - Changes and Reminders**

Capital improvements are allowable. Previously, capital improvements were only allowed for up to $500. WSDA is expanding the use of funds to include capital improvements more broadly. Contractors who wish to use EFAP funds for a capital improvement should reach out to their regional representative to make sure they understand what will be required of them before beginning the project and bid process. Subcontractors must obtain prior approval from their contractor.

- Capital improvements are most easily approved when the building is owned by the contractor or subcontractor. Capital improvements may be approved if a building is owned or is leased and meets certain conditions. In most cases, a lease with a minimum of three years and preliminary lessor approval will be required. Be advised that for extensive projects, we may require a longer minimum than three years.

- EFAP funds may not be used to purchase new buildings or land. Expanding the size of your currently owned building is allowable.

- Procurement and bid process requirements for capital improvements will vary depending on the cost of the capacity project. Make sure you reach out to your regional representative before initiating the process of soliciting bids to ensure the process is carried out and documented as required.

Equipment purchases continue to be allowable, as are any installation or ancillary costs required to ready the equipment for use. Any equipment purchase costing $5,000 or more requires WSDA approval prior to purchase. If you plan to purchase equipment which will have a final cost of $30,000 or more, please reach out to your regional representative to ensure all procurement procedures are followed and documented as required.

**NEW:** Approve a process for determining the use of future funding increases mid-biennium. WSDA anticipates additional funding increases will be awarded in the coming biennium, similar to the additional EFAP allocations due to COVID-19 during the 2019-21 biennium. You should decide on a protocol for determining the use of those funds if increases become available again. The contractor must agree to inform all subcontractors of funding increases and planned spending of those dollars in the county.

Options might include:

- Contractor collects feedback, and integrates that feedback to the best of their ability, but a vote is not required.
- Contractor conducts a vote on the allocation of increased funding levels.
5. Optional Decisions and Voting

This is your opportunity to discuss any other decisions that need to be made for your county. Addressing any concerns at the meeting can eliminate the need to vote throughout the year and allow for easier management of the EFAP contract for both the contractor and subcontractors.

Some examples of optional decisions include:

- Alternatives to in-person meetings that require a vote during the course of the biennium (electronic voting, conference call, web meetings etc.).
- An agreed upon spend-out procedure. Example: 80 percent of funds must be spent by May billing.
- A plan for a subcontractor that cannot spend down their funds prior to the end of the state fiscal year. Example: Those funds could be redistributed to the nearest pantries, put into bulk buy, etc.
- A plan for reallocation if a subcontractor closes or leaves the program.
- An additional vote to confirm final allocation levels if EFAP actual funding varies considerably from estimated figures provided in County Allocations table (AGR PUB 609-459). Example: If budget levels are 20 percent greater or less than estimated meeting budget levels, a re-vote could be required.

If you believe that the process outline above was not properly carried out at your meeting, steps were missing, or coercion was used, and you have been unable to resolve the issue locally, please contact the Food Assistance (FA) program manager.

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