V. NUTRITION SERVICES AND ADMINISTRATION (NSA) EXPENDITURES

(Please indicate) **State Agency:** North Carolina for **FY** 2025

NSA expenditures involve the process of allocating, documenting, and monitoring the distribution of administrative funds to local agencies, including the monitoring of nutrition education costs, and State and local agency direct/indirect costs.

During disasters, emergencies, public health emergencies, or a supply chain disruption, the State agency may request to implement existing and allowable regulatory flexibilities or waivers to support the continuation of Program benefits and services. Waivers granted under Access to Baby Formula Act of 2022 (codified at 7 CFR 246.4a(30)) or temporary provision(s) authorized by Congress are not permanent amendments to the State Plan and should not be reflected in answers below. Instead, waiver flexibilities impacting Program benefits and services should be recorded in Appendix C. However, State agencies should consider any historical amendments as the result of waivers granted under prior waiver authority to develop policies and procedures for current and future disasters.

A. Funds Allocation-246.4(a)(13); (14)(ix): describe the policies and procedures used to allocate administrative funds to local agencies, including start-up funds, and conversion of food funds to NSA funds.

B. Local Agency Budgets/Expenditure Plans-246.4(a)(2): describe the policies and procedures for preparing and submitting local agency budgets and expenditure plans and the services that are entirely supported by WIC Program funds.

C. State and Local Agency Access to Funds-246.4(a)(13): describe the procedures and method(s) of distribution/ reimbursement of NSA funds to local agencies.

D. Reporting and Reviewing of State and Local Agency Expenditures-246.4(a)(11)(iv); (12); and (13): describe the policies and procedures used to report, monitor, and review State and local agencies' expenditures, including the documentation of staff time, local agency report forms, on-site reviews of local agencies' NSA expenditures, and in-kind contributions.

E. Nutrition Education Costs-246.4(a)(9)and 246.14(c)(1): describe the plans and procedures used to meet the nutrition education expenditure requirements, including monitoring activities, local agency reports, and assurances that the special nutrition education needs of migrant farmworkers and their families, Indians, and homeless persons are met.

F. Indirect Costs-246.4(a)(12) and ***246.14(a)(1)(ii)***: describe the policies and procedures used to document and monitor indirect cost rates and services at the State and local level.

A. Funds Allocation

1. Allocation Process

a. The State agency has established and provided written procedures to local agencies describing the process for allocation of NSA funds among local agencies.

☒ Yes ☐ No ☐ Not applicable, State agency does not have separate local agencies. (Proceed to A. 2. *Conversion of Food Funds to NSA Funds*)

b. Local agencies were involved in developing these procedures via:

☐ Task force/committee of selected local agencies
☐ Comment on proposals made available to all local agencies
☒ Other (describe): Continuation of established written proc

c. The State agency allocates NSA funds to local agencies through the use of:

☐ A negotiated budget ☒ Flat cost per participant Statewide
☐ Formula (variable) ☐ Other method (describe): _____

d. The allocation procedure takes the following factors into account (check all that apply):

☐ Staffing needs
☒ Number of participants
☐ Population density
☐ Cost-containment initiatives
☐ Availability of administrative support from other sources
☐ Other (specify): _____

e. The State agency methodology for funds allocations to local agencies includes a mechanism for reallocation.

☒ Yes ☐ Monthly ☐ Quarterly ☐ Semiannually

☐ No

☐ Other (specify): _____

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):
V_NSA_SP2025_Appendix 1_NC Budget

2. Conversion of Food Funds to NSA Funds

a. The State agency converts food funds to NSA funds:

☐ Based on a plan submitted to FNS to reduce average food costs per participant and to increase participation above the FNS-projected level for the State agency.

☐ The State agency achieves, through acceptable measures, increases in participation in excess of the FNS-projected level for the State agency.

☐ Describe measures used to increase participation:

☒ Not applicable

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

3. **The State's Fiscal Year runs from** 07/01/2024 **to** 06/30/2025

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

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B. Local Agency Budgets/Expenditures Plans

1. Local Agency Budgets/Expenditure Plans

☐ Not applicable, State agency does not have separate local agencies.
(Proceed to C. State and Local Agency Access to Funds.)

a. The State agency requires its local agencies to prepare and submit administrative budgets.

☒ Yes ☐ No

If yes, the State agency requires that local agency budgets include the same cost categories as those used for State-level budget preparation.

☒ Yes ☐ No

b. Local agencies' budgets are broken out by (check all that apply):

☐ Line items

- ☐ Accounting
- ☐ ADP services
- ☐ Breastfeeding aids
- ☐ Capital expenditures
- ☐ Clinic/lab services
- ☐ Communications
- ☐ Employee salaries
- ☐ Employee fringe benefits
- ☐ Lease or rental of space
- ☐ Maintenance and repair
- ☐ Materials and supplies
- ☐ Memberships, subscriptions, and professional activities
- ☐ Printing and reproduction
- ☐ Training and education
- ☐ Transportation
- ☐ Travel
- ☐ Other (specify): _____
- ☒ Breastfeeding promotion/support (e.g., breastfeeding aids)

☒ Functions

- ☒ General administration/ Program management
- ☐ Food Delivery
- ☐ Certification
- ☒ Nutrition education
- ☐ Other (specify): _____

☒ Client services

☐ Other (specify): _____

c. The State agency has an established formal process for local agencies to follow when requesting amendments or modifications to their budgets.

☒ Yes ☐ No

d. To prepare the federally required WIC administrative budget, the State agency:

☒ Uses local agency budgets or prior year expenditures

☐ Uses a state agency information system to collect and compile expenditure and cost data

☐ Extracts or consolidates data reported under other State or local agency systems to group costs under

the federal line items and functions

☐ Other (describe): _____

ADDITIONAL DETAIL: SA/LA Spending Plan Appendix and/or Procedure Manual (citation):

_____

C. State and Local Agency Access to Funds

1. The State Agency manages its NSA Grant on a/an:

☒ Cash basis ☐ Accrual basis

☐ Other (specify): _____

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

_____

2. Reimbursement/Provision of Funds to Local Agencies

a. The State agency provides local agencies with funds in advance.

☐ Yes (state conditions): _____

☒ No

☐ Not Applicable (Proceed to next section.)

If yes, advances must be reconciled to incoming claims. Local agency claims are submitted:

☐ Monthly ☐ Quarterly

b. In order to qualify for payment, an expenditure must be (check all that apply):

☒ At or below the level of its approved budget line item

☐ Supported by appropriate documentation (e.g., check or receipt)

☒ A reasonable and necessary expense for WIC

☒ Other (specify): _____

Within the budget available by WIC Program category for the agency.

c. If an expenditure exceeds the budget provided for that particular line item, the State agency requires the local agency to (check all that apply):

☐ Submit a supplemental request

☐ Provide a justification for exceeding the budget line item

☐ Make an offsetting adjustment to another line item in its budget

☒ Request approval of a budget modification

☒ Other (explain): _____

Local agency budgets are handled at the WIC Program category level (client services, nutrition education, general administration, and breastfeeding) vs. the line item level (travel, personnel). Should a local agency exceed the amount available in a program category, they are required to submit a budget revision request. The State agency manages funds by establishing thresholds that must be maintained (ex. Minimum % for nutrition education, Minimum amount for breastfeeding and maximum amount for General Administration).

d. Local agencies receive payment via:

☒ Electronic funds transfer ☐ State treasury check/warrant

☐ Other (specify): _____

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

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D. Reporting and Reviewing of State and Local Agency Expenditures

1. Documentation of Staff Time

a. How does the State agency determine the percentage of staff time devoted to WIC tasks to document allowable staff costs under the WIC Program (check all that apply):

At SA	At LA	
☒	☒	100 percent reporting
☐	☐	Random moment sampling
☐	☐	Periodic time studies:
☐	☐	1 week/month
☐	☐	1 month/quarter
☒	☐	Other (specify): Cost allocation plan approved by the fed

b. The State agency last evaluated its time documentation protocol on (specify date). 2/3/23
If available, please attach a copy of the protocol to this section or cite Procedure Manual reference.

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

_____

2. Please indicate below the services that are entirely supported by WIC funds:

- ☒ Anthropometric measurements
- ☒ Nutrition counseling/education
- ☒ Breastfeeding promotion/support
- ☒ Immunization status assessments
- ☒ Referrals to health and/or social services
- ☒ Hematological assessments
- ☐ Other (specify): _____

ADDITIONAL DETAIL: SA/LA Spending Plan Appendix and/or Procedure Manual (citation):
NC WIC Program Manual, Chapter 12: Fiscal Management, Section 2 Personnel Costs: V NSA SP24_Appendix 2_Approved NC

3. Local Agency Report Forms

a. The State agency specifies standard forms and/or procedures for local agencies to use in reporting monthly local-level expenditures.

☒ Yes ☐ No ☐ Not Applicable (Proceed to next section)

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

_____

4. On-Site Review of Local Agencies' Administrative Expenditures

a. The State agency conducts on-site reviews of local agency administrative expenditures:

☐ Annually ☒ Every two years ☐ Every three years

☐ Other (specify): _____

The review is conducted by:

☒ WIC State agency staff

☐ State Department of Health fiscal or audit staff
☐ CPA or audit firm
☐ Other (specify): _____

b. The State agency utilizes a standard format/guide to review local agencies' NSA expenditures.

☒ Yes ☐ No

If yes, the standard review guide includes the following procedures (check all that apply):

☒ Verification of at least one monthly billing/claim/expenditure report against source
☒ Documents
☒ Tracking written approval of procurements
☒ Requesting records of ordering, receipt, billing, and payment
☒ Determination that costs were necessary, reasonable, and appropriate
☒ Determination that costs were properly allocated among WIC and other programs
☒ Determination that personnel costs charged to WIC were appropriate
☐ Determination that local agencies' indirect costs were appropriately charged
☐ Other (specify): _____

c. If available, please attach a copy of the State agency's NSA expenditure review guide.

d. The State agency notifies local agencies of findings and establishes claims for unallowable costs, as appropriate.

☒ Yes ☐ No

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

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5. The State agency requires local agencies to document the sources and values of in-kind contributions.

☐ Yes ☒ No

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

E. Nutrition Education Costs

1. The State agency documents that it meets its nutrition education and breastfeeding promotion expenditure requirements per 7 CFR 246.14(c)(1) via:

☐ Activity reports ☐ Time studies ☐ Itemizing expenditures

☒ Other (specify): _____ Unique cost centers designated specifically for Nutrition Education and Breastfeeding Promotion

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

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2. The State agency monitors expenditures for the following activities related to breastfeeding

promotion and support at the State and/or local level (check all that apply):

	At SA	At LA
Breastfeeding promotion coordinator's salary	☒	☒
Written educational materials	☒	☒
Participant education/counseling	☐	☐
Staff training	☐	☐
Breastfeeding promotion activities	☐	☐
Direct support costs	☐	☐
Breastfeeding aids and equipment (e.g., breast pumps purchased with NSA funds)	☒	☒
Other	☐	☐

(If other, specify): _____

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

_____

3. **In the event that the State agency uses funds from other sources in meeting minimum expenditure requirements for nutrition education (NE) and breastfeeding promotion and support (BFPS), please provide below the source of these funds, the amount, and the method the State agency will use to document the use of these NE and BFPS funds. (Federal WIC food funds used to purchase/rent breast pumps, and expenditures from breastfeeding peer counseling funds, cannot be counted toward the nutrition education and breastfeeding expenditure requirement.)**

   ☒ Does not apply. *(Proceed to E. 4. Local agencies report nutrition education and breastfeeding promotion and support costs.)*

Source	Amount
_____	_____
_____	_____
_____	_____

Method(s):

☐ Activity reports ☐ Time studies ☐ Itemizing expenditures

☐ Other (specify): _____

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

_____

4. **Local agencies report nutrition education and breastfeeding promotion and support costs:**

   ☐ Does not apply

   ☒ When they report routine NSA costs

   ☐ Through a different system (specify): _____

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

_____

F. State and Local Agency Indirect Costs

1. Indirect Cost Rate and Services

a. Please list below indirect cost/cost allocation agreements in which the State agency is included:
N/A

b. The State agency's indirect cost rate(s) is _____ (%) and is based on:

☐ Salaries ☐ Direct costs for administration ☐Both

☒ Other (specify): _____ N/A; State has an approved Cost Allocation plan.

c. If applicable, cite the effective date of the State agency's executed cost allocation plan for indirect cost: 1/28/2022

If applicable, cite the expiration date of the State agency's most recent executed indirect cost allocation plan: : _____

d. The State agency receives the following types of services under the indirect cost rate agreement(s):

☐ Budgeting/accounting
☐ ADP
☐ Communication/phone/mail
☐ Legal services
☐ Printing/publication
☐ Equipment usage/maintenance
☐ Personnel/payroll
☐ Space usage/maintenance
☐ Central supply
☐ Procurement/contracting
☐ Audit services
☒ Other (specify): _____
N/A; NC uses an approved cost allocation plan.

e. The State agency allows local agencies to report indirect costs.

☐ Yes ☒ No ☐ Not Applicable

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):
V_NSA_Appendix 2_DCFW WIC Cost Allocation Plan_FY2025

2. Review of Indirect Cost Documentation

a. The State agency and local agencies ensure that services received and paid for through indirect costs benefit WIC, and are not also charged directly to WIC by comparing direct charges by line item to a listing of services paid by funds collected through the application of the indirect cost rate:

☐ Done for State agency level indirect costs (frequency): _____

☐ Done for local agency level indirect costs (frequency): _____

☒ Not done at either level.

b. State and local agency WIC management have access to and review the following documents as applicable to ensure that indirect cost services are not also charged directly to WIC (check all that apply):

	At SA	At LA
Indirect cost agreements/plans	☐	☐
The accounting mechanism used to ensure the propriety of indirect cost charges	☐	☐
A copy of the cost allocation plan	☒	☐
A list of all services paid from indirect costs	☐	☐

Other documentation related to the establishment and charging of indirect costs	☐	☐
Not applicable	☐	☒

c. When the State agency reviews the local agencies' indirect cost rate agreements, the review includes (check all that apply):

☐ Required submission of indirect cost agreement by the local agency to the State agency

☐ Assessment of how the rate or method is applied (correct time period, percentage, and base)

☐ Verification that the State agency had previously approved the local agency to negotiate such an agreement

☐ Post-review or audit to ensure the rate was applied correctly

☐ Other documentation related to the establishment and charging of indirect costs (list): :

_____

☒ Not applicable

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation):

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