SECTION: Financial Management

SUBJECT: Classification of Allowable WIC Program Costs-Line items

Federal Regulations: §246.13 (j)

POLICY

WIC local agencies and their subcontractor's budget and expenditure records and reports must classify funds under the following twelve functional categories.

1. Salaries

Include costs of all salaries and wages. A spreadsheet or other documentation should be used to list each WIC employee and their gross pay. This may be weekly, bimonthly, or monthly depending on the payroll system. The agency must use the percentages approved by the WIC state agency to tabulate amounts on the spreadsheet as to the breakout of the salaries associated with the general administrative, client services, nutrition education and breastfeeding categories. Time and activity reports supporting these percentages must be kept at the local agency. These must support the summary report submitted to the State WIC agency.

The payroll register shall provide more detail regarding the employee's name, hours worked, rate of gross and net pay.

The employee's time and attendance records (time cards, time sheets, etc.) will reflect the number of hours the employee worked. Documentation used to support personnel costs charged and supporting documents must be available for review by the WIC state agency and United States Department of Agriculture (USDA).

2. Fringe Benefits

The employer must provide Social Security (FICA), Worker's Compensation and Unemployment insurance.

The agency may offer other fringe benefits to their employees such as health insurance, dental insurance, pension/retirement funds, and other miscellaneous employer provided benefits. This information is normally disclosed in the agency's personnel policies.

The approved budget justification reflects the various fringe benefit components for which the agency can bill the WIC state agency.

The typical source documentation supporting these costs is based on the vendor invoices and related cancelled checks.

3. Equipment

Submit a written request to the WIC state agency. Keep a copy of the request and the approval.

> **NOTE:** There is a special limitation on cost, see 102-04 policy for more detail.

4. Contracted Services

In cases where services are not provided by the parent agency or performed by members of the WIC staff, the local agency may contract with providers for such services.

5. Space Rental

The rental cost of space in a privately or publicly owned building may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality. The cost of utilities, insurance, security, janitorial service, elevator service, grounds upkeep, normal repairs, and alterations are allowable to the extent they are not otherwise included in rental or other charges for space.

> **NOTE:** For rearrangement and alterations of facilities, see 102-04 policy for more detail.

6. Supplies

Includes office supplies, books, publications, multi-media, food demonstration and breastfeeding promotion aids.

7. Postage

Documentation must be based on number of pieces handled.

8. Telephone

Based on number of telephone instruments and long distance charges directly attributed to those telephones.

9. Printing and reproduction

Include the total costs for printing and reproducing forms, reports, manuals, and informational literature. Costs may be based on direct hours, job basis, pages printed, etc.

10. Travel, in-state

For motor pool cars, include days used. There is a separate pool of funding available at the WIC state agency for out-of-state travel that may be applied for. The typical source document supporting these out-of-state costs is based on transportation and lodging receipts, taxi receipts, etc.

> **NOTE:** There is a special limitation on cost, see 102-04 policy for more detail.

11. Certification costs

Include all direct costs for participant certification fees.

12. Other

Include continuing education costs, equipment maintenance costs, equipment rentals and any other allowable WIC program costs that do not correspond with any other line items.