

General Volume
Funding Accountability Section

Line Item: Facilities Costs (1.04400)

ER# 1.04400

Authority 2008 7CFR 246.14(a)(1) & FNS Instr. 808-1
Issued 1/81
Revised 10/09

POLICY: The local WIC provider (LWP) shall budget and bill allowable space and utilities costs on the facilities costs line item.

PROCEDURES:

- A. Facilities costs for a local WIC provider's primary site are not allowable unless both of the following conditions are met:
 1. Costs must be approved by the state WIC office.
 2. Costs must be equitably shared by all programs utilizing the local WIC provider's facility.
- B. Satellite site facilities costs may be budgeted and billed on the facilities costs line item. However, if the satellite site offers other programs, the costs must be equitably shared by all programs utilizing the satellite site facility.
- C. When approved, utilities and space utilization costs may be budgeted and billed on the facilities costs line item. Facilities costs may include:
 1. Utilities.
 2. Building maintenance and repair costs which neither add to the permanent value of the property nor appreciably prolong its intended life but keep it in efficient operating condition.
 3. Rent.
 4. Depreciation or use allowance on facilities owned by the local WIC provider.
- D. When approved, these costs may be billed as follows:
 1. Utilities, maintenance, and/or rent, based on one of the following methods:
 - a. Total costs for areas used exclusively for WIC.
 - b. A proportionate cost based on the percentage of floor space used exclusively by WIC.
 - c. A proportionate cost based on the percentage of personnel time spent on WIC in relation to the total hours for the local WIC provider.
 - d. An alternate method agreed to by the state WIC office and the local WIC provider.
 2. Depreciation or use allowance:

- a. must use an auditable, approved method for prorating depreciation.
 - b. must be calculated by one of the following methods.
 - i. A proportionate cost based on the percentage of floor space used exclusively by WIC.
 - ii. A proportionate cost based on the percentage of personnel time spent on WIC in relation to the total hours for the local WIC provider.
 - c. Use allowance must be proportionate to WIC's use, but may never exceed an annual rate of 20% of the building's acquisition cost.
- E. Documentation of costs and expenditures must be retained as follows:
- 1. Receipts, schedules or other source documents for all expenses.
 - 2. Formulas used for calculating costs as well as:
 - a. The documentation of the basis of the formula.
 - b. The actual calculated costs.
 - 3. Approvals by state WIC staff.
 - 4. Auditable documentation of payment.
- F. Nutrition education costs are not allowable on this line item.