

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT (hereinafter "Agreement"), made and entered into on the seventh day of July, 2016, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the COMMONWEALTH OF KENTUCKY created pursuant to KRS chapter 67A (hereinafter "Government"), 200 East Main Street, Lexington, Kentucky 40507, on behalf of its Department of Social Services (hereinafter "Sponsor"), and, **God's Pantry Food Bank** with offices located at 1685 Jaggie Fox Way, Lexington, Kentucky 40511 (hereinafter "Organization").

WITNESSETH

WHEREAS, the Government recognizes the need to partner with Fayette County Public Schools and the Lexington-Fayette County community to address the Achievement Gap that disproportionally affects our community's minority and disadvantaged students; and

WHEREAS, the Government is committed to providing for programs that will impact youth learning and community enrichment, thereby combatting the Achievement Gap; and

WHEREAS, the Government proposes to partner with the Organization and provide an Opportunity Grant to fund such initiatives and services offered by the Organization that aligns with the above-stated goals.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein expressed, the Government and the Organization agree as follows:

1. Government hereby retains Organization for the period beginning on **July 1, 2016**, and continuing for a period of twelve (12) months from that date unless within that period Government gives the Organization thirty (30) days written notice of termination of this Agreement in which case this Agreement shall terminate thirty (30) days from the date notice is given to the Organization.
2. Government shall pay Organization the sum of **Ninety Thousand Dollars (\$90,000.00)** for the services required by this Agreement, said services being more particularly described in the Letter of Engagement attached hereto and incorporated herein

5. Organization represents that it has filed all federal, state and local income tax returns required by law in the legally prescribed time and manner. This Agreement shall not become effective unless and until copies of all of the executed originals of the aforementioned tax returns filed for the Organization have been registered for the current tax year by the Organization in the office of the Sponsor, and the Organization shall not be compensated unless and until such registration has taken place.

6. The Organization shall, on such forms as the Sponsor shall provide, submit to Sponsor an annual report and financial statement which summarize the previous year's activities regarding the services enumerated in the Letter of Engagement attached hereto.

7. Books of accounts shall be kept by the Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of the Organization. The books of accounts, together with all bonds, notes, bills, letters and other writings belonging to the Organization, shall be maintained at the principal place of business of the Organization as set forth in this Agreement. Government shall have free and complete access to the books, papers and affairs of the Organization, that relate to the performance of this Agreement, at all reasonable times, and if it desires, it may have the books and papers of the Organization, that relate to the performance of this Agreement, audited and examined by auditors, accountants or attorneys. Any examination shall be at the expense of the Government.

8. Government may designate such persons as may be necessary to monitor and evaluate the services rendered by the Organization. The Government, its agents and employees, shall, at all times, have unrestricted access to all places where or in which the services required hereunder are being carried on and conducted. Inspection and monitoring of the work by these authorities shall in no manner be presumed to relieve in any

For Organization:

God's Pantry Food Bank
1685 Jaggie Fox Way
Lex KY 40511
Attn: CEO

For Government:


Lexington-Fayette Urban County Gov.
200 East Main Street
Lexington, Kentucky 40507

Attn: Chris Ford, Commissioner
Department of Social Services

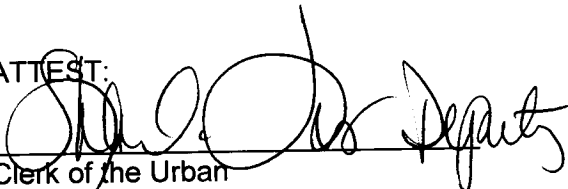
IN WITNESS WHEREOF, the parties have executed this Agreement at Lexington, Kentucky, the day and year first above written.

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

AGENCY NAME

BY: 
Jim Gray, Mayor

BY: Marian F. Gi
Title: CEO

ATTEST:

Clerk of the Urban
County Council

* The Letter of Engagement referenced in items 4 and 11 must be attached to this document and approved prior to the start of fiscal year payments.

- A. (continued) At least one staff member at each Fayette County Public School should be able to provide a referral to families in need of emergency food through the pantries.
Outcome: A total of two direct points of contact per FY with FCPS employees.
- B. Output: Track data related to number of referrals for service that originates with FCPS personnel and Increase those numbers annually.
Outcome: Increase FY17 referrals from FCPS by 10% over FY16 figures.

III. Engagement and Partnership Strategy

God's Pantry Food Bank will strengthen its existing partnership with the Fayette County Public Schools and extend referral privileges to both the Carnegie Center for Literacy & Learning and the Urban League of Lexington.

Every Fayette County school should have at least one staff member aware of the opportunity to help a family receive emergency food assistance through the Fayette County Pantry Program. In FY16 we increased our points of contact with the logical contacts in each school from one to two annually by sending two emails with information directly to FCPS personnel; we will continue that practice in FY17 while also including the referral opportunity our the information presented during 2017 Thanksgiving signups.

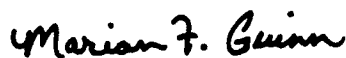
IV. Budget Narrative

Fayette County Public Schools data indicates that 51.2% of all students enrolled in the school system, or 20,868 children, qualify for free breakfasts or lunches through the Federal School Lunch Program. These are children that may face food insecurity in their homes. We know that children with inadequate nutrition have difficulty growing, learning, and developing into healthy adults. This affects all of us and the health of our city.

To serve these families requires significant resources. In FY16, 1,725,000 pounds of food moved through these pantries and enabled Lexington families to prepare meals in their homes. To continue this program in FY17 at the same level, the total budget is \$346,998. We propose attributing all grant funds toward the following costs:

<u>Item</u>	<u>Cost</u>
Food purchases	\$145,437
Salaries and Benefits	\$159,685
Transportation	\$14,700
Occupancy	\$21,290
Supplies	\$5,886
Total	\$346,998

Sincerely,



Marian F. Guinn
Chief Executive Officer



LFUCG Partner Agency Application FY2017

III-A God's Pantry Food Bank; 1685 Jaggie Fox Way, Lexington, KY 40511-1084

III-B (859) 255-6592

III-C Kristin Ingwell Goode, (859) 288-5328, Kristin@godspantry.org

III-D Marian F. Guinn, Chief Executive Officer

III-E June 30, 2016

IV Program Narrative

IV-A

For FY17 (July 1, 2016 through June 30, 2017), God's Pantry Food Bank intends to keep doing what it has been doing: operating Lexington, Kentucky's largest food pantry system serving more than 24,000 families annually and serving as the state's largest Food Bank with a service area that encompasses 50 counties. As of March 16, 2016, the Food Bank does not have plans to launch any new programs in FY17 or to significantly expand any programs in the same time period.

- Specifically in the Fayette County Pantry Program, the only expansion expected in FY17 will be due to demand. Over the past eight years the program has grown by varying degrees, due solely to client demand. For example, in FY2015, the Food Bank served 5% more families than the year prior.

IV-B

The main program operated by God's Pantry Food Bank that impacts Fayette County residents is the Fayette County Pantry Program. In FY15 the program was a source of groceries for 24,675 households and as many as 65,000 individual Lexington residents. Nearly 2 million pounds of food and grocery products went into the homes of our neighbors in need.

The program has already felt the effects of a decrease or elimination of funding from LFUCG this year, as it was not funded through the ESR program. Increased fundraising or decreased levels of service were both discussed as possible steps the Food Bank may take to accommodate the situation. Like the Food Bank, this program already has a diverse funding base and has decreased its expenses where possible. In short, this program requires food and resources (staff and trucks) to deliver it. We don't depend on LFUCG funding, but as this

program may have the greatest impact on reducing hunger in Lexington, we see the LFUCG as a reasonable source of funding now and in the future.

IV-C

The main way God's Pantry Food Bank receives Federal Funds is in the form of contracts with the United States Department of Agriculture to distribute government commodities. This product is provided to us and we are paid to distribute it throughout the 50 counties we serve. We also receive large volumes of product—which is reflected as income on our annual audit—through The Emergency Food Assistance Program.

We also operate two additional programs that involve a reimbursement from the Federal Government: the Child and Adult Care Food Program and the Summer Food Service Program.

Occasionally we receive a small amount for Fayette County programs through the Emergency Food and Shelter Program. This is in the form of direct funds for food purchases in the Fayette County Pantry Program.

We do not anticipate any Federal funding growing significantly. We have planned for similar income from these programs in FY2017 as we experienced in FY2016. At this point we do not see LFUCG funding serving as a match for Federal dollars, but if a Federal Grant is available that could include the Fayette County Pantry Program, we certainly would consider it.

IV-D

God's Pantry Food Bank has an endowment held on its own of \$80,000. We also have an endowment fund with the Blue Grass Community Foundation.

According to the policy adopted by our Board of Directors, God's Pantry Food Bank always maintains a cash emergency fund totaling 50% or more of the organization's current projected annual budget. Our FY16 budget is \$5,695,770, so through 6/30/2016 we will have at least \$2,847,885 in diversified investments with multiple banking institutions. This policy was established so that in the case of a natural disaster or other extreme situation, the 280-plus agencies that rely largely on us to provide free or low-cost food products for the work they do would not be left without infrastructure and assistance. A Board vote would be required to release these funds.