Section 9
Terms, Definitions, and Acronyms

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Section 9
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Terms and Definitions

Additional contracting entity – An organization other than a food bank that contracts with TDA to distribute USDA Foods to the following persons:
- All eligible persons who reside in an identifiable portion of a county or counties, or
- Specific groups of eligible persons (such as the elderly or disabled) who reside in a county or counties.

NOTE: Additional contracting entities (CEs) have service areas that overlap other contracted service areas. Unless otherwise specified by TDA, food bank CEs will receive, handle, store, and distribute to additional CEs a fair share of USDA Foods, based on historical or projected USDA Foods usage rates (such as the number of meals and/or households served), or by another method, as specified by TDA. Additional CEs receive Priority 1 TEFAP distributions (see TEFAP Handbook, Section 4, USDA Foods).

Agent – A carrier, a company that leases storage space, or another entity that receives, handles, and/or stores USDA Foods on behalf of a TEFAP contracting entity (CE).

Aggregate – Total amount of a single invoice for a single purchase of product(s) or service(s). The purchase(s) can occur weekly, monthly, or annually.

Allocation – A process of distributing shares of USDA Foods and administrative funds. Allocation methods may vary. For example, USDA allocates USDA Foods and funds to each state, each state allocates to eligible CEs, and CEs allocate (or distribute) to other agencies and organizations that serve eligible persons. In some cases, CEs may distribute directly to eligible persons.

Alternate contracting entity – An organization other than a food bank that contracts with TDA to distribute USDA Foods to the eligible residents of a county or counties.

NOTE: Unless otherwise specified by TDA, CEs will receive, handle, store, and distribute fair shares of USDA Foods to alternate CEs. Fair-share allocations must be based on the number of residents in the counties served by the alternate CEs who live at or below the federal poverty level and the number of unemployed residents.

Authorized representatives – As designated on the Certification of Authority for External Users (Form FND-101), an authorized representative is an individual who is individually authorized on behalf of the contracting organization to
• make written agreements with TDA,
• sign documents or reports about the agreement, and
• present claims for reimbursement, when appropriate.
An authorized representative can be an employee of the organization, a volunteer, or a consultant.

**Bonus commodities** – Also known as *bonus foods*. Special USDA Foods purchased by USDA that are uncertain from year to year and do not require entitlement.

**Charitable institution (CI)** – An organization that
• possesses tax-exempt status
• provides food assistance to eligible people
• is public
A CI is not 1) a penal institution nor 2) a correctional institution that conducts rehabilitation programs.

**Child and Adult Care Food Program (CACFP)** – Nutrition program that provides aid to child and adult care institutions and family or group day care homes.

**Code of Federal Regulations (CFR)** – The codification of the general and permanent rules and regulations published in the Federal Register by the executive departments and agencies of the federal government. 7 CFR 250 and 251 guide the operation and administration of TEFAP.

**Commodities (or donated commodities)** – A term identifying food donated to the states by USDA for distribution to eligible persons and households. If so specified, the term also includes food donated from non-USDA sources. Formerly known as *donated foods* or *USDA-donated commodities*. Now known as *USDA Foods*.

**Commodity recipient** – See recipient.

**Compliance review** – The review TDA conducts of its CEs or their subdistributing agencies, and the review that a CE conducts of its subdistributing agencies.

**Congregate meal** – A meal prepared with USDA Foods and provided to eligible persons who gather in a setting to participate.

**Congregate setting** – A place where people gather to receive meals prepared with USDA Foods.

**Contracting entity (CE)** – An entity that holds a TEFAP agreement with TDA.

**Corrective action plan (CAP)** – Developed by a CE, subdistributing agency, or site to correct noncompliance relating to TEFAP operations.

**Covered contracts** – Three types of covered contracts exist.
1. Any nonprocurement transaction that involves federal funds of any amount. This type of transaction includes (but is not limited to) a subgrant between the TDA and the CE or between the CE and the subdistributing agency.
2. Any procurement contract for goods or services at or above the small-purchase threshold of $50,000.
3. Any procurement contract for goods or services where a person or entity will have a critical influence on or substantive control over the covered transaction. Such a person or entity includes (but is not limited to) a
   - consultant,
   - principal investigator,
   - provider of audit services required by the TDA or a federal funding source, or
   - researchers.

Also, see debarment.

**Debarment** – An action taken by a debarring official to exclude a person or entity from participating in covered contracts. A person or entity so excluded is “debarred.”

**Denial of benefits** – Upon review of an application, a determination that a household is ineligible.

**Direct cost** – Expenses that can be identified specifically with a particular cost objective used to meet a specific program goal or goals.

**Distribution receipt** – A receipt to document the receipt of USDA Foods.

**Electronic receipting** – The entering of shipment receipts into an online management system such as TX-UNPS or WBSCM.

**Eligible person** – Someone in need of food assistance because of their
   - economic status,
   - eligibility for a specific food assistance program (known as categorical eligibility), or
   - survivors of a disaster or situation of distress.

**Eligible recipient agency (ERA)** – A public or private entity that has an agreement with TDA or a CE to receive USDA Foods. Each site must be an ERA. An ERA cannot be a penal institution.

   An ERA provides food assistance either
   - exclusively to eligible persons for household consumption (according to a means test) or
   - predominantly to eligible persons in the form of prepared meals.

   An ERA must fall into one of the following categories:
   - Emergency feeding organizations (including food banks, food pantries, and soup kitchens)
   - Charitable institutions (including hospitals and retirement homes)
   - Summer camps for children
   - Child nutrition program providing food service (such as a CACFP site)
   - Disaster relief programs

**Emergency feeding organization (EFO)** – An eligible recipient agency (ERA) that provides nutrition assistance to relieve situations of emergency and distress by providing food to eligible persons. Examples of EFOs include, but are not limited to, food banks, food pantries, and soup kitchens. In TEFAP’s priority system, EFOs have priority over other ERAs.
**Entitlement** – Value of USDA Foods that USDA authorizes TDA to receive in a specific program per program legislation.

**Expiration** – When a household’s certification or eligibility period ends.

**Fair market value (FMV)** – A price at which buyers and sellers are willing to do business.

**Fiscal year (FY)** – The year under which a program operates.

**Food and Nutrition (F&N)** – The Texas Department of Agriculture division that administers certain USDA federal nutrition programs in Texas.

**Food and Nutrition Service (FNS)** – The USDA agency that administers TEFAP and other USDA nutrition programs.

**Food bank** – A public or charitable institution that regularly provides donated food or food products to other institutions that prepare meals or distribute food to eligible persons regularly as an integral part of their normal operations. “Other institutions” include food pantries, soup kitchens, hunger relief centers, and other food or feeding centers.

**Food loss** – When food provided by USDA does not reach its end-user. Reasons for loss include negligence, fraud, waste, theft, spoilage, damage, or the fact that an inventory control system cannot account for the food’s absence (because of a mis-pull, for instance).

**Food pantry** – A public or private nonprofit organization that distributes foods donated by USDA or others, to eligible households.

**Fraud** – The intentional concealment or willful misrepresentation of information to receive USDA Foods.

**Homeless person** – A person without a fixed and regular nighttime residence or whose primary nighttime residence is a

- supervised shelter, designed to be temporary,
- halfway house or similar institution,
- temporary accommodation in the residence of another individual, or
- place not designated for, or ordinarily used for, sleeping accommodations.

**Household** – An individual or group of related or non-related individuals (excluding boarders and residents of institutions) who live together as a single economic unit and customarily purchase and prepare food in common.

**NOTE:** Foster children and foster adults are included in the foster family’s household. If the foster family is ineligible or applies only for foster children or foster adults, then the foster family, as an authorized representative, may apply on behalf of each foster child or foster adult. If income-eligible, each child or adult is a separate household of one. Foster children and foster adults who receive Medicaid or Supplemental Security Income (SSI) are automatically eligible.

**Indirect cost** – Expenses are incurred for the benefit of multiple programs or functions and are necessary for the general operation of TEFAP but cannot be directly attributable to the program.
In-kind replacement – The replacement of USDA Foods losses with a quantity of the same food, of U.S. origin, that is of equal or better quality than the lost food and that is of at least equal monetary value to USDA’s cost of replacing the lost food.

Invitation for Bid (IFB) – A formal method of procurement that uses sealed bidding and results in a fixed-price contract. The primary consideration is cost, and the expectation is that competitive bids will be received and an acceptance (award) will be made to the bidder whose bid is lowest in price.

Means-test – A method for determining a household’s eligibility for receipt of USDA Foods based on income. Also see the following terms: household, eligible person, recipient.

Misuse of USDA Foods – Includes (but is not limited to) selling, trading, or giving them to ineligible persons.

Negligence – Improper distribution or use of USDA Foods; or failure to properly store, handle, or care for the food.

Operational issues – Often revealed during a compliance review. Examples include (but are not limited to) the following:
- Severe understaffing (not enough personnel to properly operate the program)
- Major physical issues with the facility(ies) where USDA Foods are stored
- Severe pest infestation that is not kept under control promptly

Perpetual inventory – An ongoing accounting system that requires daily entries to document the amounts of food added to or removed from storage.

Physical inventory – A process to account for all USDA Foods received since the last physical inventory and to report those on hand at the time of the report.

Policy – Any instructions, guidance, rules, laws, handbooks, manuals, etc. issued by USDA or TDA to clarify or explain existing rules and regulations (both federal and state).

The policies for operating and administering TEFAP are based on 7 CFR 250 and 251 (as applicable) and in the Texas Administrative Code. TDA may communicate TEFAP policy by TEFAP Handbook; emails; forms and form instructions; and other types of communication. TDA may implement changes 1) before amending state rules; 2) as required by federal laws and regulations, and 3) as needed to implement an option allowed by federal laws, federal regulations, or state rules.

Procurement – The orderly process of acquiring, by lease or purchase, goods and services such as food, meals, equipment, bookkeeping, and auditing.

Program year (PY) – A period of 12 calendar months beginning October 1 of any year and ending September 30 of the following year.

Proxy – A person designated by a participant to act for the participant throughout every step of the TEFAP process: application, certification, food package distribution, and recertification.
**Recipient** – A person or household receiving USDA Foods. See *homeless*, *eligible person*, and *household*.

**Recipient agency (RA)** – A public or private nonprofit agency or organization eligible to receive distributions of USDA Foods. Examples of RAs are CEs, subdistributing agencies, sites, emergency feeding organizations, charitable institutions (to the extent they serve eligible people), summer camps/nutrition programs for children, nutrition programs for the elderly, and disaster relief programs.

**Resident** – Individual who lives in the service area. At the time of application, households must have established residency within the service area. While federal regulations state that a minimum length of residency is not required to establish eligibility, the intent of the program is to serve individuals who live in the area and are not visiting temporarily. Overnight residency or an overnight stay does not meet the intent of the regulation.

**60/40 formula** – A method of allocating administrative funds based on 60% of the number of county residents who live at or below the official poverty line, and 40% of the number of unemployed county residents.

**Service area** – The specific geographical area served by a single TEFAP CE. Service areas are determined by predefined areas within the state, including, but not limited to, the following: county or counties; zip codes; or neighborhoods.

**Site** – A place at which an emergency feeding organization certifies applicant eligibility and/or distributes USDA Foods packages or meals to needy persons. A site may work directly with a CE or a subdistributing agency. A site can include but is not limited to a food pantry or soup kitchen.

**Soup kitchen** – A public or charitable institution that maintains an established feeding operation to provide food to eligible persons regularly as an integral part of its normal activities.

**Subagency** – The collective term for subdistributing agencies and sites.

**Subdistributing agency** – An entity (usually a food bank) that holds a TEFAP agreement with a CE. Not all CEs have subdistributing agencies.

**Tax-exempt** — Refers to a nonprofit agency or organization's status with the IRS, such as §501(c)(3) of the IRS Code, which exempts the agency or organization from paying income tax.

**Texas Administrative Code (TAC)** – State rules governing the administration and operation of a program, such as TEFAP.

**Texas Unified Nutrition Programs System (TX-UNPS)** – The web-based application, ordering, and claims processing system for all food and nutrition programs managed by TDA.  

**TEFAP** – The Emergency Food Assistance Program

**USDA Foods** – Foods purchased by USDA and provided to states for distribution to eligible recipient agencies; previously referred to as donated foods or USDA-donated commodities or commodities.

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**USDA Foods for children** – Nutrition program in which organizations (for example, schools) provide USDA Foods to eligible children.

**U.S. Department of Agriculture (USDA)** – The federal agency responsible for administering TEFAP.

**Web-Based Supply Chain Management System (WBSCM)** – The web-based ordering and procurement system for USDA Foods. All USDA Foods orders, solicitations, bids, awards, deliveries, invoices, and payments occur in WBSCM, and all business partners are required to use this system.

**Acronyms**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>CACFP</td>
<td>Child and Adult Care Food Program</td>
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<tr>
<td>CAD</td>
<td>corrective action document</td>
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<tr>
<td>CAP</td>
<td>corrective action plan</td>
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<tr>
<td>CE</td>
<td>contracting entity</td>
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<tr>
<td>CI</td>
<td>charitable institution</td>
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<tr>
<td>CY</td>
<td>contract year</td>
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<tr>
<td>EFO</td>
<td>emergency feeding organization</td>
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<tr>
<td>FMV</td>
<td>fair market value</td>
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<tr>
<td>F&amp;N</td>
<td>Food and Nutrition at the Texas Department of Agriculture</td>
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<tr>
<td>FNS</td>
<td>U.S. Department of Agriculture Food and Nutrition Service</td>
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<tr>
<td>FY</td>
<td>fiscal year</td>
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<tr>
<td>IFB</td>
<td>invitation for bid</td>
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<tr>
<td>PY</td>
<td>program year</td>
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<tr>
<td>RA</td>
<td>recipient agency</td>
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<tr>
<td>SNAP</td>
<td>Supplemental Nutrition Assistance Program (formerly Food Stamps)</td>
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<td>SSI</td>
<td>Supplemental Security Income</td>
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<tr>
<td>TAC</td>
<td>Texas Administrative Code</td>
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<tr>
<td>TANF</td>
<td>Temporary Assistance for Needy Families</td>
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</tbody>
</table>
TDA  Texas Department of Agriculture
TEFAP  The Emergency Food Assistance Program
TX-UNPS  Texas Unified Nutrition Programs System
USDA  U.S. Department of Agriculture
WBSCM  Web-Based Supply Chain Management System