

Section III: State Agency Procedure Manual

V. State Nutrition Services and Administration (NSA)

A. Financial Management Services

Purpose

This policy provides a description of the State Agencies methodology in determining funding disbursement.

Policy

The State WIC Office will work with the appropriate state and local agency staff to ensure fair and appropriate funding to all local agencies.

1. State Responsibilities

- Determine distribution of administrative funds to local programs.
- Determine budget for State WIC Office.
- Pay local programs monthly in accordance with contract on expenditure report requests. Local programs must send in expenditure reports for the previous month's expenditures by the 28th of the next month, unless other arrangements have been made.
- Make drawdowns against the letter of credit. Funds drawn are based on current average expenditures for the state WIC agency as reflected in the SABHRS System, and on current requests for reimbursement from local programs. A request is made to USDA for the estimated amount needed for no more than 3 days of operation.
- Maintain documented, accurate and ongoing reports of State WIC Agency expenditures via the SABHRS system. Financial records are maintained which account for all expenditures and letter of credit withdrawals for the Montana WIC Program Section.
- The SABHRS System meets all basic accounting principles as outlined in OMB Circular A-102. The accounting system complies with all general legal provisions and fully discloses the financial position and results of financial operations of the WIC Program.
 - The accounting system is organized on a fund/account basis (accounting entity). An accounting entity is defined as an independent fiscal entity with a self-balancing set of accounts provided to record assets or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific governmental activities or attaining certain objectives in accordance with specific regulations, restrictions or limitation.
 - Financial records and reports are prepared at least monthly and at the close of each fiscal year covering all accounting entities and financial operations of State government.
 - Expenditures are charged to the fiscal year in which they were incurred. Expenditures are recorded on the basis of valid obligations when contractual agreements overlap fiscal periods.
- Obtain prior FNS approval on behalf of local agencies requesting to use NSA funds for capital projects.

2. Local Agency Funding and Contracts Process

- **General Information**

- Funds for local programs are from USDA, distributed through Montana DPHHS.
- Each year local WIC program funding allocations are based on an estimated federal grant. Final federal grant awards are not known until mid-federal fiscal year.
- Contracts may be modified, or amended, mid-year.

- **Local WIC Program Contracts/Task Orders**

- Local Programs contracted under the 7-year Master Contract with the Department of Public Health and Human Services (DPHHS) will receive a Task Order which is renewed annually for counties and bi-annually for tribal programs. Local WIC Programs not contracted with a DPHHS Master Contract will be awarded via the request for proposal (RFP) process mandated by procurement policies at the State.

- **Term of Contracts/Task Orders**

- Local agency Task Orders are renewed, and contracts are amended, annually on the federal fiscal year beginning October 1 and ending September 30. Funds for the contract period must be spent or obligated by September 30. Excess funds cannot be carried over to another contract or carried over to a new fiscal year.

- **Equitable Funding Formula**

- A funding formula is established by the State WIC Office in conjunction with state and local staff. Local program budget allocation is primarily based on “per participant funding.”
- Other factors contribute to the formula and are subject to change. Examples include base funding, lead agency, training funds, dietitian services, outreach and LARC activity funding.
- If an agency’s needs are less than the calculated funding formula amount, the remaining amount will be reallocated into the formula for agencies who have a greater need.

Contracting Timeline

Month(s)	Activity	Party Responsible
February-March	Develop draft funding formula for following federal fiscal year	State Office and Local Leadership Committee
April	Send budget, staffing and local role spreadsheet for completion by local leadership Initiate RFP activities for competitive awards	State WIC Director
May	Review proposed budgets and finalize funding formula, share with local agencies	State WIC Director
June	Send API for approval	State fiscal staff
July	Develop task order and contract amendment drafts for review	State Director and fiscal staff
Early August	Contracts sent to local agency contract signor for signatures	State fiscal staff to send to counties; Director’s office staff to

		send to Tribal agencies; Department of Administration to send to other contractors awarded through RFP process
September 30 th	All signed contracts, sub-contracts, MOUs and other supporting documentation due to State Office	Local Agency leadership & fiscal staff
October 1 st	Contract start date	all