

Guide to SPWA

The below list of items/services will always require an SPWA. The list is not exhaustive; therefore, please contact TDA or the ESC for other items/services that “may require” an SPWA.

CATEGORIES	ITEMS	NOTES	REFERENCE
<i>Labor – Additional Costs and/or Benefits</i>			FNS 796-2, Rev. 4 unless noted otherwise
	Deferred Compensation, SEP-IRA, Bonuses, Vacation Pay, Holiday Pay (work performed on a non-work holiday)	Must list employees receiving these benefits. For SEP-IRA Officers must always be SPWA, Staff only when it represents a significant increase in benefits.	23 a (3) - (7), pg. 42; g, pg. 48; h, pg. 50; l, pg. 51; k, pg. 52
	Overtime	Must request before incurred. Should only occur when necessary to cope with emergencies such as accidents, natural disasters, breakdowns of equipment or occasional operational bottlenecks of a sporadic nature. (Notify TDA within 2 working days). See H (3), pg. 50 for exception)	23 pg. 42; h pg. 50
	Severance Pay		23 j pg. 52
	Compensatory Leave		23 h pg. 50
<i>Communications & Technology Costs</i>			
	Services - printer contracts, including service, IT support, internet and connectivity, communication		8, Pg. 21
	Equipment Purchase and Repair - landline Phones, Cell Phones,		8 a (1), pgs. 21 & 22

	Fax Machines, Computer Hardware, Tablets, Printers, Postage machines		
	Software - accounting, Payroll, Meal tracking software, Microsoft		8a (2) a)-b), pg. 22
Less-than-arms- length transactions	<p>Definition – <i>a transaction that lacks independence because the integrity of the transaction could be compromised. For a lease, one party to the lease agreement is able to control or substantially influence the actions of the other. Includes but not limited to those between:</i></p> <p><i>The non-Federal entity and a director, trustee, officer, or key employee of the non-Federal entity or an immediate family member, either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. Example, the non-Federal entity may establish a separate corporation for the sole purpose of owning property and leasing it back to the non-Federal entity.</i></p>		
	Rent	Must show depreciation (30 year straight line, excluding the value of land)	C, pg. 16 36 d (3), pgs. 68 & 69
Supplies & Equipment			
	Walk-in freezers/coolers, food service equipment, motor vehicles, (also service and repair of these items)	Capital Expenditure: \$5000 or more per unit	16 a (1), pg. 34
	Smoke detectors & fire extinguishers, licensing fees, fire & safety inspection fees to meet licensing approval standards	*Day Care Homes only Up to \$300 per DCH	12 a (1)-(3) pg. 26, Exhibit I pg. 1
Facilities & Space			
	Office Furniture	Only when it is a capital expenditure - \$5000 or more per unit	16 a (1), pg. 34

<i>Purchased Services</i>			
	Accounting services, dietician contracts	Submit proposed contract, letter of engagement, quote. If approved submit a signed contract.	24 a, pg. 56
<i>Contracting Organization Costs</i>			
	Travel and Registration fees when CACFP is only a portion of a larger child and adult care related agenda		28 a (2), pg. 59
	Cost of public or nonprofit organizations memberships in civic or community organizations and subscriptions to professional and technical periodicals related to the program.	Used strictly for the CE and will save the program money	Handbook, Section 7000

Other Resources

FNS 796-2, Rev. 4 inclusive of Exhibit I

CACFP Handbook section 7000 (Financial Management)

Both may be located here:

<http://squaremeals.org/Programs/ChildandAdultCareFoodProgram/CACFPPolicy&Handbook.aspx>

Request for SPWA review process

The review process is a two-step process to determine completeness and then correctness.

Step 1. The request for SPWA is reviewed to determine completeness. An example of an incomplete request for SPWA would be if no comparison cost quotes were submitted for an item that exceeds the micro purchase procurement threshold.

Step 2. Once all components of the request for SPWA are present, the reviewer will move to the second step, review for accuracy. Examples of the items reviewed may be referenced below in the section titled “Common errors in SPWA requests”.

Approval. The SPWA will be approved once the request has been determined complete, correct and verified as reasonable, allowable and necessary. TX-UNPS will send an email message to the organization that the request has been approved. The organization may add the cost to the budget detail by selecting the SPWA ID from a drop-down menu located in the budget detail line item pop-up screen. Once the SPWA ID is selected, the cost for the SPWA will be auto populated. The budget detail should then be submitted for approval. The approval of the SPWA request is not the final approval. Final approval of the cost is conveyed by approval of the budget detail amendment.

Multi-year Contracts: Multi-year contracts are allowable. Enter the total contract term in the SPWA request.

Note: Material changes in the terms of the contract will require a re-bid process of the product/service resulting in the need for a new SPWA request. Examples of material changes would be number of items requested has changed from original contract, different types or brands of products are required, additional services are required, etc.

Common errors in SPWA requests

- **Multiple items:** Multiple items are requested within a single SPWA request.
 - Each SPWA request should be for an individual item/service.
- **Procurement:** Item/service has not been properly procured.
 - Ensure the organization has followed the proper procurement procedures prior to submitting the request for SPWA.
- **Line 3:** Item/service cost is not allocated between program and non-program use.
 - If the item/service is not for 100% program use, then the cost must be allocated accordingly.
- **Line 4:** Cost determination/calculation is not provided or is unclear.
 - The method to determine the cost or calculation must illustrate the entire method or formula used to determine the total cost.
- **Line 12:** Vendor procurement table not completed –

Cost exceeds minimum micro purchase procurement threshold of \$10,000.00, but response is “no.”

If table completed:

- Comparison cost quotes are not “apples to apples”. The comparison cost quotes should list items/services that have equal specifications.

Item/service quotes/proposals do not contain a final annual total.

- A final total cost amount must be easily ascertained from the provided comparison cost quotes. For example, if the vendor proposal lists a cost per site or several options of services, then the total annual cost including the total number of sites/services selected must be computed and provided as part of the comparison cost quote.

- **Line 14:** Item/Service and cost not provided.
- **Line 15:** Necessity of cost is not provided or insufficient.
 - Explanation should demonstrate why the item/service is necessary for the operation/administration of CACFP.
- **Line 16:** Determination of allowability is insufficient.
 - FNS, CFR and/or TDA citations present the strongest case to substantiate allowability.
- **Attachments:**

Item/service specifications have not been provided.

- The organization’s item/service specifications are required in order to assess that the cost meets the organization’s need.