



United States
Department of
Agriculture

October 1, 2013

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

SUBJECT: Update on Food and Nutrition Service Operations: The WIC Program

TO: Regional Directors
Special Nutrition Programs
All Regions

WIC State Agency Directors
All States

Due to a lapse in appropriations for Food and Nutrition Service (FNS) as of October 1, 2013, FNS has initiated the process of orderly shutdown of nonessential operations. You can view USDA's plans for a lapse in appropriations at <http://www.whitehouse.gov/omb/contingency-plans>.

We understand the uncertainty that the current circumstances present for Americans that USDA serves every day, as well as our many partners around the country. Effective today, many FNS staff will be furloughed pending reinstatement of funding by Congress. These staff will not be available by phone or email, and cannot carry out work for the Agency, until funding is restored.

In FNS, this means that many services will be delayed or interrupted. For example, this includes closing down its offices and some systems.

If legislation providing the WIC Program with fiscal year (FY) 2014 funding is not enacted on October 1, 2013, WIC State agencies will begin FY 2014 without a quarterly allowance of FY 2014 funds. However, WIC State agencies will have the authority to use all other available funding resources to continue to provide WIC benefits to as many participants as possible on October 1, 2013.

The following is a list of potential FY 2014 funding resources State agencies may use to pay their FY 2014 food and nutrition services and administration (NSA) obligations while waiting for first quarter FY 2014 funding allowances. Since NSA funds may be used to pay for both NSA and food costs, we ask State agencies to use their NSA funds prudently to maximize the amount of funds available for participant food benefits.

- **Contingency Funds.** FNS will allocate WIC contingency funds to State agencies with food funding shortfalls. The estimated shortfall for each State agency and the nation will be based on State agency-reported data from the FNS-798 monthly reports and will be net of expected monthly rebate receipts.

- **NSA Spend forward.** A State agency may obligate and spend against its NSA funds spent forward from FY 2013 into FY 2014 during the first quarter of FY 2014 for food and NSA. However, pursuant to 7. C.F.R. 246.16(b)(3)(ii), a State agency is only permitted to spend forward the lesser of either its actual unspent NSA funds or its 3% spend forward authority.
- **Rebates.** A State agency may use rebates received during October FY 2013 to pay for FY 2014 food costs.
- **State appropriated or general funds.** A State Agency may use these funds for either food or NSA.

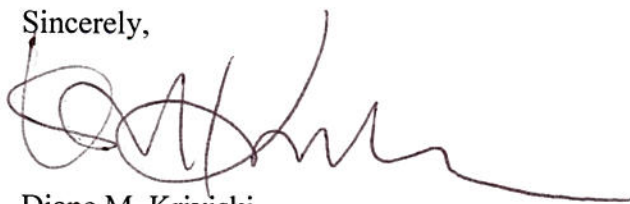
FNS anticipates WIC State agencies may still face funding shortfalls associated with FY 2014 obligations during the shutdown. State agencies choosing to issue new monthly benefits at the beginning of FY 2014 (on or after October 1, 2013) should review the WIC priority system, see 7C.F.R. 246.7(e)(4), to ensure the highest risk applicants are served first.

A lapse of funding for FY 2014 does not have any impact on State agencies' FY 2013 operations. Program benefits issued for FY 2013 benefit months would be transacted by the participant and paid by the State agency with FY 2013 funds.

FNS has confirmed that the Treasury ASAP letter of credit system (LOC) will continue to operate and all State agencies will be able to draw normally from their FY 2013 LOC for FY 2013 expenditures over the course of the Federal lapse.

We are committed to keeping you as up to date as possible, within the limits of current circumstances.

Sincerely,



Diane M. Kriviski
Acting Associate Administrator
Special Nutrition Programs