

Program Costs**NSA-500.02**

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Policy

The Georgia WIC Program and the DPH Division of Finance record costs as “food costs” and “nutrition services and administration” (NSA) costs. NSA costs are recorded as either direct costs or indirect costs allowable as stated under 7 C.F.R § 246.14 – Program Costs, 2 C.F.R. Part 200, Subpart E Cost Principles and [WIC Cost Allocation Guide](#).

The Georgia WIC Program utilizes DPH’s indirect cost rate agreement approved by the United States Department of Health & Human Services (HHS) Division of Cost Allocation to determine its share of indirect costs (see [DPH Indirect Cost Rate Agreement](#)). As agreed, Georgia’s base is total direct costs excluding capital expenditures and that portion of each sub award in excess of \$25,000 and flow-through funds. In determining Georgia WIC’s share of DPH’s indirect cost, the DPH indirect cost rate is not applied to a base containing food costs.

Purpose

This procedure identifies and describes the procedures used by the Georgia WIC Program and the DPH Division of Finance to identify, calculate and record program costs in compliance with 7 C.F.R. § 246.14 – Program Costs, [2 C.F.R. Part 200, Subpart E Cost Principles](#), [WIC Cost Allocation Guide](#) and [Appendix VII to Part 200 - States and Local Government and Indian Tribe Indirect Cost Proposals](#)

Procedure

- I. Food costs – Georgia WIC classifies and records the following costs as food costs:
 - A. Cost of WIC Approved Food Listed Supplemental foods redeemed at authorized vendors,
 - B. Cost of exempt infant formula,
 - C. Cost of breast pumps and operationally necessary accessories
 - D. All of these costs are recorded to Direct Benefits

- II. Nutrition Services and Administration (NSA) Costs for Clinic Activities – Georgia WIC and its local agencies perform the following functions in order to meet WIC objectives. Georgia WIC classifies and records the following costs as NSA costs (see [WIC Cost Allocation Guide](#) for detail descriptions for the items below):
 - A. Participant Certification/Case Management Costs including:
 1. Data collection and risk assessment for eligibility determination,
 2. Case Management Costs

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- B. Nutrition Education Costs including
 - 1. Preparing, scheduling, providing group or individual nutrition education,
 - 2. Preparing nutrition education materials,
 - 3. Providing High risk nutrition counseling
 - C. Breastfeeding Promotion and Support Costs including:
 - 1. Preparing, scheduling, and providing group or individual breastfeeding, promotion and support,
 - 2. Preparing breastfeeding promotion and support materials
 - D. Food Delivery
 - 1. Development and assignment of WIC food packages,
 - 2. Issuing food instruments and accounting for food instrument issuances
 - E. Health Care Referrals
 - 1. Some screening (excluding laboratory tests),
 - 2. Referrals for other medical/social services such as immunizations, prenatal care, well child care and/or family planning,
 - 3. Follow-up on participants referred for such services,
 - 4. Only laboratory hematological tests for anemia such as a hemoglobin, hematocrit, or free erythrocyte protoporphyrin tests used to determine WIC eligibility. Laboratory tests to screen for other health conditions including, but not limited to, pregnancy, lead and diabetes are not allowable charges to the WIC grant
- III. NSA Costs for Program Management Activities – Costs associated with the activities below necessary to meet WIC program objectives are allowable including:
- A. Maintaining accounting records,
 - B. Audits
 - C. Budgeting
 - D. Food instrument reconciliation, monitoring and payment
 - E. Vendor Monitoring
 - F. Outreach
- IV. NSA Costs are recorded to accounts as required by the State Accounting Office. (see [Georgia State Chart of Accounts](#))

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V. Cost Allocation

A. State WIC Office (SWO) Costs Allocation

1. Direct staff costs for salary, fringes and staff associated travel, regular operating costs and equipment costs are direct charged by department code. Salary costs are supported by timesheets recorded by each employee and approved by each employee's supervisor through the TeamWorks HCM module. SWO staff are assigned only to WIC duties
2. Indirect staff costs for which some portion is allocable to WIC are allocated through timesheets as above or as an indirect cost allocated through the US HHS State and Local Governments Rate Agreement.

Indirect non-personal services operating costs such as rent or utilities are allocated through this agreement also or on some other equitable basis of distribution as described in the [WIC Cost Allocation Guide](#). All costs are reviewed by SWO for reasonableness, necessity and allowability

B. Local agency costs

1. Direct staff costs for salary, fringes and staff associated travel, regular operating costs and equipment costs are direct charged. Salary costs are supported by timesheets recorded by each employee and approved by each employee's supervisor. Only costs directly related to the WIC program may be charged to WIC. Staff are also required to enter their time into the Personnel Activity Report System (PARS). Employee timesheets reviewed by supervisors are the official supporting documentation for staff costs.
2. Indirect staff costs for which some portion is allocable to WIC are allocated through timesheets as above or a DPH approved indirect cost rate.

Indirect non-personal services operating costs such as rent or utilities are allocated through this rate also or on some other equitable basis of distribution as described in the [WIC Cost Allocation Guide](#). Non-personal services costs specific to WIC such as rent for a stand-alone WIC clinic can be direct charged.

All costs should be reviewed by District WIC management for reasonableness, necessity and allowability

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VI. Costs Allowable with FNS Approval

Costs requiring FNS approval are governed and approval is obtained through the State Request to Purchase Form and [Georgia WIC District Request to Purchase Form](#). This form is compliant with WIC Policy Memorandum 98-3 and USDA 901 Handbook.

VII. Use of Funds Recovered from Vendors, Participants or Local Agencies

A. Recovered funds are used to reduce programmatic costs in the fiscal year collected or in a future fiscal year to cover programmatic costs

B. Recovered funds are not credited until all hearings and reviews are completed

C. Recovered funds are reported through the FNS 798.

D. Documentation supporting recovered amounts is retained as required

VIII. Manufacturer rebates for formula redemptions are applied to food costs in the month in which the payment is received and reported through the 798

Authority

7 CFR § 246.14

[2 C.F.R. Part 200, Subpart E Cost Principles](#)[WIC Cost Allocation Guide](#)

US HHS State and Local Governments Rate Agreement

[Appendix VII to Part 200 - States and Local Government and Indian Tribe Indirect Cost Proposals](#)[Georgia State Chart of Accounts](#)[Georgia WIC District Request to Purchase Form](#)**Definition/Supporting Information**

(None)