

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

- Develop and manage annual budget for State Nutrition Services and Administrative (NSA) funds, including projected operating costs at the State and values for local agency contracts.
- Receive, review, and approve, deny, or request edits on invoices and expenditure reports within 30 days of receipt.
 - Local programs must send in expenditure reports for the previous month's actual expenses by the 28th of the month, unless other arrangements have been made.
- Make drawdowns against the letter of credit from the USDA. 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 program expenditures via the SABHRS system. Financial records are maintained which account for all expenditures and letter of credit withdrawals for the Montana WIC Program.
- 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 limitations.
 - 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 based on valid obligations when contractual agreements overlap fiscal periods.
 - Obtain prior FNS approval on behalf of local agencies requesting to use NSA funds for the following:
 - ❖ Automated information systems, IAW Updates to Thresholds and Procedures for WIC MIS/EBT Planning and Procurement Documents Requiring FNS Approval,
 - ❖ Capital expenditures over \$5,000
 - ❖ Non-Computer Equipment, expenditures over \$25K per item

2. Local Agency Funding and Contracts Process

- **General Information**

- Funds for local programs are from USDA, Food and Nutrition Services, and distributed through the Mountain Plains Regional Office and the Montana State DPHHS.
- All funding is appropriated on a federal fiscal year (FFY) and contracted to local agencies based on the FFY. Carry over of funding at the local level is not allowed.
- A funding formula is used to project equitable values for local agency contracts; however, these values may be adjusted based on need, funding available, or other factors.
- Contracts may be modified, or amended, mid-year.

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

- Local Programs contracted under the government to government 7-year Master Contract with the Department of Public Health and Human Services (DPHHS) will receive a Task Order (TO) which is renewed annually or bi-annually for counties and tribal programs.
- Local WIC Programs not covered under the DPHHS Master Contract process will be considered via the State mandated competitive procurement request for proposal (RFP) process.
- An application for a new program may be submitted at any time and will be considered according to the associated policy (Section II. Local Organization and Management (IV), policy C. Local Agency Selection).

- **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 technology support, training funds, dietitian services, and outreach 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. If an agency’s needs exceed the funding formula value and additional funding is available through reallocation (funds not needed by other agencies), the award will be considered on a case-by-case basis considering multiple factors which may include review of the proposed budget and placement in the Affirmative Action Plan.

Contracting Timeline

Contracting Timeline		
Month(s)	Activity	Party Responsible
February- March	Develop draft funding formula for following federal fiscal year(s)	State Office and Local Agency Leadership
April	Send budget, staffing and local role spreadsheet for completion by local leadership, or contract liaison Initiate RFP activities for competitive awards (as needed)	State WIC Director

May	Review proposed budgets and finalize funding formula, share with local agencies	State WIC Director
June	Send forms through DPHHS channels for approval to administer funds via contracts	State Director and fiscal staff
July	Develop and send 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