

Advances and Carryforwards

Policy

USDA Federal Regulations:

246.15 (a) *Interest earned on advances.* Interest earned on advances of Program funds at the State and local levels shall be treated in accordance with the provisions of 31 CFR part 205, which implement the requirements of the Cash Improvement Act of 1990. However, State agencies will not incur an interest liability to the Federal government on rebate funds for infant formula or other foods, *provided* that all interest earned on such funds is used for program purposes.

Authority

USDA Federal Regulations: 7 CFR Part 246.15 (a)

Procedures

Advances

In the event the contractor lacks sufficient working capital to provide the services of the contract, an advance not to exceed one-twelfth (1/12) of the contractual amount may be provided by the Department. One-third (1/3) of this advance will be deducted from eligible reimbursement of expenses for the 10th, 11th, and 12th months of service.

Interest on Carryforwards and Advances

The advance is to be deposited into an interest-bearing account. Up to \$250 of interest per fiscal year may be retained by the agency for administrative expenses. Contractors are required to upload to the quarterly “Interest” reports to IowaGrants.gov even if no interest is remitted. If interest is being remitted above \$250, a check must be made payable to the Iowa Department of Health and Human Services.

Carryforwards from Advances

The WIC State Agency has provided an advance equal to approximately six weeks of expenditures that acts as a carryforward. This advance is retained by the agency as long as the Department has a contract with the agency. The Agency will return the advance when the Agency ceases to be a WIC contractor. Agencies may elect to return their advance at any time. This type of advance will not be made for new WIC agencies or existing agencies who do not already have one.

Notice of Compliance with the Cash Management Improvement Act (CMIA)

The State of Iowa, the Iowa WIC Program state office, and each of the contract agencies must adhere to all terms, stipulations, and requirements of the Cash Management Improvement Act (CMIA).

Contact Information

Contractors should send the check to:

WIC Program Planner

Iowa Department of Health and Human Services

Bureau of Nutrition and Physical Activity

321 East 12th Street, 5th Floor

Des Moines, Iowa 50319-0075