

Division of Community Nutrition

<i>Subject:</i> Cost Allocation for Shared Expenses		<i>Policy:</i> ADM 03.9
<i>Reference:</i> N / A	<i>Effective:</i> November 13, 2018	<i>Supersedes:</i> August 12, 2013

I. Policy:

The cost of space in privately or publicly owned buildings used for the benefit of the WIC Program is an allowable expense. The total cost of space may not exceed the rental costs of comparable space and facilities in a public / private owned building in the same locality.

II. Procedure(s):

- A. Charges should be determined on the basis of actual costs including depreciation based on the useful life of the building; interest paid or accrued, operation and maintenance.
- B. Charges to WIC for building space shall be based on square footage used by the Program. All other federal programs shall be charged using the same rate. A written allocation plan shall remain on file for State audit purposes and on-site Local Agency Management Evaluation reviews as well.
- C. The cost of space procured for WIC usage may not be charged to the Program for periods of non-occupancy without prior authorization from the State WIC Office (SWO). Space allocated to WIC that is used part of the week shall be prorated based on the percent of the week WIC uses the space.
- D. No rental charges shall be for purchases or construction charges that were originally financed by the WIC Program.
- E. Costs incurred for rearrangement and alteration of facilities required specifically for the WIC Program or those that materially increase the value or useful life of the facilities are allowable when pre-approved by the SWO and the USDA.
- F. Alternate shared cost methodologies to the square footage methodology shall be submitted for SWO approval with supporting explanation and justification.
- G. All local agencies are required to have an approved Cost Allocation Plan on file. If there are no shared expenses, the local agency shall notify the SWO in writing to state there are no shared costs. The Cost Allocation Plan or notice that there are no shared costs shall be submitted to the SWO for approval annually by August 15.