

<p style="text-align: center;">Texas WIC Health and Human Services Commission</p>

Effective April 1, 2019

Policy No. AC:18.0

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;

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- 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 <https://hhs.texas.gov/sites/default/files/documents/doing-business-with-hhs/provider-portal/wic/financial/fns-instruction813.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**.