

**Allowable Costs**  
(Program policy or guidance may supersede this table.)

Item	Line Item	Allowable	Unallowable
Advertising (Personnel Recruitment)	Operating Expenses	The cost for advertising to recruit for WIC staff vacancies at the local agency is an allowable expense to the WIC program.	
Alteration, Building	N/A		See Building construction, renovation, alteration, improvement, or repair
Anemia Screening	Operating Expenses	The purchase of Pronto devices, anemia blood screening sensor tests, batteries and protective cases for the devices, and alcohol wipes.	
Audit Costs	Operating Expenses	Costs associated with required local agency A-133 or Health and Safety audits. If other programs are audited in conjunction with the WIC Program, the costs shall be proportional to a fair share of the total cost.	
Bottled Water	N/A	Not allowed.	Facilities must provide potable drinking water. Water cooler and water services for staff or participants are not allowed.  Purchasing a reasonable amount of bottled water for an emergency disaster kit is allowable.

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Breastfeeding Aids	Operating Expenses	<p>Breast pumps (including insurance and service fees for providing breast pumps and breast pump cleaning supplies), breast shells, nursing supplementers, nursing bras and nursing pads that directly support the initiation or continuation of breastfeeding.</p> <p>Training and demonstration costs to promote or assist participants in using breastfeeding aids (i.e., models to illustrate the use of various breastfeeding aids, dolls used to demonstrate nursing, etc.).</p> <p>Breastfeeding aids should be used in conjunction with appropriate counseling, education, and follow-up provided by trained staff and peer counselors.</p>	<p>Breastfeeding aids which do not directly support the initiation and continuation of breastfeeding and are not within the scope of the WIC program. Some examples are the following:</p> <ul style="list-style-type: none"> <li>• Topical creams;</li> <li>• Ointments;</li> <li>• Foot Stools;</li> <li>• Infant pillows or slings;</li> <li>• Nursing blouses or drapes; and</li> <li>• Herbal Supplements</li> </ul> <p>Reference: WRO Policy Memo 807-H, June 10, 1994</p> <p>Gift cards do not support the initiation or continuation of breastfeeding, and do not qualify as WIC allowable breastfeeding aid expenses.</p>
Building construction, renovation, alteration, improvement, or repair	Operating Expenses/ Capital Expense	<p>Not allowed: Any construction, renovation, alteration, improvement, or repair of privately owned property when such work would enhance the value of the property to benefit the owner must be paid for by the building owner and amortized in the monthly lease expense.</p>	<p>Per 2 CFR Parts 225 and 230, capital expenditures for improvements to land, buildings, or equipment which materially increase the value or useful life are not allowed as direct or indirect costs. Special conditions apply for depreciation and use allowance.</p> <p>Per the State Contracting Manual, Volume I, Section 3.17.2, Provision C: Payments are not permitted for construction, renovation, alteration, improvement, or repair of privately owned property when such work would enhance the value of the property to benefit the owner.</p>

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Item	Line Item	Allowable	Unallowable
Clothing Items	Operating Expenses	Items of nominal value with reasonable opportunity for public display that contain a WIC or breastfeeding educational message, telephone number and website. This may include T-shirts and bibs.	<p>Items of nominal value which have no outreach, breastfeeding, or nutrition education message.</p> <p>Items designed primarily as staff morale boosters, generally for the personal use of the staff, with minimal public display.</p> <p>Items not of nominal value (regardless of any nutrition education, outreach, or breastfeeding promotion messages). These items do not meet the reasonable and necessary test.</p>
Commuting and Parking Expenses	Operating Expenses	Expenses incurred by employees for commuting and parking costs when they are in travel status on official WIC business. These travel expenses must meet the criteria described in CMB Chapter 9, Travel Expenses and Transportation.	Expenses incurred by employees as a result of commuting to work, parking costs, tolls, or fees incident to ordinary commuting.
Construction, Building	N/A		See Building construction, renovation, alteration, improvement, or repair
Diapers	Operating Expenses	One replacement diaper is allowable when a soiled diaper has been removed for weighing AND the baby's caretaker cannot provide a clean diaper.	Distribution of diapers.

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Education Materials	Operating Expenses	The cost of procuring and producing general education materials including posters, pamphlets, audio visuals, printing and duplicating health education materials, etc., used in providing education on nutrition topics and non-nutrition topics such as child safety and family planning.	
Employee Morale, Health and Welfare Costs	Operating Expenses	The costs of employee information publications, health or first-aid clinics and/or infirmaries, health promotion activities, employee counseling services, and any other expenses incurred in accordance with the agency's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance.	The costs of celebratory items or items designed primarily as staff morale boosters, generally for the personal use of the staff, with minimal public display are not allowed. Cash awards or gifts are not allowed.  The costs of entertainment, including amusement, diversion, social activities, and any costs directly associated with such costs (such as tickets to shows or sports events, meals or refreshments, lodging, rentals, transportation, and gratuities).
Entertainment Costs	N/A	Not allowed.	The cost of entertainment for amusement, diversion, and social activities for local agency staff or participants is not allowed.
Equipment (major)	Capital Expense	Nonexpendable, tangible property having a cost of \$5000 or more and a useful life of more than one (1) year.	

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Farmers' Market Nutrition Program (FMNP) - Operational	Personnel	Special Project: Restricted Funds FMNP  Costs of issuing FMNP checks, maintaining check security, educating participants on FMNP transactions, maintaining separation of duties, time studies for FMNP duties, training farmers or Market Mangers and other related scope of work activities associated with FMNP.	Any costs not listed as allowable, unless written approval is received from the State FMNP.
Farmers' Market Nutrition Program (FMNP) – Monitoring	Personnel	Special Project: Restricted Funds FMNP  Staff time for compliance review monitoring of Farmer-Vendors and markets, upon request by the CDPH/WIC FMNP staff. Monitoring activities to include on-site farmer / market visit(s), corrective action and follow-up with Market Managers and the CDPH/WIC FMNP staff.	
Feeding Tubes	N/A	No	All apparatus or devices (e.g., enteral feeding tubes, bags and pumps) designed to administer WIC formulas are not allowable costs.
Fines, Fees, and Penalties	N/A		The use of WIC funds to pay for fines and penalties resulting from violations of Federal, State, and local laws and regulations are not allowable costs to the WIC Program.

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Food Costs	Operating Expenses	<p>Purchase of food demonstration carts for use in nutrition education.</p> <p>Cost of food for taste testing, to be used during a nutrition education class, as long as WIC-approved foods are used and are part of the class' content on how to eat a healthy diet.</p> <p>Cost of minor kitchen equipment and supplies necessary for food storage, preparation, and display of food prepared for demonstration purposes.</p> <p>Staff time to prepare food for demonstration and/or taste testing purposes.</p>	<p>Distribution or providing meals or snacks to participants as an incentive to attend the class.</p> <p>Incentive payments to encourage attendance at nutrition education classes.</p> <p>Refrigerators for staff lunches or personal use.</p>
Fringe Benefits	Personnel	Benefits may include: medical/dental benefits, workers' compensation, unemployment insurance and disability insurance.	
Furniture	Operating Expenses	Furniture required to carry out the scope of work.	

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Gift Cards		In situations where a participant would normally be compensated, such as for participating in a focus group, photo shoot, or panel, giving a gift card with a value equal to or less than the cash compensation that would have been paid may be allowable. The activity for which participants are compensated must be essential for program operation, and the agency must have determined that it cannot recruit the needed number of participants without providing compensation.	Gift cards do not qualify under the criteria in any category of incentive item and are not permissible for outreach, nutrition education or breastfeeding promotion. (Examples of unallowable uses include giving a gift card for attending a nutrition education class or as an incentive to encourage breastfeeding).
Immunizations	N/A	Not allowed.	Not allowed for participants or employees.
Improvement, Building			See Building construction, renovation, alteration, improvement, or repair

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Item	Line Item	Allowable	Unallowable
Incentive Items (to reinforce Nutrition Education or Breastfeeding Messages)	Operating Expenses	<p>The cost of procuring and producing <b><u>incentive</u></b> items must meet the following criteria established by the USDA and PWPC NSB#: 04-23-09-037:</p> <ul style="list-style-type: none"> <li>• Target current participants;</li> <li>• For print material that includes any program information, must contain a WIC-approved nondiscrimination statement;</li> <li>• Have a clear and useful connection to particular WIC nutrition or breastfeeding messages;</li> <li>• Either convey enough information to be considered educational or utilized by participants to reinforce nutrition education or breastfeeding messages;</li> <li>• Have a value as nutrition education or breastfeeding promotion/support that is equal to or outweighs other uses;</li> <li>• Be distributed to the audience for which the items were designed;</li> <li>• Be reasonable and necessary as defined in the Title 2 California Federal Regulation (CFR) Parts 225 or 230;</li> <li>• Be certified as lead and toxin free.</li> </ul>	<p>Celebratory items or items designed primarily as staff moral boosters, generally for the personal use of the staff, with minimal public display.</p> <p>Items of nominal value that have no outreach, breastfeeding, or nutrition education message (for example: personal hygiene items such as toothbrushes, facial tissues, nail files, etc.)</p> <p>Any incentive item intended for persons who are not participants, potential participants, their parents/guardians, or persons connected to the WIC Program (e.g., state and cooperating agency representatives).</p> <p>Items not of nominal value such as diaper bags, strollers, infant slings, or ponchos (regardless of any nutritional education, outreach, or breastfeeding promotional message) as these items do not meet the “reasonable and necessary” test.</p> <p>Outreach and incentive Items that have not been certified as lead and toxin free (print materials excluded).</p>
Indirect	Indirect Costs	Indirect costs are those for administrative/support services that are not attributed to one program. All indirect costs shall be supported by a cost allocation plan.	

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Insurance	Operating Expenses	Liability insurance obtained in accordance with the requirements listed in the WIC local agency contract is an allowable cost.	
Interpreter/ Translator Services	Operating Expenses	The cost of translators/interpreters shall not be included in the personnel line item of the budget if the individuals are not employees of the local agency. If the use of an interpreter/translator is intermittent, the cost shall be included in budget line item 2, Operating Expenses. If the services are provided through a subcontract, the cost shall be included in budget line item 4, Other Costs.	
Lobbying (executive costs)	N/A	No	Yes
Media/Promotion	Operating Expenses	Costs of communicating information about and promoting the WIC Program to the public. Examples include: advertising in magazines, newspapers, radio, television, direct mail, exhibits, electronic or computer transmittals, and the like.	
Meetings and Conferences	Operating Expenses	Costs of meetings and conferences the primary purpose of which is the dissemination of technical information that is of a specialized nature necessary to operate the WIC program.	Entertainment, including amusement, diverse social activities and any costs directly associated with such costs, such as shows or sports events.

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Memberships and Subscriptions	Operating Expenses	Costs of relevant subscriptions or memberships to business, professional, and technical periodicals or organizations.	Costs of membership in organizations substantially engaged in lobbying or not relevant to the WIC program.
Minor Equipment	Operating Expenses	<p>Cost of minor equipment required for program operations to conduct nutrition education and breastfeeding promotion and support activities.</p> <p>The costs of minor medical equipment used for taking anthropometric measurements such as scales, measuring boards, skin fold calipers, and hemoglobin screening devices and the related necessary equipment.</p>	Electronic devices used to measure body fat, including a scale used for bioelectric impedance analysis (BIA).
Monitoring and Evaluation	Operating Expenses	The cost of conducting evaluations of nutrition education and breastfeeding promotion and support activities.	

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Outreach	Operating Expenses	<p>The cost of procuring and producing <b>outreach</b> items that meet the following criteria established by the USDA and PWPC NSB#: 04-23-09-037:</p> <ul style="list-style-type: none"> <li>• Contain a WIC-specific message that targets the WIC eligible population;</li> <li>• Normally seen in public;</li> <li>• For publications or other printed material that include program information, must contain a WIC- approved nondiscrimination statement;</li> <li>• Have value as outreach items that equal or outweigh other uses;</li> <li>• Include WIC contact information including local agency name, address and/or phone number, and e-mail;</li> <li>• Constitute (or show promise of) an innovative or proven way of encouraging WIC participation;</li> <li>• Be reasonable and necessary as defined in the federal OMB Circulars; and</li> <li>• Be certified as lead and toxin free.</li> </ul>	<ul style="list-style-type: none"> <li>• Celebratory items or items designed primarily as staff moral boosters, generally for the personal use of the staff, with minimal public display.</li> <li>• Items of nominal value that have no outreach, breastfeeding, or nutrition education message (for example: personal hygiene items such as toothbrushes, facial tissues, nail files, etc. since they do not contain a nutrition education or breastfeeding message and are not normally seen in public).</li> <li>• Any incentive item intended for persons who are not participants, potential participants, their parents/guardians, or persons connected to the WIC Program (e.g., state and cooperating agency representatives).</li> <li>• Items not of nominal value such as diaper bags, strollers, infant slings, or ponchos (regardless of any nutritional education, outreach, or breastfeeding promotional message) as these items do not meet the “reasonable and necessary” test.</li> <li>• Outreach and incentive Items that have not been certified as lead and toxin free (print materials excluded).</li> <li>• Gift cards do not qualify under the criteria in any category of incentive item and are therefore not permissible as WIC purchases for outreach.</li> </ul>

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Pedometers	N/A	Pedometers may be purchased using indirect funds by the parent agency.	Pedometers are not allowable as a direct charge to the WIC Program.
Professional Certifications	Operating Expenses	Costs of professional (R.D., IBCLC, etc.) registration of certification/recertification as part of an employee's professional development plan must align with agency policies and procedures.	
Provision of Physical Activity	Operating Expenses	Providing a component of physical activity instruction as part of a nutrition education or breastfeeding support class in which the primary focus is nutrition and/or breastfeeding.	Not allowable as a separate class, or as the main focus of a class.
Registration Fees	Operating Expenses	Registration fees for attending conferences or training are allowable costs. Requests for approval must be submitted prior to attendance.	
Renovation or repair, Building			See Building construction, renovation, alteration, improvement, or repair

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Salaries and Wages (Employee Compensation)	Personnel	<p>All compensation paid or accrued by the organization for employee services. It includes, but is not limited to: bilingual pay, incentive awards, merit salary increase or cost of living adjustment (COLA), overtime, extra-pay shift, multi- shift premiums, and differential.</p> <p>Incentive awards must meet the following:</p> <ul style="list-style-type: none"> <li>• Be based on performance-based criteria, such as efficient performance, suggestion awards or safety awards;</li> <li>• Compensation is of a reasonable amount, and conforms to an established agreement or policy on distributing incentive compensation;</li> <li>• Overall compensation paid to the employees is not excessive;</li> <li>• Organization must have established process for measuring and tracking compensation; and</li> <li>• Incentive award criteria should be established prior to the tracking period so performance can be monitored against the goal.</li> </ul>	<p>Incentive payments are unallowable if:</p> <ul style="list-style-type: none"> <li>• The local agency/parent agency does not have an established agreement or policy on compensation incentives.</li> <li>• Criteria for receiving the incentive are not performance-based.</li> </ul>

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Item	Line Item	Allowable	Unallowable
Scales	Operating Expenses	<p>General use scales used for taking anthropometric measurements.</p> <p>The purchase or rental cost of a high-quality baby weight scale used to determine breast milk intake by weighing an infant before and after being breastfed is an allowable cost. Staff must be trained on the proper use of the scale; peer counselors who are supervised by an IBCLC may weigh the infants. The scale must be calibrated at the time intervals recommended by the manufacturer.</p> <p>Reference: PWPC NSB #: 06-28-10-048 Baby Weight Scales for high-risk infants (June 28, 2010) for additional information.</p>	
Security (Safety)	Operating Expenses/ Indirect Costs	When a building is owned by a government agency, documentation must support charging the expense as a direct or indirect cost.	
Space Costs	Operating Expenses	Cost of office space utilized by program staff members and/or participants.	
Subcontract	Other Costs	<p>Subcontractors may provide some or all of the services outlined in the WIC local agency's Scope of Work.</p> <p>Subcontracts exceeding \$2,500 must be approved by the CDPH/WIC Division.</p>	

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Supply Items	Operating Expenses	Calculators, toner, paper, pens/pencils, staplers, flip charts, and teaching aids.	
Training	Operating Expenses	<p>The cost of training staff on WIC program requirements and general administration procedures.</p> <p>The cost of specialty training for breastfeeding promotion and support.</p>	Training costs for non-WIC staff unless specifically approved by the CDPH/WIC Division.
Vehicles	Capital Expense	<p>To conduct WIC Program operations relevant to the Scope of Work, such as travel to clinic sites, meetings, trainings, and delivery of WIC materials.</p> <p>Local agencies must follow the guidelines and receive prior approval from the CDPH/WIC Division and/or USDA.</p>	