

Division of Community Nutrition

<i>Subject:</i> Fiscal Year Conversion		<i>Policy:</i> ADM 03.3
<i>Reference:</i> N / A	<i>Effective:</i> August 12, 2013	<i>Supersedes:</i> September 1, 2008

I. Policy:

The WIC Program converts federal funding to a state fiscal year basis. Local agencies are required to spend a proportionate amount of their yearly allocation in each quarter of the Federal fiscal year.

II. Procedure(s):

A. Obligations and expenditures shall be accounted by federal fiscal year.

- 1) Goods received or services rendered before September 30, but not paid for until after September 30 must be charged to the year in which they were ordered.
- 2) Goods or services ordered prior to September 30 but not delivered until after this date must be designated by prior federal year expenditure codes for such purchases / orders.
- 3) By October 31 of each year, local agencies shall submit to the State WIC office (SWO) a written report of all outstanding encumbrances for the prior federal fiscal year. These reports will represent maximums local agencies will be allowed to charge to that year.
- 4) No charges (or transfers) can be made against a prior federal fiscal year after November 30 of the following fiscal year.
- 5) Funds may only be obligated / spent to meet a legitimate need arising in or continuing to exist in the fiscal year for which appropriations are made.
 - a. Where a purchase or obligation is made toward the end of the fiscal year and it is clear from the facts and circumstances that the need relates to the following year, that expenditure does not meet the legitimate need criteria.
 - b. Local agencies are allowed to maintain a legitimate inventory of common use items, such inventory being limited to a three month supply maximum.