Allowable Costs – Facility Renovation

Purpose

To allow local agencies (LAs) to make facility renovations necessary to accommodate all phases of the WIC Program.

Authority

7 CFR Part 3016; FNS Instruction 813-1, Uniform Grant Guidance, 2 CFR 200

Policy

LAs may request reimbursement for the cost of facility renovation, if prior written approval has been obtained from the State Agency (SA).

Definition

Renovation - an expenditure that materially increases the value or useful life of the asset. Ordinary repairs to maintain assets in operating condition (i.e. repainting, replacement or general upkeep of a facility) are not considered renovations.

Procedures

I. The following information shall be submitted in writing to the SA for approval:
   A. a detailed description of type of work to be done;
   B. bids from at least three vendors if available;
   C. justification of best value if the low bid is not acceptable;
   D. justification of need for renovations;
   E. an allocation method of how costs shall be allocated among programs (if applicable) and amount to be allocated to each program/activity;
F. a statement from landlord or parent agency that WIC may remain in the space for ten years;
G. a completed Exhibit B to FNS Instruction 813-1 (A copy may be obtained at http://www.dshs.state.tx.us/wichd/fin/FNSInstruction813.pdf or from the SA); and
H. an assurance that the procurement process is in compliance with Uniform Grants Management Standards (UGMS) and WIC policies.

II. The SA shall review and submit the request to the United States Department of Agriculture (USDA) Southwest Regional Office (SWRO) for final action.

III. The SA shall forward USDA’s decision to the LA in writing.

IV. Documentation shall support the allocation among Administration, Nutrition Education, and Breastfeeding.

V. If the renovation is a contract service, refer to Policy AC:15.0. If the repair involves purchase of materials only, refer to Policy AC:14.0.

VI. Renovation costs shall be supported by documentation such as approval letter from SA, copies of bids, statement or invoice from vendor, and proof of payment.

VII. These costs shall be billed in accordance with Policy AC:28.0.