

**AGREEMENT
BETWEEN THE
FOOD AND NUTRITION SERVICE
OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
AND THE
ADMINISTRATION ON AGING
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

PURPOSE

The purpose of this Agreement is to establish the procedures necessary to ensure reimbursement of the Department of Agriculture's (USDA) Food and Nutrition Service (FNS) for USDA commodities and related administrative expenses in the Nutrition Services Incentive Program (NSIP) for fiscal year (FY) 2004. It also establishes the responsibilities of FNS and the Department of Health and Human Service's (DHHS) Administration on Aging (AoA) in the administration of NSIP, in light of recent revisions to Section 311 of the Older Americans Act (OAA).

AUTHORITY

Section 3030a of Title 42 of the U.S. Code (42 U.S.C. 3030a)

BACKGROUND

The AoA currently administers the OAA Nutrition Programs under Part C-1, Congregate Nutrition Services, and Part C-2, Home-Delivered Nutrition Services, of Title III and Title VI. Under Section 311 of the OAA, NSIP rewards State Agencies on Aging and Indian Tribal Organizations that efficiently deliver nutritious meals to older adults. It provides financial support to community based nutrition programs funded through the OAA. However, State Agencies on Aging and Indian Tribal Organizations may choose to receive part or all of that support in the form of USDA commodities.

The Consolidated Appropriations Resolution, 2003, P.L. 108-7, amended Section 311 of the OAA to transfer the administration of NSIP from USDA-FNS to DHHS-AoA. The AoA is now responsible for administering the cash assistance provided to State Agencies and Indian Tribal Organizations under NSIP, and for ensuring that FNS is reimbursed for commodity purchases and related administrative expenses under the program. The AoA is responsible for NSIP participation procedures, meal and financial reports, and compliance with the requirements of the OAA. FNS will continue to administer the election, and ordering of commodities (including bonus commodities) by State Agencies and Indian Tribal Organizations, and will arrange for the purchase and delivery of commodities to them.

SCOPE OF WORK

AoA

The AOA will administer a cash program in compliance with applicable provisions of P.L. 106-501 and P.L. 108-7, including but not limited to the following:

1. Compile, analyze, verify and finalize meal number data for FY 2003;
2. Finalize funding allocation to the State Agencies on Aging and Indian Tribal Organizations;
3. Transmit meal numbers and allocation information to FNS of USDA;
4. Finalize reimbursement to USDA for commodity usage and related administrative expenses;
5. Adjust final payments to USDA based on actual commodity usage by States and Tribes; and
6. Oversee accounting procedures.

FNS

The FNS will administer a commodity program in compliance with applicable provisions of P.L. 106-501 and P.L. 108-7, including but not limited to the following:

1. Provide support for commodity procurement, delivery, and complaint resolution;
2. Provide information on status of commodity purchases to States, Tribes and AoA;
3. Solicit commodity elections from USDA State Distributing Agencies (SDAs) and AoA for FY 2005;
4. Provide preliminary commodity grant amounts to USDA SDAs for FY 2005 purchases;
5. Reconcile commodity expenditure/commitments against advances and report to AoA any amounts not used by the States and Tribes for commodities by July 31, 2004. Any funds not used by States and Tribes for commodities will be returned to AoA for distribution to those states in the form of cash by AoA; and
6. Oversee accounting procedures.

DURATION OF AGREEMENT

This Agreement provides continued reimbursement of funds for commodity purchases by USDA and related administrative expenses. The funding will support the provisions of this Agreement from October 1, 2003 through September 30, 2004 unless legislative changes require a change in the agreement or funding.

CONTACTS

AoA

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FNS

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FUNDS

AoA agrees to transfer the amount of funding necessary to cover commodities purchases and related administrative expenses for FY 2004. By July 31, 2004, FNS will determine the final commodity usage and return unused commodity funds to AoA for distribution to the State Agencies on Aging or Indian Tribal Organizations that have not utilized their full commodity entitlement.

Funds will be transferred from AoA to FNS via Intra-governmental Payment and Collection (IPAC) system, with the following accounting information:

<u>AoA</u>	<u>FNS</u>
ALC: 75-30-0030	ALC: 12-35-0001
Appropriation: 7540142	Appropriation: 12 4/5 3503
CAN: 4-2994325	Document: RB 2003 08 000003/001
Object Class: 25.39	Object Class: 26.00

APPROVAL

The undersigned concurs with this agreement.



Eric M. Bost
Under Secretary
United States Department of Agriculture
Food, Nutrition, and Consumer Services
14th and Independence Avenue, S.W.
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Date 10/24/03



Josefina Carbonell
Assistant Secretary for Aging
Department of Health and Human Services
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Date 10/28/03