

V. Nutrition Services and Administration

5.1.120 Line Item: Facilities Costs

Authority 2008 7 CFR 246.14(a)(1) & FNS Instr. 808-1
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POLICY: The local agency (LA) shall budget and bill allowable space and utilities costs on the facilities costs line item.

PROCEDURES:

- A. Facilities costs for a local agency's primary site are not allowable unless both of the following conditions are met:
 - 1. Costs must be approved by the state agency.
 - 2. Costs must be equitably shared by all programs utilizing the local agency'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 agency.
- 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 agency.
 - d. An alternate method agreed to by the state agency and the local agency.
 - 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 agency.

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.