

Program Incentive Items

Policy

USDA Policy Memorandum:

These items are allowable under certain terms and conditions only for three purposes: outreach, breastfeeding promotion, and nutrition education.

Program incentive items – refers to a class of goods, usually of a nominal value, that are given to applicants, participants, potential participants, or persons closely associated with the WIC Program... for purposes of outreach, nutrition education, or breastfeeding promotion. Other terms that may be used to describe these items include memorabilia, souvenirs, or promotional items.

Outreach – refers to promotional efforts to encourage and increase participation in the WIC Program. Outreach efforts must be consistent with the goals of the WIC Program. Outreach may be a local or a statewide effort, directed at increasing the number of participants at a local agency or reaching a group of potential participants who are unaware of the WIC Program or unsure how to access it.

Reasonable and necessary costs:

- **Reasonable costs**
 - Provide the program a benefit generally commensurate with the costs incurred,
 - Are consistent with the costs of similar items from other vendors,
 - Are in proportion to other program costs for the function that the costs serve,
 - Are a priority expenditure relative to other demands on available administrative resources,
 - Have a proven or intuitive positive outreach or nutrition education impact.
- **Necessary costs**
 - Are incurred to carry out essential program functions, and
 - Cannot be avoided without adversely impacting program operations

Based on the guidance contained in the OMB circulars, program incentive items can be allowable if they are considered to be reasonable and necessary costs that promote the specific program purposes of outreach, nutrition education, or breastfeeding promotion... for purposes of this discussion. Program incentive items are primarily intended for use by program participants or potential participants. Therefore, we would expect that most program incentive items would be directed at and distributed to program participants to bring the WIC message back to their community.

State agencies must discern what is necessary and reasonable within the context of the specific program areas of outreach, nutrition education, and breastfeeding promotion. In addition, State agencies need to consider whether an item is necessary and reasonable from the standpoint of

overall program operations and the relative financial situation of the program.

Program incentive items for outreach should:

- Contain a WIC-specific message that targets the potentially eligible population,
- Normally be seen in public,
- For publications or other printed material that include program information, contain an Food and Nutrition Service (FNS) FCS-approved nondiscrimination statement,
- Have value as outreach devices that equal or outweigh other uses,
- Include WIC contact information such as the State or local agency name, address and/or telephone number,
- Constitute (or show promise of) an innovative or proven way of encouraging WIC participation, and
- Be reasonable and necessary costs.

Program incentive items for nutrition education should:

- Be targeted for participants,
- For publications or other printed material that also include any program information, contain an Food and Nutrition Service (FNS) FCS-approved nondiscrimination statement,
- Have a clear and useful connection to particular WIC nutrition education messages,
- Either convey information to be considered educational or be utilized by participants to reinforce nutrition education contacts,
- Have value as nutrition education aids that equal or outweigh other uses,
- Be distributed to the audience for which the items were designed..., and
- Be reasonable and necessary costs.

Program incentive items for breastfeeding promotion and support should:

- For publications or other printed material that also include any program information, contain an Food and Nutrition Service (FNS) FCS -approved nondiscrimination statement,
- Have a clear and useful connection to promoting and supporting breastfeeding among current WIC participants,
- Either convey information that encourages and supports breastfeeding in general, informs participants about the benefits of breastfeeding, or offers support and encouragement to women to initiate and continue breastfeeding,
- Have value as breastfeeding promotion and support items that equal or outweigh other uses,
- Be distributed to the audience for which the items were designed, and
- Be reasonable and necessary costs.

Examples of Some Allowable Items

- Outreach – t-shirts, buttons, diapers, bibs, toothbrushes, pens, cups or other items of nominal value with reasonable opportunity for public display that contain a WIC promotional message
- Nutrition Education – calendars that contain important nutrition education messages, refrigerator magnets picturing the food pyramid, and tippy cups that are provided to mothers of infants who are learning how to drink from a cup as reinforcement of a

relevant nutrition education session

- Breastfeeding promotion and support – t-shirts, buttons, or other items of nominal value with a breastfeeding promotion or support message (e.g., “Breast Fed is Best Fed”).

Examples of Some Unallowable Items:

- Celebrity items, or items designed primarily as staff morale boosters, generally for the personal use of the staff, with minimal public display;
- Items of nominal value which have no outreach, breastfeeding, or nutrition education message; any program incentive item intended for persons who are not participants, potential participants or their parents/guardians, or for persons with no connection to the WIC Program, such as staff and cooperating representatives; and
- Items not of nominal value such as diaper bags, infant slings, or ponchos (regardless of any nutrition education, outreach, or breastfeeding promotion messages). These items would not meet the “reasonable and necessary” test.

USDA Federal Regulations:

Nutrition education means individual and group sessions and the provision of materials that are designed to improve health status and achieve positive change in dietary and physical activity habits, and that emphasize the relationship between nutrition, physical activity, and health, all in keeping with the personal and cultural preferences of the individual.

Authority

USDA Policy Memorandum: #95-5 – Allowability of Costs for Program Incentive Items, excerpts

USDA Federal Regulations: 7 CFR Part 246.2 Definitions

Procedures

Program incentive item expenses must be reasonable and necessary costs that promote the specific program purposes of outreach, nutrition education, or breastfeeding promotion.

Breastfeeding promotion means strategies, initiatives, and services to encourage and increase the initiation and support the duration of breastfeeding among WIC participants. Breast pumps, breast shells, nursing supplementer systems, nursing pads, and nursing bras are considered breastfeeding aids and, as such, are allowable costs, but not considered to be incentive items.

Books purchased with WIC funds must have a clear nutrition education or health promotion message targeted to early childhood health. They must also meet guidelines related to reasonable cost.

Incentive items cannot be more than \$5.00 per item. Purchases of program incentives require State Office approval prior to purchase. The following approval request must include the following information in the correspondence section of IowaGrants.gov:

- A description of the item requested to purchase

- The message provided on the item
- If the item will be used for outreach, nutrition education, or breastfeeding promotion
- How the item will be used
- Who the item will be provided to
- Cost per item
- Picture of the item

The purchase approval must be documented in the correspondence section of IowaGrants.gov.

Note: Even though an item may not meet the guidelines set forth in this policy, it may not be reasonable or necessary to spend limited administrative funds on such items, when other more pressing needs such as staffing go unaddressed.

See the “Policy” information on pages 1-3 of this policy for more information on the requirements for program incentive items.