

Nutrition Services and Administration (NSA) Costs

Policy

USDA Federal Regulations:

246.14 (a) *General* (1) The two types of nutrition service and administration costs are:

(i) *Direct costs*. Those direct costs that are allowable under 2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.

(ii) *Indirect costs*. Those indirect costs that are allowable under 2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415. When computing indirect costs, food costs may not be used in the base to which the indirect cost rate is applied. In accordance with the provisions of 2 CFR 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415, a claim for indirect costs shall be supported by an approved allocation plan for the determination of allowable indirect costs.

USDA Federal Regulations:

214.14 (c) *Specified allowable nutrition services and administration costs*. Allowable nutrition services and administration (NSA) costs include the following:

- (1) The cost of nutrition education and breastfeeding promotion and support which meets the requirements of §246.11. During each fiscal year, each State agency shall expend, for nutrition education activities and breastfeeding promotion and support activities, an aggregate amount that is not less than the sum of one-sixth of the amount expended by the State agency for the costs of NSA and an amount equal to its proportionate share of the national minimum expenditure for breastfeeding promotion and support activities. The amount to be spent on nutrition education shall be computed by taking one-sixth of the total fiscal year NSA expenditures. The amount to be spent by a State agency on breastfeeding promotion and support activities shall be an amount that is equal to at least its proportionate share of the national minimum breastfeeding promotion expenditure as specified in paragraph (c)(1) of this section. The national minimum expenditure for breastfeeding promotion and support activities shall be equal to \$21 multiplied by the number of pregnant and breastfeeding women in the Program, based on the average of the last three months for which the Department has final data. On October 1, 1996 and each October 1 thereafter, the \$21 will be adjusted annually using the same inflation percentage used to determine the national administrative grant per person. If the State agency's total reported nutrition education and breastfeeding promotion and support expenditures are less than the required amount of expenditures, FNS will issue a claim for the difference. The state agency may request prior written permission from FNS to spend less than the required portions of its NSA grant for either nutrition education or for breastfeeding promotion and support activities. FNS will grant such permission if the State agency has sufficiently documented that other resources, including in-kind resources, will be used to conduct these activities at a level commensurate with the requirements of this paragraph (c)(1). However, food costs used to purchase or rent breast pumps may not be used for this purpose. Nutrition education, including breastfeeding promotion and support, costs are limited to activities which are distinct and separate efforts to help participants

understand the importance of nutrition to health. The cost of dietary assessments for the purpose of certification, the cost of prescribing and issuing supplemental foods, the cost of screening for drug and other harmful substance use and making referrals to drug and other harmful substance abuse services, and the costs of other health-related screening shall not be applied to the expenditure requirement for nutrition education and breastfeeding promotion and support activities. The Department (*USDA*) shall advise State agencies regarding methods for minimizing documentation of the nutrition education and breastfeeding promotion and support expenditure requirement. Cost to be applied to the one-sixth minimum amount required to be spent on nutrition education and the target share of funds required to be spent on breastfeeding promotion and support to include, but need not limited to-

- (i) Salary and other costs for time spent on nutrition education and breastfeeding promotion and support consultations whether with an individual or group;
 - (ii) The cost of procuring and producing nutrition education and breastfeeding promotion and support materials including handouts, flipcharts, filmstrips, projectors, food models or other teaching aids and the cost of mailing nutrition education or breastfeeding promotion and support materials to participants;
 - (iii) The cost of training nutrition or breastfeeding promotion and support educators, including costs related to conducting training sessions and purchasing and producing training materials;
 - (iv) The cost of conducting evaluations of nutrition education or breastfeeding promotion and support activities, including evaluations conducted by contractors;
 - (v) Salary and other costs incurred in developing the nutrition education and breastfeeding promotion and support portion of the State Plan and local agency nutrition education and breastfeeding promotion and support plans: and
 - (vi) The cost of monitoring nutrition education and breastfeeding promotion and support activities
- (2) The cost of Program certification, nutrition assessment and procedures and equipment used to determine nutritional risk, including the following:
- (i) Laboratory fees incurred for up to two hematological tests for anemia per individual per certification period. The first test shall be to determine anemia status. The second test may be performed only in follow up to a finding of anemia when deemed necessary for health monitoring as determined by the WIC State agency;
 - (ii) Expendable medical supplies
 - (iii) Medical equipment used for taking anthropometric measurements, such as scales, measuring boards, and skin fold calipers; and for blood analysis to detect anemia, such as spectrophotometers, hematofluorometers and centrifuges; and
 - (iv) Salary and other costs for time spent on nutrition assessment and certification.
- (3) The cost of outreach services
- (4) The cost of administering the food delivery system, including the cost of transporting food
- (5) The cost of translators for materials and interpreters
- (6) The cost of fair hearings, including the cost of an independent medical assessment of the appellant, if necessary.
- (7) The cost of transporting participants to clinics when prior approval for using Program funds to provide transportation has been granted by the State agency and documentation that such service is considered essential to assure Program access has been filed at the

State agency. Direct reimbursement to participants for transportation cost is not an allowable cost.

- (8) The cost of monitoring and reviewing Program operations
- (9) The cost, exclusive of laboratory tests, of screening for drug and other harmful substance use and making referrals for counseling and treatment services
- (10) The cost of breastfeeding aids which directly support the initiation and continuation of breastfeeding

#2003-7: Program materials and resources that teach, promote, and reinforce the health benefits associated with physical activity are allowable costs. Program materials and resources should be designed for the target audience and include messages that link nutrition and physical activity.

USDA WIC Breastfeeding Policy and Guidance Document (July 2016)

5.4 Allowable WIC Breastfeeding Accessories

Breastfeeding accessories are devices or products that, while not directly aiding the removal of milk from the breast, may facilitate breastfeeding. Although many such products exist in the marketplace, only those determined to be reasonable and necessary costs to support successful breastfeeding are allowed. Accessories may include products such as human milk storage bags, breast pump adaptors, certain nursing bras, and nursing shawls or covers.

A breastfeeding assessment should be conducted to determine the participant's need, as well as the benefit to the breastfeeding dyad, for a particular accessory. If breastfeeding accessories are provided, care should be taken to ensure they are only provided to those participants who benefit most from their use, such as those who have established breastfeeding as an exclusive source of nutrition for their infant.

USDA WIC Breastfeeding Policy and Guidance Document (July 2016)

5.5 Unallowable Breastfeeding Aids and Accessories: Unallowable breastfeeding aids/accessories which do not directly support the initiation and continuation of breastfeeding are not within the scope of the WIC Program and cannot be purchased with NSA funds. Items that cannot be provided through the WIC Program include, for example, topical creams, ointments, vitamin E, other medicinals, foot stools, infant scales for use by the mother at home, baby bottles, nursing pillows or nursing blouses.

While such items cannot be purchased with NSA funds, they could be provided in-kind to WIC. However, such in-kind contributions cannot be applied to the State agency's breastfeeding spending target or nutrition education expenditure requirement.

Authority

USDA Federal Regulations: 7 CFR Part 246.14 (a)(1), excerpt

USDA Federal Regulations: 7 CFR Part 246.14 (c)

USDA Memo: #2003-7, excerpt

USDA WIC Breastfeeding Policy and Guidance Document (July 2016): Chapter 5, 5.4**Allowable WIC Breastfeeding Accessories****USDA WIC Breastfeeding Policy and Guidance Document (July 2016): Chapter 5, 5.5****Unallowable Breastfeeding Aids and Accessories**

Procedures

The WIC Program pays for allowable NSA costs that are reasonable and necessary in accordance with all applicable Federal Regulations, and the Iowa Department of Health and Human Services General Terms for Service Contracts. These NSA costs are divided into the following cost categories.

- Administration
- Client Services
- Nutrition Education
- Breastfeeding Promotion and Support

WIC contract agencies must spend ≤ 80 percent of the total NSA funds on administration and client services. WIC contract agencies must spend a minimum of a combined total of 20 percent on nutrition education and breastfeeding promotion and support activities of which a minimum of 3 percent must be spent on breastfeeding promotion and support activities. Breastfeeding promotion and support activities above 3 percent can be allocated to nutrition education.

The four cost categories are described in more detail below.

Administration Costs

Administration includes costs considered to be management costs such as:

- General management costs including:
 - Program monitoring
 - Prevention of fraud
 - General oversight
 - Food instrument accountability
- WIC administrative salaries and benefits and other costs for:
 - Outreach
 - Food instrument reconciliation
 - Monitoring and payment
 - Vendor monitoring
 - Maintaining administrative records
 - Attending WIC Contractors' Meetings
 - Preparing and maintaining fiscal and program management reports
- General management clerical support
- Payroll and personnel systems
- Accounting and bookkeeping
- Audits and other financial services and legal services

Client Services

Client Services includes all costs expended to provide WIC services and benefits such as:

- Salaries and benefits for WIC staff who conduct nutrition and health assessments
- Medical supplies and equipment necessary to conduct nutrition and health assessments required in the certification process
- Salaries and benefits for WIC staff who issue food instruments and explain their use
- WIC staff salaries and benefits and other costs necessary to:
 - Refer participants to other health care and social services
 - **Coordinate** services with other programs
 - Participate in activities which promote a broader range of health and social services for participants
 - ⊖ Complete trainings
 - Conduct and participate in surveys and studies that evaluate the impact of WIC on its participants

Nutrition Education

Nutrition education includes costs directly related to general nutrition education such as:

- Salaries and benefits of staff who conduct nutrition counseling and document the provision of these services
- Travel and training costs for WIC staff who provide nutrition education
- Costs to procure, develop, print, translate, or distribute nutrition education materials
- Costs of equipment required to conduct nutrition education training
- Interpreter and translator services
- Costs associated with evaluating and monitoring nutrition education
- Training costs for WIC staff to attend trainings such as the **bi-annual** Iowa WIC Training **meeting**
- Program materials resources and activities that teach, promote, and reinforce the health benefits associated with physical activity
- Producing and procuring nutrition education materials such as:
 - Purchasing nutrition materials (brochures, online, media, food models, etc.)
 - Purchasing audiovisual equipment (projectors, video monitors, etc.)
 - Salaries for time used in developing nutrition materials (class preparation, developing handouts, displays, bulletin boards, etc.)
 - Demonstration food items and paper supplies used in food preparation nutrition education activities
 - Mailing costs
 - Incentive items of nominal cost (these items must support or relate to nutrition education messages)
- Evaluating nutrition education such as
 - Salaries for time used in development of forms, data collection, and data analysis
 - Other data collection or analysis costs (e.g. printing of forms)
 - Salaries for time of nutrition services staff monitoring nutrition education contacts or classes
 - Clerical time for documenting completed **nutrition education** contacts in the data system

- Planning, monitoring, and evaluating nutrition education activities such as:
 - Developing the agency nutrition education action plan
 - Completing progress checks
 - Writing final self-evaluation reports
 - Participating in state and agency planning committees dedicated to nutrition education
- Nutrition counseling time including time spent on:
 - The first nutrition education contact (at the time of certification)
 - The subsequent nutrition education contact
 - Other nutrition education contacts such as for health updates
 - Documenting the provision of those services

Note: Dietary screening that is performed to determine applicant's eligibility for the WIC Program may not be claimed as a nutrition education expenditure.

Note: Unallowable physical activity expenditures include, but are not limited to the following:

- Fitness center dues or memberships
- Exercise equipment such as treadmills, road and stationary bicycles, weights, mats, steppers, and resistance bands
- Facility rental or modifications to facilities for physical activity purposes
- Exercise classes
- Program incentive items that do not meet the necessary and reasonable costs requirements.

Note: Vitamins are an unallowable expenditure

Breastfeeding Promotion and Support

Breastfeeding promotion and support includes all costs for promotion and support of breastfeeding such as:

- Salaries and benefits of WIC staff who plan or conduct educational and other services to promote or support breastfeeding
- Salaries and benefits of peer counselors and others who may conduct other activities to encourage continuation of breastfeeding
 - **Note:** While NSA may be used for approved BFPC time and activities, all BFPC funds must be exhausted prior to utilizing NSA
- Costs to procure or develop, translate, print, and distribute education materials related to breastfeeding promotion and support
- Clinic space devoted to breastfeeding education and training activities, including space set aside for nursing mothers and babies
- Training costs for staff to attend breastfeeding trainings and conferences
- Activities related to producing and procuring breast pumps, supplies and materials may include:
 - Purchasing breastfeeding promotion and support materials (brochures, media, online production, etc.)
 - Breastfeeding aids and accessories such as breast shells, supplemental nursing

systems, nursing bras, ~~and~~ nursing pads, pump tubing, pump flanges, flange inserts, pump valves, nipple shields, nipple measuring devices, pump car adaptors, pump battery packs, milk storage bags, pump cleaning steam bags, pump cleaning wipes, and nursing shawls or covers

- Incentive items of nominal cost (these items must support or relate to breastfeeding messages)
- Evaluating breastfeeding promotion and support activities may include
 - Salaries for time used in development of forms, data collection, and data analysis
 - Other data a collection or analysis costs (e.g. printing of forms)
 - Salaries for time of staff monitoring breastfeeding support or classes
- Salaries and other costs incurred while planning, monitoring and evaluating breastfeeding promotion and support activities including
 - Developing the agency breastfeeding promotion and support plan
 - Completing progress checks
 - Writing final self-evaluation reports
 - Participating in state and agency planning committees dedicated to breastfeeding promotion and support

Note: Breast pump purchases and rentals are food funds expenditures, unless instructed differently by the State Office. Unallowable breastfeeding aids/accessories include topical creams, ointments, Vitamin E, other medicinals, foot stools, infant scales for use by the mother at home, baby bottles, nursing pillows, or nursing blouses.

Allocating Costs

When costs are allocated among agency programs, use the agency cost allocation plan to calculate the WIC portion of the cost (rent, utilities, mileage, etc.)