



U.S. Department of Agriculture  
Office of Inspector General



# Evaluation of Florida's Use of Supplemental Nutrition Assistance Program Administrative Funds for Participants' Benefits

## Inspection Report 27801-0002-24

This report provides the results of Objective 1, in which we determined whether the State of Florida used FNS SNAP administrative funds to provide benefits to participants.

### OBJECTIVES

Our first objective (Objective 1) was to determine whether the State of Florida used SNAP administrative funds to provide benefits to participants. For our second objective (Objective 2), we planned to analyze SNAP participant data to evaluate its quality and integrity. However, there were challenges to obtain and analyze the requested data within a sufficient timeframe to include in this report. Therefore, we will report on Objective 2 at a later date (Inspection 27801-0002-18, *Evaluation of SNAP Participant Data for Selected States*).

### REVIEWED

We focused our inspection on FNS SNAP administrative funding for FY 2024. We reviewed applicable policies, procedures, and other published guidance; interviewed officials; observed walkthroughs of State processes and systems; and reviewed a nonstatistical sample of transactions from State general ledgers to verify that administrative costs were supported.

### RECOMMENDS

We are not making any recommendations in this report.

### WHAT OIG FOUND

The U.S. Department of Agriculture (USDA) Food and Nutrition Service's (FNS) Supplemental Nutrition Assistance Program (SNAP) is the nation's largest nutrition assistance program. The State of Florida administers SNAP through the Florida Department of Children and Families on behalf of FNS. In fiscal year (FY) 2024, Florida provided more than \$6.6 billion in SNAP benefits. In doing so, Florida was reimbursed more than \$101.9 million in Federal funds for administrative costs. FNS reimburses each State agency an amount equal to 50 percent of administrative costs involved in each State agency's operation of SNAP.

We determined that FNS had designed adequate controls to ensure that the State of Florida did not use SNAP administrative funds to provide benefits to participants in FY 2024 and that requests for reimbursements were supported.





## OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



**DATE:** July 28, 2025

**INSPECTION**

**NUMBER:** 27801-0002-24

**TO:** James C. Miller  
Administrator  
Food and Nutrition Service

**ATTN:** Amanda Musgrove  
Director Office of Internal Controls, Audit and Investigations  
Food and Nutrition Service

**FROM:** Yarisís Rivera-Rojas  
Acting Assistant Inspector General for Audit

**SUBJECT:** Evaluation of Florida's Use of Supplemental Nutrition Assistance Program  
Administrative Funds for Participants' Benefits

This report presents the results of our inspection of Food and Nutrition Service: Evaluation of Florida's Use of Supplemental Nutrition Assistance Program Administrative Funds for Participants' Benefits. We do not have any recommendations in the report and, therefore, no further response to this office is necessary.

We appreciate the courtesies and cooperation extended to us by members of your staff during our fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<https://usdaoig.oversight.gov>) in the near future.

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# Background and Objectives

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## National Background

The U.S. Department of Agriculture (USDA) Food and Nutrition Service's (FNS) Supplemental Nutrition Assistance Program (SNAP) is the nation's largest nutrition assistance program. SNAP provides food benefits to low-income families to supplement their grocery budget so they can afford the nutritious food essential to health and well-being. In fiscal year (FY) 2024, FNS provided more than \$94 billion in SNAP benefits to 41.7 million participants.<sup>1</sup>

SNAP is administered in accordance with the provisions of the Food and Nutrition Act of 2008 and the regulations in subchapter C of Title 7 of the Code of Federal Regulations (C.F.R.). State agencies administer SNAP on behalf of FNS, and FNS reimburses these agencies for costs incurred to operate SNAP in their State. FNS funds the full cost of SNAP benefits and generally reimburses the States for 50 percent of administrative costs. State agencies have flexibility to adapt their organizational structure to administer SNAP according to their unique circumstances and the needs of their residents.

State agencies report their cumulative SNAP expenditures on the FNS-778 SNAP worksheet, which is then summarized and reported on the Federal Financial Report Standard Form (SF) 425. The States are reimbursed for their SNAP administrative expenditures based on the information reported on these reports. Costs claimed on FNS-778 are reported in various categories including Certification, Automated Data Processing (ADP), Employment and Training (E&T), and Fraud Control. In FY 2024, FNS provided more than \$6.5 billion to State agencies to administer SNAP.

## Florida Background

The State of Florida administers SNAP through the Florida Department of Children and Families (DCF). In FY 2024, the State of Florida served more than 2.9 million people providing more than \$6.6 billion in SNAP benefits. The cost of administering SNAP in Florida in FY 2024 totaled more than \$220.5 million.<sup>2</sup> The Federal share of these expenses was more than \$101.9 million.

## Objectives

Our first objective (Objective 1) was to determine whether the State of Florida used SNAP administrative funds to provide benefits to participants. For our second objective (Objective 2), we planned to analyze SNAP participant data to evaluate its quality and integrity. However, there were challenges to obtain and analyze the requested data within a sufficient timeframe to include in this report. Therefore, we will report on Objective 2 at a later date (Inspection 27801-0002-18, *Evaluation of SNAP Participant Data for Selected States*).

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<sup>1</sup> 41.7 million persons is the monthly average for SNAP participation in FY 2024.

<sup>2</sup> This total excludes a \$9.2 million offset owed to FNS by Florida DCF.

## **Overall Conclusion: FNS Designed Adequate Controls Over SNAP Administrative Funds for the State of Florida**

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We determined that FNS had designed adequate controls to ensure that Florida DCF did not use SNAP administrative funds to provide benefits to participants in FY 2024 and that requests for reimbursements were supported.

### ***Assessment of Access Controls and Authorizations Over Administrative and Benefits Payments***

FNS' access controls and authorizations to request SNAP administrative and participant benefits payments are adequately designed to ensure that administrative funds are not used to provide benefits to SNAP participants. Specifically, FNS' controls at DCF were to:

- establish two separate letters of credit (LOC) for Florida's administrative funds and SNAP participant benefits,
- limit the U.S. Department of the Treasury's Automated Standard Application for Payments (ASAP) system access to Florida's administrative and SNAP participant benefits funds, and
- require supporting documentation for State agencies and Electronic Benefits Transfer (EBT) processors to request payments for administrative and SNAP participant benefits costs, respectively.

The U.S. Government and Accountability Office's Standards for Internal Control in the Federal Government require agencies to design appropriate control activities to limit access to program funds and to ensure transactions are authorized and executed only by officials acting within the scope of their authority.<sup>3</sup>

FNS National Office officials explained that the flows of funds for administrative and benefits payments are distinct and separately managed. To ensure controlled access and proper authorizations for FNS SNAP funds, FNS established two separate LOC. FNS designated one LOC for administrative cost reimbursements, while the other is allocated for payments related to SNAP benefits transactions. These two LOC specify the funds available for:

1. State agencies to request reimbursement for costs incurred while administering SNAP,<sup>4</sup> and
2. EBT processors to settle SNAP participant benefits transactions with retailers.

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<sup>3</sup> According to USDA regulation, agencies are responsible for establishing and maintaining an internal control system based on the U.S. Government Accountability Office's Standards for Internal Control in the Federal Government. USDA Departmental Regulation 1110-002, *Management's Responsibility for Internal Control* (March 5, 2021).

<sup>4</sup> Activities to administer FNS SNAP could include, but are not limited to, costs for investigating and prosecuting SNAP fraud activity, costs for SNAP information activities or outreach, salaries for accepting and processing applications, and costs to provide SNAP participants training to enter or move up in the workforce.

Authorized officials from State agencies and EBT processors can request payments up to the authorized amount specified in the LOC through the ASAP system.

Once the payment requests are processed, funds are deposited into separate bank accounts for administrative costs and SNAP participant benefits. This approach ensures that there is no commingling of administrative and SNAP participant benefits funds. Figure 1 below illustrates the separate flows of administrative and SNAP participant benefits funds.

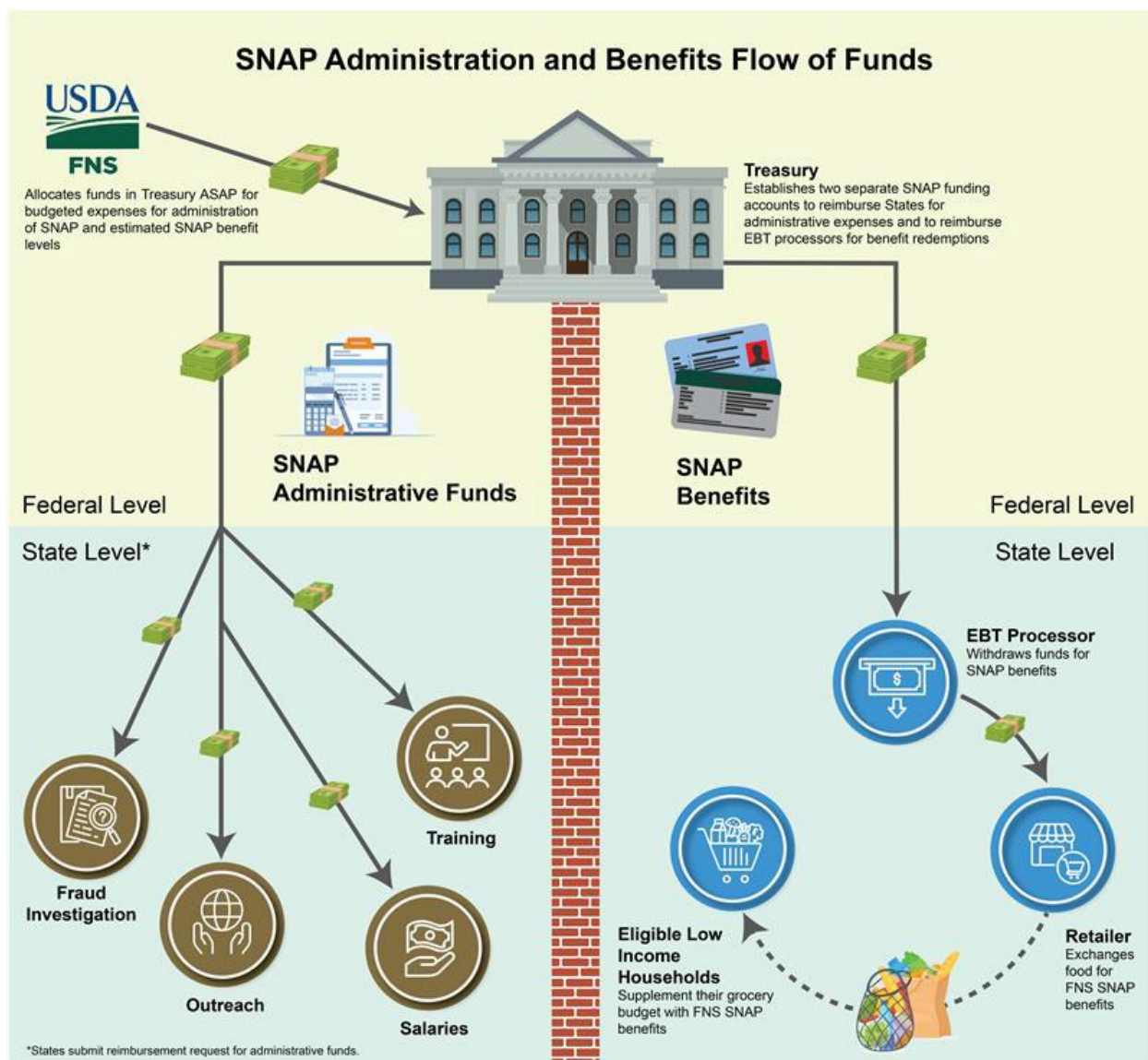


Figure 1: This diagram depicts the separate flows of funds from FNS to the State agency for the Federal share of administrative expenses, and to the host processor to reimburse retailers for daily transactions of SNAP benefits. States do not have access to benefits funding. Figure by the Office of Inspector General (OIG).

### *Review of Supporting Documentation for Selected Florida Administrative Cost Expenditures*

Based on FNS' control requiring supporting documentation for claimed administrative costs, we reviewed documentation for selected administrative expenditures and determined that Florida

DCF's requests for reimbursements were supported and that none were used to provide SNAP benefits to participants.

Federal regulations require State agencies to maintain source documents to support any costs claimed for program administration.<sup>5</sup> These source documents, such as invoices, cost determination and allocations procedures, and accounting procedures, provide evidence of when and how the state of Florida used these funds to administer SNAP. Additionally, FNS performs Financial Management Reviews to oversee State agency operations of SNAP. These reviews include examining supporting documentation for administrative expenditures.

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<sup>5</sup> 7 C.F.R. § 277.6(b)(7).



## Scope and Methodology

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We conducted this inspection by examining whether the State of Florida used SNAP administrative funds to provide benefits to participants (Objective 1). We focused our inspection on FNS SNAP administrative funds for FY 2024 and conducted fieldwork from March 2025 through July 2025. We conducted in-person fieldwork in Tallahassee, Florida and conducted interviews with FNS officials. We discussed the results of our inspection with agency officials on July 2, 2025. FNS management agreed with our inspection conclusion and did not have any comments.

We intended to analyze SNAP participant data to evaluate its quality and integrity (Objective 2). However, there were challenges to obtain and analyze the requested data within a sufficient timeframe to include in this report. Therefore, we will report on Objective 2 at a later date (Inspection 27801-0002-18, *Evaluation of SNAP Participant Data for Selected States*).

To accomplish Objective 1—to determine whether the State of Florida used SNAP administrative funds to provide benefits to participants—we:

- Reviewed Federal laws and regulations and agency policy and procedures related to costs for State agencies to administer SNAP;
- Interviewed FNS National Office, FNS Southeast Regional Office, and Florida DCF officials to gain an understanding of controls over SNAP administrative and participant benefits funds;
- Reviewed applicable DCF policies and procedures for SNAP administrative costs;
- Gained an understanding of financial and benefits eligibility systems used by DCF to help operate and manage SNAP, through provided walkthroughs;
- Reviewed Florida’s DCF and EBT processor user roles and access to the U.S. Department of the Treasury’s ASAP system, to determine whether access to Florida’s administrative and SNAP participant benefits funds was appropriate;
- Reviewed all FY 2024 requests for payments from Florida’s administrative and participant benefits accounts to assess whether authorized individuals-initiated payments; and
- Reviewed selected transactions to confirm whether FNS’ controls ensured that reimbursements for SNAP administrative costs were supported.

### Transaction Selection Methodology

We reviewed DCF’s FY 2024 SF-425, FNS-778, and general ledgers and identified the five administrative cost categories with the highest total Federal share of outlays and unliquidated obligations.<sup>6</sup> For each of the top five categories, we selected and tested one transaction to confirm whether FNS’ controls ensured that SNAP administrative reimbursements were supported.

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<sup>6</sup> The top five administrative cost categories with the highest total Federal share of outlays and unliquidated obligations for FY 2024 in DCF were: (1) Certification, (2) 50% Unspecified Other, (3) E&T 100% Grant, (4) EBT Issuance, and (5) ADP Operations. See Table 1.

Florida's administrative cost categories and expenditures are shown in Table 1 below.

FNS-778 Category Name	Total Federal Share of Outlays and Unliquidated Obligations	Description
Certification	\$69,035,771	Costs for accepting and processing the application. Includes salaries, benefits, travel expenses, supervisory, clerical, and other support costs.
50% Unspecified Other	\$11,684,291	Other activities not specifically identified in the other categories.
E&T 100% Grant	\$6,962,731	Unmatched Federal grant expended on administrative costs of the E&T program.
EBT Issuance	\$3,782,601	Costs for EBT issuance, including EBT operational and EBT equipment costs.
ADP Operations	\$3,425,698	Operational costs of computer systems.
Fraud Control	\$3,211,043	Costs for qualified employees engaged specifically in the investigation and prosecution of SNAP fraud activity.
ADP Development	\$1,805,882	Computer system development costs, including EBT planning costs.
Quality Control	\$822,820	Costs for Quality Control activity, including travel expenses.
Fair Hearing	\$573,397	Costs for Fair Hearing activities
Outreach	\$210,504	Costs for program informational activities.
Management Evaluation	\$161,028	Costs for Management Evaluation activities.
E&T Transportation and Other	\$141,020	Cost to reimburse E&T participants for costs of transportation and other reasonable and necessary costs incurred as a result of E&T participation.
Systematic Alien Verification for Entitlements	\$86,564	Costs of planning, implementing, and operating a Systematic Alien Verification for Entitlements system.
<b>Total</b>	<b>\$101,903,350</b>	

**Table 1: This table presents the reimbursed administrative SNAP functions/activities on the SNAP Financial Status Report (FNS-778) for Florida in FY 2024 as of February 5, 2025. Table by OIG.**

We conducted this inspection as one of a series of 10 for the top SNAP-participating State agencies, each with similar objectives. Table 2 shows these 10 States listed in descending order by the number of persons participating in SNAP within each State.

### FY 2024 SNAP Data

State	Persons	Cost
California	5,379,575	\$12,377,175,489
Texas	3,193,009	\$7,210,895,950
Florida	2,975,789	\$6,604,797,454
New York	2,926,213	\$7,353,983,677
Pennsylvania	2,000,018	\$4,268,081,855
Illinois	1,935,645	\$4,469,341,818
Michigan	1,474,427	\$3,061,361,572
North Carolina	1,415,607	\$2,939,826,574
Georgia	1,411,357	\$3,269,318,111
Ohio	1,386,865	\$3,177,571,738

**Table 2: This table presents the top 10 States, by number of persons, participating in SNAP in FY 2024 based on FNS' data as of February 2025. Table by OIG.**

We conducted this inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. We did not independently review or assess the agency's information systems; therefore, we make no representation regarding the adequacy of the agency's computer systems, or the information generated from it.

## Abbreviations

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ADP.....	Automated Data Processing
ASAP .....	Automated Standard Application for Payments
C.F.R. ....	Code of Federal Regulations
DCF .....	Department of Children and Families
EBT .....	Electronic Benefits Transfer
E&T.....	Employment and Training
FNS .....	Food and Nutrition Service
FY .....	fiscal year
LOC.....	letters of credit
OIG .....	Office of Inspector General
SF .....	Standard Form
SNAP .....	Supplemental Nutrition Assistance Program
USDA.....	U.S. Department of Agriculture

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