

**V. NUTRITION SERVICES AND ADMINISTRATION (NSA)
EXPENDITURES**

State Agency: CA for FY 2015

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.

A. *Funds Allocation - 246.4(a)(13)*: 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)(12)*: 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) and (12)*: 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)*: 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)*: describe the policies and procedures used to document and monitor indirect cost rates and services at the State and local level.

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A. Funds Allocation

DOES NOT APPLY (PROCEED TO NEXT SECTION)

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

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): _____

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

- a negotiated budget
- formula (variable)
- flat cost per participant Statewide
- other method (describe): _____

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

- staffing needs
- number of participants
- availability of administrative support from other sources
- other (specify): _____
- population density
- cost-containment initiatives

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

- Yes
 - monthly
 - other (specify): annually
 - quarterly
 - semiannually
- No

ADDITIONAL DETAIL: NSA Expenditures and/or Procedure Manual (citation): See Appendix A.1.e

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A. Funds Allocation

2. Conversion of Food Funds to NSA Funds

a. The State agency allocates converted food funds to local agencies:

- at the beginning of the year based on projection
- as participation permits (for States that do not submit conversion plan)
- other (explain): California reserves NSA funds each year for spend forward making it ineligible for food conversion

b. Local agencies that either meet or exceed participation projections necessary to qualify for food to NSA grant conversion or to support the State agency's conversion plan are rewarded with increases to their NSA grant.

- Yes No
- Depends (explain): _____

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

3. The State's Fiscal Year runs from July 1 to June 30

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

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

Yes No Not Applicable

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):

not applicable

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): Operating expenses, subcontracts, and indirect costs

functions

- general administration/program management
- food delivery
- certification
- nutrition education
- breastfeeding promotion/support (e.g., breastfeeding aids)
- client services
- other (specify): _____

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B. Local Agency Budgets/Expenditures Plans

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

Yes No Not Applicable

d. In order to prepare the federally required WIC administrative budget, the State agency:

- uses local agency budgets or prior year expenditures
- reports under an ongoing system to collect this 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): _____

(State WIC administrative budgets are not submitted to FNS, but are used by State agencies as a management tool and may be reviewed by FNS.)

ADDITIONAL DETAIL: SA/LA Spending Plan 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): Contract Management Binder, Chapter 2 – Program Requirements

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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): Modified Accrual

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): _____

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): A request for a budget modification between line items requires a formal amendment to the contract

d. Local agencies receive payment via:

- electronic funds transfer State treasury check/warrant
 other (specify): State warrant issued by the State Controller

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): State employees either certify in

writing they worked 100% of staff time on WIC semi-annual certification form or maintains and submits monthly time study documentation

b. The State agency last evaluated its time documentation protocol on (specify date) December 2013. 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. 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)

b. If a standard form is used, it requires local agencies to report NSA expenditures by:

same categories as local agency budget
 other format which includes:

line items

- accounting
- ADP services
- breastfeeding aids
- capital expenditures
- clinic/lab services
- communications
- employee salaries
- employee fringe benefits
- lease or rental of space

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- maintenance and repair
- materials and supplies
- memberships, subscriptions, and professional activities
- printing and reproduction
- training and education
- transportation
- travel
- other (specify): _____

- functions**
 - general administration/program management
 - food delivery
 - certification
 - nutrition education
 - breastfeeding promotion/support (e.g. breastfeeding aids)
 - client services
 - other (specify): _____
- other (specify): _____

ADDITIONAL DETAIL: NSA Expenditures Appendix
and/or Procedure Manual (citation): CMB Chapter 12, Reimbursement

3. 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): Also periodic on-site review of documentation supporting invoices

The review is conducted by:

- WIC State agency staff
- State Department of Health fiscal or audit staff
- CPA or audit firm
- other (specify): State Controller's Office

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

- Yes No

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D. Reporting and Reviewing of State and Local Agency Expenditures

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. (N/A)

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):

4. 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):

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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): _____

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

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
written educational materials	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
participant education/counseling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
staff training	<input type="checkbox"/>	<input checked="" type="checkbox"/>
breastfeeding promotion activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
direct support costs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
breastfeeding aids and equipment (e.g., breast pumps purchased with NSA funds)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(if other, specify): The State monitors Breastfeeding expenditures of Local Agencies but it is not categorized by training, activities, or counseling

ADDITIONAL DETAIL: NSA Expenditures Appendix and/or Procedure Manual (citation): CMB Chapter 13, Report of Actual Expenditures

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.)

Source	Amount
<u>N/A</u>	<u>N/A</u>
<u>N/A</u>	<u>N/A</u>
<u>N/A</u>	<u>N/A</u>

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E. Nutrition Education Costs

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:

- when they report routine NSA costs
 through a different system (specify): Year-end Closeout Worksheet and Report of Actual Expenditures

**ADDITIONAL DETAIL: NSA Expenditures Appendix
and/or Procedure Manual (citation): CMB Chapter 13, Report of Actual Expenditures**

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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:

State: Indirect Cost/Cost Allocation agreement – see Appendix ICRP 14-15

b. The State agency's indirect cost rate(s) is 19.6 (%) and is based on:

- salaries direct costs for administration both
 other (specify):

c. Please cite the effective date of the State agency's current negotiated agreement and/or cost allocation plan for indirect costs: 07/01/2014 – 06/30/2015

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

- | | |
|---|---|
| <input checked="" type="checkbox"/> budgeting/accounting | <input checked="" type="checkbox"/> personnel/payroll |
| <input checked="" type="checkbox"/> ADP | <input type="checkbox"/> space usage/maintenance |
| <input checked="" type="checkbox"/> communication/phone/mail | <input checked="" type="checkbox"/> central supply |
| <input checked="" type="checkbox"/> legal services | <input checked="" type="checkbox"/> procurement/contracting |
| <input checked="" type="checkbox"/> printing/publication | <input checked="" type="checkbox"/> audit services |
| <input checked="" type="checkbox"/> equipment usage/maintenance | <input type="checkbox"/> other (specify): |

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):

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): Yearly, through the Bureau of State Audits
 Done for local agency level indirect costs (frequency): Every two years by State Controllers Office

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F. State and Local Agency Indirect Costs

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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
the accounting mechanism used to ensure the propriety of indirect cost charges	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a copy of the cost allocation plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a list of all services paid from indirect costs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
other documentation related to the establishment and charging of indirect costs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
not applicable	<input type="checkbox"/>	<input type="checkbox"/>

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): Contact Management Binder Chapter 2 - Program Requirements and Chapter 3 - Budget