Chapter 12
Fiscal Management

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Websites for Additional Information

- 7CFR 3016.32 and 7CFR 3016.36, https://www.gpo.gov/fdsys/pkg/CFR-2012-title7-vol15/pdf/CFR-2012-title7-vol15-part3016.pdf
- 2 CFR 225: Cost Principles for State, Local and Indian Tribal Governments, https://www.govinfo.gov/app/details/CFR-2013-title2-vol1/CFR-2013-title2-vol1-part225
- https://www.doa.nc.gov/divisions/purchase-contract/statewide-term-contracts
- http://www.catiweb.org/
- http://www.ncdhhs.gov/dsdhh/directories.htm
- https://www.ncdhhs.gov/ncwic

WIC Program Budget

Funding for the WIC Program goes from the United States Department of Agriculture (USDA) to the Community Nutrition Services Section (CNSS) within the NC Department of Health and Human Services. The CNSS pays all WIC Program food costs directly and reimburses local agencies monthly for their program operation costs. The CNSS uses a per participant funding formula to establish the funding allocations for local agencies. Based on their total allocation, local agencies must submit a projected annual budget for each program activity. Budgets for local agencies are submitted with their WIC Agreement Addendum and budgets for non-local agencies are submitted prior to their contract being developed for the next contract period.

WIC Budgets

The four program activities included as part of the WIC grant include:

- **General Administration**: This budget includes direct costs associated with overhead or management costs and shall be less than 10% of the overall budget. Examples of approved costs covered by general administration funds includes:
  - accounting and bookkeeping (i.e., preparation of budget and expenditure reports)
  - payroll and personnel systems maintenance
  - administrative records maintenance (i.e., miscellaneous administrative records related to the WIC program)
  - fraud prevention
  - audit and legal services (refer to Section 8)
  - theft insurance
  - vendor activities, including training and monitoring

- **Client Services**: This budget includes costs involved in delivering food and other client services and benefits. This is typically the largest of the activity budgets. Examples of approved costs covered by client services funds includes:
  - personnel costs (i.e., salary and fringe benefits) for WIC eligibility determination and certification (and all related activities such as pulling records, documentation)
  - conducting/participating in surveys or studies evaluating WIC's impact on participants
  - coordinating with other social, health care services
  - issuing and explaining food benefits
  - outreach
  - referrals to other social, health care services
  - supplies discarded after a single use (*such as laboratory supplies*)
  - translators/interpreters
  - medical equipment (*scales, measurement devices, hematological equipment*)
  - participant notifications including the client’s rights and responsibilities

- **Nutrition Education**: This budget includes costs that relate directly to nutrition education and must represent at least 20% of the total WIC Program budget. Examples of approved costs covered by nutrition education funds includes:

- personnel costs (i.e., salary and fringe benefits) for the provision of nutrition education
- planning and conducting nutrition education
- producing materials for participant education
- purchasing equipment and supplies for nutrition education
- staff training

- **Breastfeeding Promotion and Support**: This budget includes costs that relate directly to promoting and supporting breastfeeding. Local agencies are required to budget a minimum amount in this program activity annually. Agencies are notified of the threshold when they receive notification of their grant award. Refer to Chapter 9 for information on breastfeeding program management activities. Examples of approved costs covered by breastfeeding funds includes:
  - personnel costs (i.e., salary and fringe benefits) for breastfeeding education, promotion, and support activities
  - planning, conducting educational & support activities to promote breastfeeding
  - training staff including breastfeeding peer counselors and sponsoring breastfeeding training events in the community
  - purchasing educational materials and resources for clients, lending libraries, and health professionals
  - establishing breastfeeding rooms in the local agency for WIC participants
  - supporting breastfeeding peer counselor program activities
  - purchasing breastfeeding support supplies <u>limited to</u>:
    - multi-user electric breast pumps *
    - single-user electric breast pumps *
    - single-user manual breast pumps*
    - collection kits*
    - supplemental feeding devices
    - breast shells
    - nipple shields
    - breast pads

    **Breast pumps are medical equipment and require prior approval from the CNSS.*
  - purchasing clinic-based breastfeeding education equipment for use in the clinic setting only to support instruction in breastfeeding (e.g., breastfeeding pillows, breast models or teaching aids, and visual demonstration tools used during breastfeeding counseling sessions). These items must be non-porous, wipeable, and able to be cleaned and disinfected between uses and are not for distribution to participants.

- **WIC Budget Page**: Once the WIC Agreement Addenda has been initiated and the budget for the local agency has been established, the Local Agency may request to move funds across the categories meeting the threshold requirements, as indicated above. The WIC Program Budget Page (Attachment B), Chapter 12: Attachment 2, is utilized for these revisions.

■ **Breastfeeding Peer Counselor (BFPC) Program Budget**

The Breastfeeding Peer Counseling Program is supported by a separate grant, which has unique requirements. This budget includes costs associated directly with the implementation, expansion and maintenance of a breastfeeding peer counselor program. Refer to Chapter 9, Section 7 for information on the breastfeeding peer counselor program. Examples of approved costs covered by breastfeeding peer counselor program funds include:

- Personnel costs (i.e., salary and fringe benefits) for peer counselors and designated breastfeeding peer counselor managers,
- Participation in breastfeeding peer counselor program related training activities,
- Travel specific to breastfeeding peer counselor program activities,
- Operational costs necessary to support breastfeeding peer counselors such as cell phones, pagers, answering machines, and office equipment,
- Other expenses directly related to developing or expanding activities to sustain a breastfeeding peer counselor program.

Refer to Attachment 3: Allowable Costs for Breastfeeding Peer Counseling Programs for additional guidance.

NOTE: While WIC Breastfeeding Promotion and Support Activity budget funds can be used to support Breastfeeding Peer Counselor Program activities, BFPC Program funds ***cannot*** *be used to support expenses related to core WIC functions including attendance at training or meetings unrelated to BFPC program; purchase of breastfeeding aids (i.e., manual and electric breast pumps, nipple shields, supplemental feeding devices); development or purchase of participant nutrition and breastfeeding education materials; and any other expenses unrelated to activities of the BFPC program.*

- **Expenses Applicable to More than One Budget**
  Expenses may apply to one or more budgets. Examples of expenses that may apply to multiple budgets are listed below. Refer also to Section 3 for information on cost sharing.
  - Communications (phone, internet)
  - Personnel time (salaries & benefits)
  - Postage/shipping
  - Printing/duplicating
  - Utilities
  - Office supplies
  - Space rental/purchase (refer to Section 6)
  - Travel expenses
  - Subcontracted services (such as temporary personnel, interpreter service, breast pump rental programs, etc). Refer to Chapter 3 for information on sub-contracts and for a model sub-contract. Subcontracts require prior approval from the Community Nutrition Services Section. To obtain approval, a memo requesting approval along with a copy of the proposed contract for services should be sent to the Regional Nutrition Consultant.
  - Petty cash. Petty cash is not a cost item per se, but rather a method of disbursing funds. Local agencies must keep standard records for all petty cash expenditures and assign the expenditure to the appropriate activity budget.

- **Non-Approved Expenses**
  The following list provides examples of non-approved WIC Program expenses but is not all inclusive.

  - State and local sales tax.
  - Interest and finance charges.
  - Buildings & facilities depreciation/use allowances that the federal government has paid for or rental of building/facilities space in public buildings.
  - Legal expenses imposed by local government's chief legal officer or for prosecution of claims against the federal government. Refer to Section 8 for more information on legal expenses.
  - Breastfeeding supplies such as topical creams, ointments, hydrogel dressings, vitamin E and other medicinal items, foot stools, nursing pillows (except for the purpose of WIC staff demonstrating infant feeding techniques), or nursing clothing. Refer to the previous discussion of allowable breastfeeding support supplies and to Chapter 9, Section 5 for additional information.
  - Expenses associated with employee professional organizations such as fees for professional exams or individual membership dues in professional organizations.
  - Food, beverages, flowers, and entertainment for any kind of training event or meeting or for participants unless used in the context of the provision of nutrition education.
    Note: alcoholic beverages are never approved expenses.

- **Documentation of Budgeted Expenditures**
  Local agencies must maintain documentation for reported expenditures. Records must be available to state and federal auditors/monitors for three years after the last date of activity (e.g., revised expenditure report) or until all audits for the time-period are closed. Refer to Attachment 2: WIC Budget Page (Attachment B). Records must be clear enough that auditors can easily find and understand them later, even if the original staff is no longer there to answer questions (refer to the 2 CFR 225: Cost Principles for State, Local and Indian Tribal Governments - https://www.govinfo.gov/app/details/CFR-2013-title2-vol1/CFR-2013-title2-vol1-part225).

Personnel Costs

There are two kinds of personnel time that can be supported with WIC funds, time spent in providing direct program services and time spent in providing general administration of the program.

- **Direct Service Time**
  Direct service time is time spent performing program activities directly related to budgets. Local agencies must document expenditures for personnel costs and report expenditures to the appropriate budget.

  The first step in documenting WIC personnel expenditures for each budget is to calculate the amount of time that agency personnel spend in direct service in each of the budgets. This documentation is usually maintained through employee daily time sheets or logs of how they spend their time.

Sample Daily Time Sheet for an Individual

Name/Title:			**Month:**	
Day	**WIC General Administration**	**WIC Client Services**	**WIC Nutrition Education**	**WIC Breastfeeding**
Total Hours				
Employee's Signature:				
Supervisor's Signature:				

The second step in documenting WIC personnel expenditures for each budget is to multiply the percentage of time that each employee spends on each service by his/her salary and fringe. Calculate this dollar figure for all agency employees who spent direct time in WIC and add up the figures. The total is the actual cost of each service to the Program for a set time. In most agencies, these calculations are completed through a spread sheet software package.

- **Administrative Staff Time**
  There are two acceptable methods to distribute the cost of local agency administrative staff (i.e. staff that provide support to the WIC Program but do not provide direct program services). Whichever method the local agency selects, it must retain time documentation for at least three years after the last date of activity or until audit requirements are satisfied.

  - **Direct time:** Administrative staff members may distribute direct time spent in WIC activities to the appropriate WIC budget on their time sheets.

  - **Allocation of time**: Administrative staff members may distribute their time in proportion to the direct time given by WIC direct service staff if the same method is being applied across all program budgets in the agency and their job function effects/impacts all programs.

Non-Personnel and Shared Program Costs

There are several non-personnel costs associated with running a local WIC Program. Often times, non-personnel costs are shared across multiple programs. When allocating shared non-personnel costs to several different programs or other cost centers, it is important to allocate costs in a manner which will produce equitable and reasonable charges to each program. Methodology for determining the WIC Program's share of expenses follows.

- **Duplicating**
  These costs apply to photocopy services done in-house.
  - Per copy based on log or usage meter

- **Printing**
  These costs apply to print jobs that are done by an outside agency or business.
  - Per job

- **Telephone**
  These costs include phone and fax services.
  - Long Distance - phone log of calls or phone cards assigned to employee
  - Local calls – percent of local call bill based on the number of extensions
  - Cell phones that are shared across programs- log of calls by user/program

- **Internet Service Provider**
  - Number of extensions

- **Office Supplies**
  These costs include typical supplies used on a daily basis such as paper, pens, pencils, sticky notes, as well as office furniture that is not considered equipment. Refer to Section 5 for additional information about equipment.
  - Actual cost to WIC

- **Janitorial Services, Maintenance, Utilities**
  These costs are allocated based on a per square foot basis assigned to each program.
  - $\frac{\text{WIC sq. ft}}{\text{total sq. ft}}$ X Total cost of space = % of cost that the WIC Program pays

- **Equipment**
  These costs apply to equipment that is shared across programs. Refer to Section 5 for additional information about equipment.

  - Prorated share of cost relative to use

- **Clinic Costs Associated with Hemoglobin or Hematocrit Test**
  These costs apply to the costs associated with a hematocrit or hemoglobin blood test. A local agency may establish a per procedure cost for a hemoglobin or hematocrit test based on the average cost of personnel time and/or the cost of disposable (expendable) supplies used. The established per procedure cost must be updated on an annual basis. To determine total billing costs, this per procedure cost is then multiplied against the number of individuals who receive a hemoglobin or hematocrit for WIC Program services, as documented through a participant log. Local agencies may not charge the WIC Program a clinic cost for a participant if the agency also receives third-party reimbursement for the same service to the participant (*for example, child health, maternal health, or Medicaid*).

- **Indirect Costs**
  Indirect costs are defined as costs which are incurred for a common or joint purpose benefiting more than one cost objective (program).

  - Local health departments cannot bill WIC for an Indirect Cost Rate.

  - Non-local WIC Programs (i.e., those not administered by a local health department) must provide a copy of their current indirect cost rate approval from the cognizant federal agency if the cost is charged to WIC.

Program Incentive Items

Program incentive items refer to a class of goods, usually of a nominal value, that are given to applicants, participants, potential participants, or persons closely associated with the WIC Program (such as staff) for purposes of outreach, nutrition education, or breastfeeding promotion and support. Program incentive items are allowable only if they are considered to be reasonable and necessary costs that promote the specific program purposes of outreach, nutrition education, or breastfeeding promotion as defined below.

- **Reasonable and Necessary Costs**
  Program incentives must be obtained at a reasonable cost. Furthermore, agencies should carefully consider the public perception of program funds spent on items even when the connection to outreach, nutrition education, or breastfeeding promotion is clear.

  - **Reasonable costs**
    - provide the program a benefit generally commensurate with the costs incurred,
    - are consistent with the costs of similar items from other vendors,
    - are a priority expenditure relative to other demands on available administrative resources.
    - have a proven or intuitive positive outreach or nutrition education impact.

  - **Necessary Costs**
    - are incurred to carry out essential program functions, and
    - cannot be avoided without adversely impacting program operations.

  - **Examples of Non-Allowable Items**:
    - celebratory items, or items designed primarily as staff morale boosters, generally for the personal use of the staff, with minimal public display;
    - items of nominal value which have no outreach, breastfeeding, or nutrition education message;
    - any program incentive item intended for persons who are not participants, potential participants or their parents/guardians, or for persons with no connection to the WIC Program, such as staff and cooperating agency representatives; and
    - items not of nominal value such as diaper bags, infant slings, or ponchos (regardless of any nutrition education, outreach, or breastfeeding promotion messages). These items would not meet the "reasonable and necessary" test.

- **Outreach**
  Outreach refers to promotional efforts to encourage and increase participation in the WIC Program. Outreach efforts must be consistent with the goals of the WIC Program. Outreach may be a local or a statewide effort, directed at increasing the number of participants at a local agency or reaching a group of potential participants who are unaware of the WIC Program or unsure how to access it.

  - **Requirements for Outreach Incentive Items**. Program incentive items for outreach

should:

- contain a WIC-specific message that targets the potentially eligible population,
- normally be seen in public,
- include an approved nondiscrimination statement on publications or other printed material that also include any program information (refer to Chapter 4),
- have value as outreach devices that equal or outweigh other uses,
- include WIC contact information such as the local agency name, address and/or telephone number,
- constitute (or show promise of) an innovative or proven way of encouraging WIC participation, and
- be reasonable and necessary costs.

- **Examples of allowable outreach incentive items** include t-shirts, buttons, bibs, toothbrushes, pens, cups or other items of nominal value with reasonable opportunity for public display that contain a WIC promotional message.

■ **Nutrition Education**

Nutrition Education means "individual or group education sessions and the provision of information and educational materials designed to improve health status, achieve positive change in dietary and physical activity habits, and emphasize relationships between nutrition, physical activity and health, all in keeping with the individual's personal, cultural, and socioeconomic preferences".

- **Requirements for Nutrition Education Incentive Items.** Program incentive items for nutrition education should:
  - be targeted to participants,
  - include an approved nondiscrimination statement on publications or other printed material that also include any program information (refer to Chapter 4),
  - have a clear and useful connection to WIC nutrition education messages,
  - convey enough information to be considered educational or be utilized by participants to reinforce nutrition education contacts,
  - have value as nutrition education aids that equal or outweigh other uses,
  - be distributed to the audience for which the items were designed, and
  - be reasonable and necessary costs.

- **Examples of allowable nutrition education incentive items** include calendars that contain important nutrition education and physical activity messages and refrigerator magnets with nutrition education messages.

■ **Breastfeeding Promotion and Support**

Breastfeeding promotion and support means strategies, initiatives, and services to encourage and increase the initiation and support the duration of breastfeeding among WIC participants. Note: Breastfeeding aids are a distinct and separate class of allowable costs and should not be considered incentive items. Refer to Chapter 9 for information on allowable breastfeeding aides.

- **Requirements for Breastfeeding Promotion and Support Incentive Items.** Program incentive items for breastfeeding promotion and support should:
  - include an approved nondiscrimination statement on publications or other printed material that also include any program information (refer to Chapter 4),
  - have a clear and useful connection to promoting and supporting breastfeeding among current WIC participants,
  - either convey information that encourages and supports breastfeeding in general, informs participants about the benefits of breastfeeding, or offers support and encouragement to women to initiate and continue breastfeeding,
  - have value as breastfeeding promotion and support items that equal or outweigh other uses,
  - be distributed to the audience for which the items were designed, and
  - be reasonable and necessary costs.

- **Examples of allowable breastfeeding promotion and support incentive items** include t-shirts, buttons or other items of nominal value with a breastfeeding promotion or support message (e.g., "Breast Fed is Best Fed").

■ **Ordering Nutrition Education Items**
A complete list of available materials can be found on the Community Nutrition Services Section's Requisition Form available on the NC WIC Program website.

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Equipment

Under WIC Program policy, defined procedures must be followed to purchase and manage equipment.

■ **Obtaining Approval to Purchase**
Local Agencies must obtain written approval from the Community Nutrition Services Section (CNSS) before they buy:

- Items that are tangible in nature, have a life longer than one year, and have an acquisition cost of $500 or more (*including like items that when put together have a value of $500*).
- Any medical equipment (i.e., scales, measurement devices, breast pumps, hematological equipment) regardless of cost.
- Any computer equipment (including software) regardless of cost. Computer accessories, such as keyboards and monitors, do not require approval.

It takes approximately ten working days to obtain approval from CNSS for an equipment purchase. Non-Information Technology (IT) equipment purchases greater than $25,000 and IT equipment purchases greater than $100,000 must be approved in advance by USDA. Requests requiring USDA approval will be reviewed and if recommended by CNSS to USDA. USDA approval requires three quotes and will add another sixty days to the approval process time period. To request review and approval from CNSS to purchase equipment, email a request to: NSBPurchasing@dhhs.nc.gov.

Information that must be included in the written request for approval to purchase includes:

- Name and contact information (direct phone and email address) of the person making the request,
- Indication that you have followed the procedures outlined in 7CFR 3016.32 and 3016.36,
- Description of the equipment,
- Justification of need, and
- Quote(s) *(first determine if the item is or is not on state contract)*.
  - **Item is on State Contract.** Local agencies are encouraged to purchase items that are on state contract through statewide term contract vendors.
    - For Non-IT Equipment (including medical equipment): visit https://ncadmin.nc.gov/government/procurement/statewide-term-contracts to find the current list of non-IT statewide term contracts.
    - For IT Equipment: visit https://it.nc.gov/resources/statewide-it-procurement/statewide-it-contracts to find the current list of statewide IT term contracts.

  - Contract versus non-contract vendor
    - contract item from a contract vendor: submit with request for approval the state contract item number, a description of the item including the cost, and attach a quote from the contract vendor.
    - contract item from a non-contract vendor: submit with request for approval the contract price, a quote from the non-contract vendor for the exact item on state contract plus shipping/handling fees, and justification for why the purchase is being requested from a non-contract vendor.
- **Item is Not on State Contract.** If the item is not on state contract, submit at least two quotes including shipping/handling fees. The quotes submitted must be for the exact same item and specifications.
- **Item is from a Sole-Source Vendor**. If the item can be purchased from only one source, submit the quoted price including shipping/handling fees, a justification for why the purchase is being requested from a sole-source, a quote and a sole-source memo from the vendor.

For any equipment purchase or renovation over $10,000, the local agency must provide to CNSS the acquisition cost, date of acquisition, and the serial number (if applicable) within 30 days of receipt. Information should be sent to NSBPurchasing@dhhs.nc.gov.

■ **Fixed Assets Inventory**

Local Agencies are responsible for maintaining a fixed asset inventory of any equipment purchased for use by the local agency WIC Program using WIC funds, having an acquisition cost of $500 or more. The following data elements shall also be included on the inventory:

- Funding Source
- Asset Number
- Acquisition Date – Year/Month
- Cost
- Manufacturer
- Model
- Serial Number
- Location

The local agency shall make the inventory available to the state agency upon request.

■ **Disposing of Surplus Equipment**

Local agencies wishing to surplus equipment that is listed on their fixed asset inventory must submit a completed Equipment Disposal Form (refer to Attachment 1). Completed forms

should be sent to CNSS at NSBFixedAssetsSurplus@dhhs.nc.gov.

The CNSS reviews and submits local agency requests to surplus to State Surplus for approval. After a request is approved by State Surplus, the local agency will receive a copy of the labels identifying each piece of equipment to be disposed. The labels should be placed on a visible area of equipment. For example, if the equipment is a monitor, the label should be placed in the top right-hand corner above the screen. For a computer, the label should be placed on the right corner of the computer. State Surplus will provide contact information and site drop-off information for the local agency to use to make an appointment before equipment drop-off.

There are several options available to local agencies for the disposal of equipment. Each option requires local agency staff to sign the equipment disposal form verifying that the items have been taken or destroyed. A copy of the signed form must be sent to the CNSS at NSBFixedAssetsSurplus@dhhs.nc.gov and another copy retained for local agency records.

- **Surplus Off-Site**. The local agency must arrange per State Surplus instruction the delivery of equipment to the State Surplus Property Agency in Raleigh, NC within 40 days of receiving property labels. Property labels for equipment not received by State Surplus within 45 days will expire and will not be accepted by State Surplus. This option requires a set and confirmed appointment for equipment drop-off.
  - All equipment must be delivered **by appointment** to the main warehouse at: Highway 54 West, 6501 Chapel Hill Road, Raleigh, NC. To make an appointment for delivery of computer equipment, contact State Surplus at 919-854-2160.
  - Once arrangements are made for equipment to be delivered, local agency staff must:
    - take the completed Equipment Disposal form received from the CNSS and the equipment to the State Surplus site,
    - sign the Equipment Disposal form once the items have been received by authorized State Surplus personnel, and
    - email a copy of the signed form to NSBFixedAssetsSurplus@dhhs.nc.gov and retain a copy for local agency records.

- **Surplus On-Site**. There are three on-site equipment surplus options. All options require the submission of a separate digital photo for each actual item to be surplused. The photos must be submitted as a JPEG file and titled with the line # and serial number (if applicable). The .JPEG file size must not exceed 1024 KB.

  1. **Agency Negotiated Sale.** On-site transfer of assets from the local agency to another government, local, or municipal office. To request the on-site transfer of items, submit the equipment disposal form to CNSS at NSBFixedAssetsSurplus@dhhs.nc.gov.
     - Once arrangements are made by CNSS, State Surplus will contact the local agency staff indicated on the form to coordinate the Sale of Equipment.

  2. **Landfill Disposal.** On-site disposal of equipment by the local agency. To request the landfill disposal of item(s), submit the equipment disposal form to CNSS at

NSBFixedAssetsSurplus@dhhs.nc.gov.

- Once approval has been obtained by State Surplus, CNSS will contact the local agency staff indicated on the form.

3. **Public Sale.** On-site surplus of equipment at the local agency via the public sale of items through public bidding coordinated by the NC Department of Administration. To request information about this process, contact NSBFixedAssetsSurplus@dhhs.nc.gov.
   - Once arrangements are made by CNSS, State Surplus will contact the local agency staff indicated on the form to coordinate the Sale of Equipment.

Purchase, Rental, or Renovation of Property

A local agency must have prior approval before spending WIC funds on the purchase, rental, or renovation of any property. Written requests for approval should be sent to the Regional Nutrition Consultant with the necessary information as outlined below. Once the Regional Nutrition Consultant reviews the concept of the proposed purchase, rental, or renovation, they will forward the request to the Deputy Director of the State agency for approval to expend WIC funds. Written notification will then be sent to the local agency from the state agency. The local agency should allow three weeks to process requests under $5,000 and sixty days to process requests in excess of $5,000.

- **Buildings and Facilities Rental**
  If a local agency rents property on a yearly basis, it must obtain approval only when there is a rent increase or other terms of the contract change. Written requests for renting a building or space in a building must include:

  - Justification of need,
  - Name and location of lessor,
  - Location of site to be rented,
  - Total number of square feet to be rented and the annual cost per square foot,
  - Total monthly and annual rent cost and what the rent includes (for example utilities, maintenance),
  - Comparison of cost to prevailing local cost for comparable space,
  - Date when rental payments will begin,
  - Statement of how the agency will use the space,
  - Statement of handicap accessibility, and
  - A copy of the proposed lease agreement.

- **Building Alterations and Renovations**
  Alterations and renovations include such things as partitions, walls, windows and doors (but not maintenance or repair). Written requests for alterations/renovations to a publicly owned building must include:

  - A description of rearrangements and/or alterations, including a floor plan and/or diagram,
  - Two or more written estimates of the cost of the work (bids) which itemize materials, labor, and other costs,

- An estimated beginning and ending date,
- If more than one funding source will share the cost of rearrangements/alterations, a detailed description of how fair proration of the cost is determined (Refer to Section 3 for information on shared program costs), and
- A statement that the local agency purchased the item following 7CFR 3016 requirements and other state and/or local procurement procedures.

Once the renovations/alterations are complete, staff must inform Community Nutrition Services Section (CNSS) of the final cost. A written explanation must be included if the final price is more than 10% higher than the initial estimate, and/or the agency did not choose the contractor with the lowest cost estimate.

■ **USDA Approval of Expenses Exceeding $5,000**

Purchasing and renovating real property are capital expenses. Any purchase or repair of property in excess of $5,000 must be approved in advance by USDA. In general, USDA recommends renting property rather than purchasing it. Requests received by the Regional Nutrition Consultant in excess of $5,000 will be forwarded by the CNSS to USDA. Criteria used by USDA to decide to evaluate requests are outlined below. These criteria should be considered when staff is writing requests for approval.

- **Rental and/or Renovation of a Building/Facility**
  - Is the landlord willing to renovate or repair the building?
  - Has the agency gotten at least three bids of the proposed renovation or repair?
  - Has the agency considered whether there might be another site that does not require renovation? Also, determine the cost of the alternative site.
  - Has a recent program review recommended the proposed site as prepared for renovation or repair?
  - Will the proposed renovation or repair address unsafe clinic conditions?
  - For publicly owned property, has the local agency agreed to repay the federal government for the non-depreciated value of the renovation/repair if the WIC Program vacates the facility?
  - For privately owned property, has the landlord agreed to either:
    - extend the lease until the WIC Program receives full benefit from the renovation? or
    - amend the lease to refund the local agency for the portion of the renovation cost from which the local agency has received no benefit?

- **Purchase of a Building/Facility**
  - Is it necessary to locate the site in the proposed area?
  - Has the agency tried to locate state or local government-owned or donated space in the proposed area?
  - Could the agency rent space in the proposed area?
  - Has the agency compared the cost of the proposed site with alternative sites?

- Could the agency expand nearby sites or buy a mobile site?
- Has the agency agreed to be responsible for contacting the CNSS and USDA for disposition instructions if the WIC program moves?

- **Additional Information Required When Purchasing or Renting a Building/Facility**
  - **Determining Absence of Other Funding**
    - Are there state and/or local funds available to fund the proposed expense? If so, why are WIC funds being requested?
  - **Selecting the Site**
    - Is the proposed site centrally located in the area that it will serve?
    - Is the proposed site near a hospital and/or local health agency? Has access to public transportation been considered?
    - Is the proposed site large enough to house enough staff and equipment for the expected number of participants?
    - Will the proposed site provide easy access for pregnant women, children, and handicapped persons?
    - Can the proposed site handle the program's security needs, e.g., locked storage? Will this entail any additional costs?
    - Can the proposed site handle the program's wiring needs, e.g., telephone lines, electrical outlets? Will this entail any additional costs?
    - Would it be less expensive to rent a comparably sized space over a five-year period? The U.S. Department of Housing & Urban Development (HUD) maintains statistics about nationwide rental properties and their costs.
    - Can you easily adapt the proposed site into a clinic setting (i.e., appropriate space for lab services, hand washing capabilities)?
  - **Determining WIC's Fair Share of Costs:**
    - What programs or offices will the space house?
    - How are you calculating each party's fair share of the projected cost?

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Foreign Language Translators and Interpreters for the Hard of Hearing

Local agencies can use WIC Program funds to pay for foreign language translators and interpreters for the hard of hearing. However, they may **not** use WIC funds to pay an applicant/participant's family member to translate or interpret.

All sub-contracts for interpreter services must be approved in advance by the Regional Nutrition Consultant. Refer to Chapter 3 for additional information on subcontracts.

- **Foreign Language Translators**
  Public health agencies have an obligation to ensure that persons with limited English proficiency (LEP) have meaningful and equal access to benefits and services. Language assistance should provide for effective communication between the service provider and the LEP person so as to facilitate participation in, and meaningful access to WIC Program services.

  Agencies and providers have a number of options for providing oral language assistance. Which option to use will depend on a variety of factors including the frequency of need and size of the population(s) being served. Examples of the options available include:

  - hiring bilingual staff for patient and client contact positions;
  - hiring staff interpreters;
  - using translator help lines; and/or
  - contracting for interpreter services

  For information about foreign language translators and interpreters, go to website for the Carolina Association of Translators and Interpreters at http://www.catiweb.org/

- **Interpreters for the Hard of Hearing**
  Local agencies should use WIC Program funds for certified or assessed interpreters. Pay interpreters directly, based on their skill level. The Division of Services for the Deaf and Hard of Hearing recommendations for interpreter service are found on their web site: http://www.ncdhhs.gov/dsdhh/directories.htm

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Audits and Legal Expenses

There may be times that a local agency will need to cover audit and/or legal expenses.

- **Allowable Expenses**
  The WIC Program is allowed to pay for some expenses associated with audits. These expenses include
  - the WIC Program’s prorated portion of expenses for a local agency's overall audit, and
  - audits that Community Nutrition Services Section requires in place of an USDA audit.
- **Non-Allowable Expenses**
  The WIC Program is not allowed to pay for certain audit and legal expenses including:
  - direct charges for audits (other than those that Community Nutrition Services Section requires),
  - legal services furnished by the local government chief legal officer, and
  - legal expenses for prosecuting claims against the federal government.

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NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

Division of Child and Family Well Being
Community Nutrition Services Section

Equipment Disposal Form

Use this form to request the disposal of equipment that is no longer useful or damaged. Once all applicable fields have been completed, email the form to NSBFixedAssetsSurplus@dhhs.nc.gov. Please complete this fillable document electronically. For additional information see WIC Manual Chapter 12 Section 5. * Required field for initial form submission

Upon approval, NC DOA State Surplus Property Agency will issue surplus labels or approval (Landfill Disposal). The labels will be mailed to the Agency via Courier or USPS. Landfill Disposal approval will be provided to the requestor via email. Once the equipment is disposed of as approved, the approved request must be signed to certify disposal and emailed to NSBFixedAssetsSurplus@dhhs.nc.gov to provide verification of the completed disposal.

Equipment Disposal (Check the appropriate boxes)*

☐ Check if Equipment is IT Equipment (e.g., computer, copier, printer, multifunction device, etc.)

☐ Surplus (Must be taken to State Surplus Warehouse)

☐ Agency Negotiated Sale**

☐ Landfill Disposal/Trash**

☐ On-site Surplus (Public Sale)**

**For Onsite Surplus or Landfill Disposal requests, the NC DOA State Surplus Property Agency requires an actual image of each item. The images MUST be of the physical item and attached to the email as individual .JPEG files. Each .JPEG file must be titled with the item # and serial number (if applicable).

Equipment Detail (use additional page if necessary)*

Item #	Fixed Asset # (if applicable)*	Serial # (if applicable)*	Description (Include Model #)*	Photo Included	Acquisition Date*	Acquisition Cost*
1				☐		
2				☐		
3				☐		
4				☐		
5				☐		
6				☐		
7				☐		
8				☐		
9				☐		
10				☐		

Requestor Information*

Agency: _____ Date: _____

Requested By: _____ Phone: _____ Email: _____

Agency Approver: _____

Print Name Signature Date

Approvals (Community Nutrition Services Section Use ONLY)

CNSS Approver: _____

Print Name Signature Date

Received: _____ Submitted _____ Approved: _____ _____

Document #: _____

Verification of Disposal as Approved

Disposed By: _____

Print Name Signature Date

Once the equipment has been disposed of sign here and return the form to NSBFixedAssetsSurplus@dhhs.nc.gov via email. By signing you certify that you witnessed the proper disposal of the equipment listed as approved.

SAMPLE

Community Nutrition Services Section
Equipment Disposal Form

Equipment Detail Additional Page

Item #	Fixed Asset # (if applicable)	Serial # (if applicable)	Description (Include Model #)*	Photo Included	Acquisition Date*	Acquisition Cost*
11				☐		
12				☐		
13				☐		
14				☐		
15				☐		
16				☐		
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SAMPLE

North Carolina Department of Health and Human Services
Division of Child and Family Well-Being
Community Nutrition Services Section

WIC PROGRAM BUDGET (ATTACHMENT B)

Agency Name: _____

Contact Person Name: _____

Contact Information Phone / Email: _____

_____ Original

Revision # _____
Revision applies to:
_____ SFY allocation (June – September)
_____ FFY allocation (October – May)

	Amount	STATE USE ONLY	
		_____ Federal Fiscal Year	_____ Federal Fiscal Year
2D15403 Client Services	_____		
2D15404 Nutrition Education (Minimum Amount $)	_____		
2D15405 General Administration (Maximum Amount $)	_____		
2D15409 Breastfeeding Promotion (Minimum Amount $)	_____		
Total	_____		

Instructions for completing the original budget:
Using the funds listed for the 'Total' above, allocate your funds among the four WIC activities. Note the minimum level of funds that must be budgeted for Nutrition Education and Breastfeeding Promotion, and the maximum amount of funds to be budgeted in General Administration. Your total for the four activities should match the total on the Budgetary Estimate. This form is to be signed and returned with the WIC Agreement Addendum to the Division's Contract Unit.

Instructions for completing budget revisions:
This form may be reproduced and used to submit budget revisions. When submitting budget revisions, show the amount of funds being increased or decreased in the amount column for the respective activity (ex. +1000 or -1000). Place a line through the total amount and add a zero next to that amount to indicate that the revision is not increasing or decreasing the total. Indicate the Revision # for your budget revision. Budget revisions are due in the program office by May 1st for close-out of the state fiscal year and September 1st for close-out of the federal fiscal year, or monthly as needed. **This form should be emailed to NSB.Contracts@dhhs.nc.gov.**

_____ _____
Signature of Local Agency Director Date

_____ _____
Signature of Local Finance Officer Date

_____ _____
Signature of CNSS Deputy Director or Designee Date

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Allowable Costs for Breastfeeding Peer Counseling Programs

The primary purpose of Breastfeeding Peer Counseling (BFPC) program funds is to provide a direct peer counselor to pregnant and breastfeeding WIC participants for breastfeeding support services. The chart below identifies allowable costs for the BFPC program. The use of BFPC program funds for expenditures that are not supported by the WIC Breastfeeding Model for Peer Counseling are not authorized.

Costs that are not allowable under the BFPC program may be permissible within the general WIC budget.

Item or Service	Allowable Costs	Not Allowable Costs	Comments
Durable Goods and Space			
Furniture, desktop computers/laptops/tablets, and office equipment used to provide peer counseling services and training.	X		
Phone lines, internet service, cell/smartphones, pagers and answering machines for contacts between peer counselors and mothers.	X		
Portable baby scales to weigh infants outside of the WIC clinic or scales marketed for pre- and post-breastfeeding weight checks.		X	
Space and lease costs for peer counselors to provide services.	X		
Incentives and Educational Materials to Promote Breastfeeding			
Breastfeeding educational materials for mothers.		X	
Breast pumps and breastfeeding aids for mothers.		X	
Breastfeeding supplies for *demonstration* purposes by peer counseling staff.	X		*See **Chapter 9, section 5** for more information on allowable breastfeeding supplies for participants.*

Allowable Costs for Breastfeeding Peer Counseling Programs

Item or Service	Allowable Costs	Not Allowable Costs	Comments
Incentive items distributed to WIC participants to encourage breastfeeding. (e.g., breast pumps, breastfeeding aids, breastfeeding promotion and support incentive items, written materials, etc.)		X	
Personnel and Compensation			
Salaries and compensation for peer counseling staff: peer counselors, Peer Counselor Program Managers (PCPM), and WIC Designated Breastfeeding Experts (DBE).	X		BFPC funds may be used to pay for DBE time if a peer counselor refers a WIC mother to a DBE for problems that are outside of the peer counselor's scope of practice. The DBE may be compensated using BFPC funds if the mother continues to be supported by the peer counselor and remains part of the peer counselor's caseload. BFPC funds cannot be used to disproportionately hire WIC DBEs versus peer counselors.
Salaries and compensation for dual-role staff. (e.g., part- time WIC Nutrition Assistant and part-time peer counselor or part-time CPA and part- time DBE)	X		Costs must be allocated between the two positions held. BFPC funds may be used for the portion of time spent as peer counselor or the DBE. *See **Chapter 9, Section 7** for additional information on dual-role peer counselors.*
Father-to-Father Breastfeeding Support Group, or a breastfeeding support group that is open to the public.		X	
Breastfeeding Support Groups. (i.e., in-person, hybrid, or virtual)	X		PC/DBE staff hours may be covered for monitoring and engaging in a Breastfeeding Support Group that provides breastfeeding support services to WIC participants only.

Allowable Costs for Breastfeeding Peer Counseling Programs

Item or Service	Allowable Costs	Not Allowable Costs	Comments
Recruitment of peer counselors and related staff.	X		
Milk Banks/Depots.		X	
Drop-In Breastfeeding Groups.	X		BFPC/DBE time may only be used for supporting WIC participants.
Staffing and expenses related to WIC Peer Counselor support to WIC breastfeeding hotlines and call centers.	X		BFPC funds may be used to fund peer counselors or for other expenses related to the hotline/call center (e.g., rent, phone service, equipment, etc.) for any portion of those expenses that are for the purpose of a WIC peer counselor providing WIC participant contacts through the hotline/call center.
Staff Training and Resources			
Travel for WIC State- required training of peer counselors/DBE and peer counseling staff/managers.	X		
Travel for home and hospital visits to WIC participants by peer counseling staff.	X		
Attendance at a state/national breastfeeding conference.		X	
Continuing education for DBEs.	X		Training must relate to servicing peer counseling programs (e.g., mentoring, serving as a referral, etc.)
Breastfeeding resources for peer counseling staff to use. (e.g., training materials for peer counselors)	X		
Breastfeeding resources for WIC staff not related to peer counseling.		X	

Allowable Costs for Breastfeeding Peer Counseling Programs

Item or Service	Allowable Costs	Not Allowable Costs	Comments
Certified Lactation Counselor (CLC) or International Board Certified Lactation Consultant (IBCLC) training, coursework, exam, renewal, or membership fees.		X	
Peer Counseling Program Advertising and Promotion			
Media outreach. (e.g., bus placards, paid social media and digital ads to advertise BFPC programs)	X		Allowed for directly recruiting peer counselors or informing WIC participants about the PC program, as a WIC breastfeeding benefit.
Media outreach that promotes breastfeeding in general, but not specifically BFPC programs.		X	
Name badges, buttons and similar low-cost items that identify peer counselor staff.	X		
Pamphlets and similar materials to promote the peer counseling program.	X		
Miscellaneous			
Indirect costs related to the BFPC Program. (e.g., personnel, accounting, or information technology services, etc.)	X		
Second nutrition education contacts.		X	
Childcare.		X	
Cribs or other materials and equipment for infants of peer counselors who bring their babies to work.		X	
Monitoring and tracking (e.g., contacts, referrals, training, etc.) of program effectiveness.	X		Evaluation studies may not be paid for using BFPC funds.
Peer counseling services to non-WIC participants.		X	
Breastfeeding coalitions		X	