

REHABILITATION SERVICES ADMINISTRATION
Randolph-Sheppard Financial Relief and Restoration Payments (FRRP) Appropriation
ASSURANCES and USE of FRRP FUNDS

Name of State licensing agency (SLA): State of Missouri, Department of Social Services,
Rehabilitation Services for the Blind
DUNS: 059497474

A. Assurances

The State licensing agency (SLA), responsible for administering the Randolph-Sheppard Act program in the State, assures it will (check if yes):

- (1) cooperate with the Secretary in applying the requirements of the Randolph-Sheppard Act in a uniform manner when administering the FRRP, pursuant to 34 C.F.R. § 395.3(a)(11)(i), and will comply with all applicable Federal statutory and regulatory requirements for Federal recipients, as well as the terms and conditions of the grant award;
- (2) use all funds received under the FRRP in accordance with the terms of the Consolidated Appropriations Act of 2021, PL 116-260, Division H, Title III, section 318, specifically for the purposes of:
- offsetting losses of blind vendors that occurred during calendar year 2020, to the extent that such losses were not otherwise compensated; and
 - other purposes authorized under 34 C.F.R. § 395.9 for set-aside funds, but only to the extent any funds remain available after offsetting losses that were incurred by blind vendors during calendar year 2020.
- (3) actively participate with the State Elected Committee of Blind Vendors in developing for RSA approval how it will use the FRRP funds, consistent with the information required by Part B of this document, pursuant to 34 C.F.R. §§ 395.3(a)(2), 395.3(a)(6), 395.3(a)(11)(iii), 395.4(a), and 395.14, and Technical Assistance Circular RSA-TAC-21-01. The SLA understands that this information in Part B is required since receipt and use of the FRRP funds represent a change in the SLA's procedures covering the operation of vending facilities in accordance with Federal laws and its sources of funds for the administration of the program;
- (4) expend all FRRP funds, including for administrative purposes, in a manner that is allowable, reasonable, and allocable as required by 2 C.F.R. §§ 200.403 through 200.405;
- (5) not use Vocational Rehabilitation (VR) program funds, either Federal or non-Federal, to cover the administration of the FRRP funds unless such costs are also allowable under the VR program in accordance with section 103(b)(1) of the Rehabilitation Act of 1973 (Rehabilitation Act) and 34 C.F.R. § 361.49(a)(5) (*i.e.*,

“financial relief and restoration payments to offset losses of blind vendors that occurred during calendar year 2020” are not allowable expenses under the VR program), and allocable to that program in accordance with the Federal cost principles at 2 C.F.R. §§ 200.403 through 200.405. In the unusual event an activity under the FRRP funds is also authorized under the VR program and the SLA wants to use VR program funds, either Federal or non-Federal, to pay the administrative costs, the SLA assures it will allocate those costs proportionately across all benefitting programs in accordance with 2 C.F.R. §§ 200.403 through 200.405;

- (6) not use expenditures paid with these FRRP funds to meet the non-Federal share of the VR program, because these are Federal – not non-Federal – funds; and
- (7) satisfy all applicable requirements under the Randolph-Sheppard Vending Facility Program, including those set forth at 34 C.F.R. § 395.3(a)(11) (viii) and (ix), as well as those of 2 C.F.R. part 200, including those governing internal controls (§ 200.302), financial management (§ 200.303), financial reporting (§ 200.328), performance reporting and monitoring (§ 200.329), and grant closeout (§ 200.344).

B. Use of FRRP Funds

1. Explain briefly how the SLA will distribute the FRRP funds to blind vendors to offset losses incurred during the 2020 calendar year (*e.g.*, proportional to losses incurred, based on losses due to vendor’s spoiled or expired stock, etc.).

The State of Missouri program is eligible for FRRP funding totaling \$271,955.00. The Blind Vending Managers Executive Committee (BVMEC) requested that the SLA create a spreadsheet using profit/loss statements to determine what, if any, net profit/loss each blind vendor may have incurred in calendar year 2020. In addition, a request was made to inquire if any blind vendors received a Paycheck Protection Plan Loan from the SBA. The SLA complied and determined that 14 blind vendors suffered losses in 2020 in comparison to 2019 after PPP loans were taken into account. The total losses equaled \$416,805.54. After review, the BVMEC determined that each blind vendor would receive a 49.2% payout of their losses totaling \$205,068.33. Next, the BVMEC requested that a report be created of all of the active blind vendors operating in 2020’s opening product inventory amount. The SLA complied and determined a total of \$196,861.54 in opening inventories. After review, the BVMEC determined that each blind vendor would receive up to a 50% payout of their opening inventory with a \$5,000 cap. The SLA has confirmed that no blind vendor will receive payment that exceeds their total loss using the distribution described herein. The total blind vendor payouts were agreed upon unanimously equaling \$271,939.63. The SLA supports this request.

2. Does the SLA anticipate using any of the FRRP funds to cover administrative costs?
 Yes No
3. If yes, what percentage of the FRRP funds do you anticipate expending on administrative costs? _____ percent
4. How will the SLA ensure blind vendor losses were not previously compensated (*e.g.*, attestation, financial reports, inventory reports, documentation of losses due to spoilage, etc.)?

The BVMEC requested to define “otherwise compensated” as revenues reported on each blind vendors 2020 year end profit and loss statements and any funds received from PPP loans. The SLA supports this request. The SLA requested from each blind vendor a signed promissory note and/or confirmation of PPP deposits and acknowledged that there have been no declared issues with the December 2020 year end profit and loss statements. In addition, the BVMEC has agreed to not consider Fair Minimum Return payments as otherwise compensated income due to the wording in the State of Missouri’s Business Enterprise Programs Administrative Rule, 13 CSR 40-91.010 (11) (R) stating that the manager may repay the subsidies at any rate selected by the manager. The nominee does not require the manager to repay the subsidies, but failure to repay the subsidies will result in ineligibility to receive additional fair minimum return subsidies.

5. Does the SLA anticipate having any FRRP funds remaining after distributing funds to the blind vendors to cover losses incurred in calendar year 2020? Yes No

6. If yes, please identify for which authorized set aside purposes under 34 C.F.R. § 395.9 the SLA anticipates using the funds (check all that apply):

<input type="checkbox"/> purchase of equipment	<input type="checkbox"/> fair minimum return to vendors
<input type="checkbox"/> maintenance of equipment	<input type="checkbox"/> establishment and maintenance of
<input type="checkbox"/> management services	retirement or pension funds*
<input type="checkbox"/> paid sick leave*	<input type="checkbox"/> health insurance contributions*
<input type="checkbox"/> paid vacation time*	

*Use of funds for these purposes would also require a majority vote of the blind vendors licensed by the SLA in accordance with 34 C.F.R. § 395.9(b)(5).

7. Explain briefly how the SLA actively participated with the State’s Elected Committee of Blind Vendors to develop the Use of FRRP funds under Part B of this document and the result of their active participation (*e.g.*, was there consensus on the use of the funds). Documentation, such as meeting minutes when the use of FRRP funds was discussed, must be available upon request.

The SLA and the BVMEC held several conference call meetings. The BVMEC provided a unanimous decision on how to expend the funds. The SLA supports their request.

8. Please identify the date by which the SLA anticipates obligating all FRRP funds, making sure all funds will be obligated by September 30, 2022.

The SLA will obligate funds by September 20, 2021 but will make every effort to obligate funds at the earliest date possible.