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| <p style="text-align: center;"><b>Nutrition Services</b><br/><b>Department of State Health Services</b></p> |
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Effective June 1, 2002

Policy No. AC:25.0

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**Monthly Reimbursement Maximum – Start Up Costs**

**Purpose**

To allow new local agencies (LAs) sufficient funds to operate and purchase equipment as actual participation levels are building.

**Authority**

7 CFR Part 3016; Contract with State Agency

**Policy**

During the first six months of operation of a new WIC LA, the LA's monthly reimbursement maximum shall be computed by multiplying their assigned caseload by the assigned per participant administrative funding rate as defined in the current WIC contract.

- I. Surplus funds (**Policy AC:27.0**) earned during the start up period may be carried forward for use only within the six months start up period.
- II. All earned but unspent surplus funds shall be forfeited at the beginning of the seventh month.

**Procedures**

- I. Beginning with the seventh month of operation, the LA's monthly reimbursement maximum shall be computed in accordance with **Policy AC:24.0**.
- II. The requirement to spend 19% on Nutrition Education shall be waived during the six-month startup period.