

<p style="text-align: center;">Nutrition Services Department of State Health Services</p>

Effective January 1, 2011

Policy No. AC:21.0

Allowable Costs – Insurance Expense

Purpose

To allow the local agencies (LAs) the opportunity to acquire insurance coverage for equipment and facilities.

Authority

7 CFR Part 3016; OMB Circular A-87; OASC-10

Policy

Local agencies may request reimbursement for the cost of insurance if the state agency (SA) has granted prior written approval.

Procedures

- I. A written request shall be submitted to the SA for approval, pursuant to OMB Circular A-87, before the expense is incurred. The following information is required:
 - A. type of insurance coverage requested;
 - B. at a minimum three (3) competitive bids;
 - C. monthly or annual cost to the WIC Program;
 - D. method used to allocate the cost to WIC;
 - E. a justification of need; and
 - F. an assurance that the procurement process is in compliance with Uniform Grants Management Standards (UGMS) and WIC policies.
- II. The SA shall approve or disapprove the insurance expense in writing.
- III. The LA shall notify the SA if the insurance coverage or rates change.

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- IV. If approved, these costs shall be billed in accordance with Policy AC:28.0.
- V. All agency self-insurance programs require SA approval.
- VI. Insurance costs shall be supported by documentation including a copy of the insurance policy, competitive bids, an approval letter from the SA, statement or invoice from the vendor, and canceled checks.
- VII. Documentation shall support the allocation among administration, nutrition education, and breastfeeding.
- VIII. The type, extent, and cost of coverage shall be in accordance with general local government policy and sound business practices.