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; Uniform Grant Guidance, 2 CFR 200

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 before the expense is incurred. The following information is required:
   A. type of insurance coverage requested;
   B. at a minimum three 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.

IV. If approved, these costs shall be billed in accordance with Policy AC:28.0.
V. All agency self-insurance programs require SA approval.
   A. Reimbursements are based on an approved rate and must be deposited to a reserve account.
   B. Actual payments due to losses are unallowable.

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.