NC Budgeting Process Used to Allocate NSA Funds to Local Agencies

Yearly in Nov/Dec., we established the budget allocations for NC's Local Agencies (LA) for the contractual period of July 1 – June 30.

1. In order to determine the caseload and funding allocation, the following process is followed by North Carolina:

   A. Completes a caseload assessment of prior actual participation as provided by the branch statistician, which usually entails utilizing the 4th quarter + 1 month assessment to determine the LAs current average achievement rate to establish a new base caseload for the year. However, the state will also view different scenarios for funding (such as highest participation month) in order to establish the best funding option for the LAs. To determine the change in base caseload, the following methodology is used:
      - For LAs that achieved an average base caseload for the selected period of less than 97%, their caseload is reduced to the new average base caseload;
      - For LAs that achieved between 97% and 100% of their base caseload; their caseload remains the same as their previous base;
      - For LAs that achieved greater than 100% of their base caseload; their caseload is increased to their new average as calculated.

        * NOTE: SFY 20-21, the State Agency used a timeperiod of 6 months of data prior to State Assisted Issuance (SAI) and 6 months after SAI to assess caseload due to the fluctuations caused by the COVID-19 pandemic.

   B. Multiply the new base caseload x a rate (ex. $16.50) x 12 months. This gives us how much we will fund each LA.

      Because local contracts are on a SFY basis, we do a 4 month allocation (current federal year money) and an 8 month allocation (future federal year money), which is calculated by taking the award x 33.3333% for FFY1 and the allocation x 66.6666% for FFY2.

      The total award is allocated out (via manual data entry) through the Aid to County (ATC) system in cost center 13A2-5403-Gx (FFY1) and 13A2-5403-Gx (FFY2) (5403 = client services).

      NOTE: At this point we are projecting 9 months ahead of getting the next FFYs budget, so it is based on assumptions about what will happen with the federal budget…not a concrete grant allocation.

2. Send to each local agency by February of each year an Agreement Addenda (AA) package that includes a Budget Form. The Budget Form indicates the total allocation and the threshold requirements for three of the four program activities (i.e. 20% minimum for Nutrition Education, 10% maximum for general administration, and a dollar amount for breastfeeding promotion and support).

3. In May/June, LAs submit the Budget Form and signed AA. On the Budget Form, the LAs indicate how they want to allocate the funds across the 4 program activities (annualized amount per activity). We manually verify that they meet the threshold requirements (which were put on the Budget Form for the 3 activities where thresholds are required). As long as the thresholds are met, we give them considerable flexibility with how they budget NSA.

4. We then calculate the 4 mo/8 mo split by activity and enter the detailed budget information in ATC. The following occurs:

   13A2-5403-Gx Client Services/FFY1 – debit by total amt. being reallocated to other 3 activities
   13A2-5403-Gx Client Services/FFY2 – debit by total amt. being reallocated to other 3 activities
   13A2-5404-Gx Nutrition Education/FFY1 credit
   13A2-5404-Gx Nutrition Education/FFY2 credit
   13A2-5405-Gx General Administration/FFY1 credit
   13A2-5405-Gx General Administration/FFY2 credit
   13A2-5409-Gx Breastfeeding Promotion and Support/FFY1 credit
   13A2-5409-Gx Breastfeeding Promotion and Support/FFY2 credit

5. During the applicable State Fiscal Year, if funds permit, we reassess caseload data for local agencies that received a reduction due to their caseload being below 97%. If they successfully increased the actual participation rate back up to 97% of their previous base, we reinstate their previous base caseload and adjust their budget accordingly.

6. As the year progresses, local needs change and they send us paper-based budget revision forms. We then check the thresholds and process the budget revisions in ATC. The data will be updated in Crossroads via the file transfer process.

7. At any time, if we identify that additional funds are available, we may do a caseload or rate per participant adjustment for the remainder of the year and/or a Special Grant Opportunity for additional WIC funding.

NOTE: Variances to the 97% and 100% thresholds may be made in years when there are extenuating circumstances, such as natural disasters, etc.