Local Recipient Organizations (LRO) Responsibilities

**Criteria for LRO**

* Be nonprofit or an agency of government;
* Have a voluntary board if private, not-for-profit;
* Have a Federal employer identification number (FEIN);
* Have the capability to provide emergency food and/or shelter services;
* Will use funds to supplement and extend existing resources; not to substitute or reimburse ongoing programs. Will comply with the current Responsibilities & Requirements Manual;
* Practice nondiscrimination (LROs with a religious affiliation will not refuse service to an applicant based on religion, nor engage in religious proselytizing or religious counseling with Federal funds);
* Will expend monies only on eligible costs and keep complete documentation (copies of canceled LRO

checks - front and back, invoices, receipts, etc.) on all expenditures for a minimum of three years after

end of program;

* Will provide all required reports to the Local Board in a timely manner;
* Have a checking account Federally Insured bank. (Cash payments are not allowed.) The National Board does not require funds to be placed in a separate bank account. LROs' expenditures and documentation will be subject to review for program compliance by the Local Board, National Board, and Federal authorities;
* Have an accounting system or fiscal agent approved by the Local Board;
* Will conduct an independent annual review/audit if receiving $25,000 or more in EFSP funds;
* Will spend all funds and close-out the program by the jurisdiction's selected end-of-program date and

return any unused funds to the National Board;

* Not operate as a vendor for itself or other LROs; and
* Have no known EFSP compliance exceptions in this or any other jurisdiction.

**For LRO’s that are Fiscal agent/fiscal conduit:**

* For National Board purposes, a fiscal agent is an LRO that maintains all EFSP financial records for another agency. A fiscal conduit is an LRO that maintains all EFSP financial records on behalf of two or more other agencies under a single grant.
* The fiscal agent/fiscal conduit is the LRO responsible for the receipt of funds, disbursement of funds to vendors, documentation of funds received and maintenance of documentation. The fiscal agent/fiscal conduit must meet all of the requirements of an LRO.
* Fiscal agents and fiscal conduits may not reimburse the agencies on whose behalf they are acting or agencies/sites under their "umbrella”. Fiscal agents/fiscal conduits must pay the vendor directly with an approved form of payment.
* Any agency benefiting from funds received by a fiscal agent/fiscal conduit must meet all of the criteria to be an LRO except the accounting system and annual audit requirements and must sign the Fiscal Agent/Fiscal Conduit Relationship Certification Form.
* For tracking purposes, all agencies funded through fiscal agents or fiscal conduits must provide an FEIN.