Guidance on Payment Options: Reimbursements and Advance Payments

Two options are available for recipients to receive payments in the Local Food Purchase Assistance Cooperative Agreement Program (LFPA): Reimbursements or Advance Payments. For both options, the request must be made by submitting a claim in ezFedGrants. Claims are reviewed by the USDA Agricultural Marketing Service within 5 business days of receipt. Once reviewed and approved, payments will be made via Electronic Funds Transfer (EFT) to the bank account specified by the recipient in SAM.gov. It may take up to an additional 5 business days before the funds are available in the recipient’s bank account.

Reimbursements

- Reimbursements are transfers of Federal funds to recipients after the recipient pays out funds for approved project activities.
- To submit a request for reimbursement, recipients must create a claim in the ezFedGrants External Portal Home Screen.
- When completing Section 14 Requested Amounts by Cost Element, indicate the amount requested under the appropriate budget category. The request should align with the funding amounts and budget categories approved in your Project Narrative.
Advance Payments

- An advance payment is a payment that the Agricultural Marketing Service or a pass-through entity makes before funds are disbursed for program purposes. Requests for advance payments must be limited to amounts needed to meet actual and immediate cash needs and must be accompanied by a written justification.

- Recipients must have written financial procedures in place to account for the funds in accordance with 2 C.F.R. § 200.302(b)(6).

- Under 2 C.F.R. § 200.305 and 31 C.F.R. § 205.33, advance payments must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient to carry out program activities. The timing and amount of funds transfers must be as close as is administratively feasible to the recipient’s actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. For the LFPA program, it is recommended that advance payments cover no more than 3 months of program activities.

- Recipients that are interested in advance payments must inform their USDA Regional Contact and provide an estimate of how much of the total award will be requested as advance payments over the course of the agreement. Note, payments made toward the end of the period of the performance are required to be in the form of reimbursements; therefore, advance payments will be limited to 80% of the total award.

**ezFedGrants Steps for Submitting Claims for Advance Payments**

- Select Claims > Create Claim in the ezFedGrants External Portal Home Screen. Search for the LFPA agreement by searching by the Project Title or FAIN (Federal Agency Identification Number). Under the Search Results, locate the relevant LFPA agreement, and choose “Create Claim” under the “Actions” column on the right-hand side.

- Section 1a Request for Advance or Reimbursement: the selection will remain as “Reimbursement” due to ezFedGrants system limitations.

- Section 8 Period Covered by this Request: choose the dates in which the funds will be used. Dates from the past cannot be entered for advance payments; you must indicate the dates in the future in which the funds will be used.

- Section 11 Computation of Amount of Advances Requested
  - Section 11a Total Program Outlays to Date:
    - If you are submitting your first claim and it will be an advance payment, indicate the initial amount you are requesting as an advance payment in 11a.
    - For subsequent claims for advance payments, 11a should include the total program outlays that have been incurred and/or paid as of the date listed, PLUS the new amount that is requested as an advance payment.
  - Section 11d Estimated Net Cash Outlays for Advance Period: due to ezFedGrants system limitations, this field will remain as $0.00.
  - Section 11i Federal Share Now Requested: this field will auto-calculate once you have filled in 11a, 11b, 11g, and 11h with the appropriate information. Verify that the amount auto-calculated in this field shows the amount you are now requesting as an advance payment.
• Section 14 Requested Amounts by Cost Element: indicate the amount requested under the appropriate budget category. The request should align with the funding amounts and budget categories approved in your Project Narrative.

• Written Justification: A written justification for the advance payment must be provided as an attachment. Under the “Attachments” tab of the claim, upload a PDF with a brief description of the reason for requesting advance payments.

Questions? USDA AMS Points of Contact:


• General inquiries: [LFPA@usda.gov](mailto:LFPA@usda.gov)