

EXHIBIT I INSTRUCTIONS FOR PREPARATION OF BUDGET

The budget for the program of services offered by the provider must reflect efficient administration and good management practices. Anticipated expenditures shown on the budget must be reasonably in line with those of similar service providers providing comparable services. A budget format is attached, and will be used to list all costs of the specific services to be purchased

Only Page 1 (Budget Face Sheet) of the attached format is required to be included as part of the sub-grant agreement or contract. It is at the option of the CDJFS whether to require additional financial documentation. CDJFS may require providers to complete pages 2 of 9 of the attached format or the provider may use a format of their choosing. Regardless of what format is used, providers must adhere to the Budget Guidelines contained in these instructions.

Before preparing the program budget, some providers will find it necessary to prepare a total budget, including both the purchased services and other services which are offered by the provider. This will ensure proper allocation of indirect cost, such as overhead and administrative expenses, to the specific program of purchased services. Only providers offering services other than those to be purchased or responsible to a parent agency or organization which operates other programs will incur direct costs. Indirect costs may be prorated for the period of the contract up to two years.

The budget is to be completed for a period of one year, even though the contract may be for a period of less than one year. Separate budgets must be submitted for separate locations or component.

Recap of Budget Items	This page is a summary of costs of providing agency services. (Reference page 1 of 9)
Salaries	Reference page 2 of 9
Position title	List all staff positions subject to reimbursement. Indicate whether filled (F) or vacant (V). If the position is vacant, the annual salary must be prorated to reflect the date the position is expected to be filled. If an individual functions in more than one capacity, segregate the position titles, and properly allocate the salary to the specific functions.
Number of positions required	List the number of positions for each position title that is required. If annual salaries differ, list individually.
Total annual salary	Multiply the number of positions \times the annual salary cost.
Hours per week	The number of hours per week the individual works to earn the listed salary. This should correspond to the position descriptions.
% of Time to program	Indicate the percentage of the total annual salary relevant to the service (s) under contract.
Reimbursable salary	Indicate the amount of salary applicable to the program under contract (salary cost \times percent of time to service(s) less any costs subsidized by state or federal monies).
Payroll related expenses	Indicate the employer share of fringe benefits relevant to the salary of listed staff. These costs are to reflect actual established rates less any cost subsidy by state or federal monies. (Reference page 3 of 9)
Consultation fees	Enter the fees \times estimate of use. (Reference Page 3 of 9)

Type	Indicate the type of consulting fee (i.e. attorney, accountant, program consultant).
Extent of function performed	Indicated the function being performed by the consultant (i.e., accountant-quarterly audit and tax reports, payroll preparation).
Fees	Indicate the rate per hour, day, etc., for the consultant
Estimate of use to program	Indicate how many hours, days, etc., that the consultant is to be used.
Travel	(Reference Page 4 of 9)
Agency vehicle expense	Enter on the appropriate line the agency vehicle expenses incidental to the delivery of contract services, including the costs of transporting clients to and from their residences and provider services location. Vehicle depreciation or lease expenses will be entered on the appropriate equipment schedule.
Mileage reimbursement	Indicate in the appropriate column the per mile reimbursement paid to staff, not to exceed state guidelines, and the total amount of this anticipated expenditure, including client transportation.
Conferences, meeting, etc	Indicate in the appropriate column the per mile reimbursement paid to staff, not to exceed state guidelines, and the total amount of this anticipated expenditure, including client transportation.
Conferences, meeting, etc	Indicate in the appropriate column the agency's anticipated expense for this purpose.
Purchased transportation	Enter in the appropriate column anticipated purchased transportation expenditures including client transportation.
Consumable supplies	(Reference Page 4 of 9)
Total food	Entering the appropriate column the costs of food. List the balance of consumables on the appropriate lines.
Occupancy costs	(Reference Page 5 of 9)
Rental	Enter the per square foot charge for the budget period and the number of square feet necessary to render program services, and compute the total rental charge.
Usage allowance/depreciation	Enter the usage allowance rate (2% annually) or the rate of depreciation. Apply this rate to the original acquisition cost to obtain applicable usage allowance or depreciation charge. Multiply the usage allowance or depreciation charge by the total of the space used for the service(s) under contract.
Maintenance and repairs	Enter the anticipated costs of maintaining and repairing the facilities.
Utilities	Enter the relevant utility costs on the appropriate line if not included in rental charge
Insurance costs	Enter the relevant insurance costs on the appropriate line. (Reference page 5 of 9)
Indirect cost	(Reference page 5 of 9)
Direct staff program costs	Enter the annual direct delivery staff costs for all services provided by the contracting agency.
Indirect cost pool (limited to 10% of total contract)	Enter the total indirect cost, as defined in the Budget Guidelines, excluding any direct service cost. Records substantiating development of the indirect cost pool must be maintained in the provider agency.
Percent of indirect costs applicable to contract	Direct program staff costs ÷ direct costs applicable to contract service(s). { *Note: Indirect cost rates may be developed in any method which produces an equitable distribution. The above is a suggested method of arriving at an indirect costs rate for the contract. If another method is used, describe the computation for arriving at the indicated indirect cost rate in a separate attachment.}
Other – Miscellaneous	Itemize, by category, any costs which do not conform to the listed cost

	classifications that are appropriate to the agency program of services. (Reference Page 6 of 9)
Equipment subject to depreciation	(Reference Page 7 of 9)
Equipment to be depreciated	List each item or group of items costing \$500 or more with an anticipated useful life in excess of one year.
New or used	Indicate whether the item was purchased new or used.
Date purchased	Indicate the acquisition date.
Quantity	Indicate the number of items acquired.
Total actual cost	Enter the cost of each item or group of items acquired.
Salvage value	Enter the trade-in value; or 10% of column 5, Total Actual Cost, Whichever is greater.
Amount to be depreciated	(Column 5, Total Actual Cost, less column 6, Salvage Value)
Useful life	Enter the anticipated useful life of the item.
Chargeable annual depreciation	Amount to be depreciated annually. (Column 7, Amount to be Depreciated ÷ column 8, Useful Life.)
Percent to program	Percent usage to program. Indicated the percent of use which is relevant to program services.
Net amount to program	Multiply columns 9 × 10
Small equipment purchases	(Reference Page 8 of 9)
item	List or categorize anticipated small equipment purchases of under \$500 during the budget period.
Quantity	Indicate the quantity of items to be purchased.
Total cost	Cost of listed items.
Leased and rented equipment charge	Indicate the total annual charge for each item listed. Equipment costing over \$500 and obtained by lease/purchase agreement must be depreciated. (Reference 8 of 9)
Percent to program	List the percentage of use which is relevant to program services.
Net charge	Total cost × % to program.
Income for services under contract	(Reference Page 9 of 9)
Fees from private consumers	Indicate the anticipated income from non-program sources clients for the budget period.
Fees generated by contract for recipients	Indicate the dollar value of the TANF contract, pro rated to the contract period if different from the budget period. (if applicable)
Other federal support of contract services	Indicate any other federal grants or awards for contract services.
State, County, or Municipal Allocations	Indicate any other state, county or municipal support of program services (i.e., levies county general fund allocations).
Contributions	Indicate private contributions in support of contract services.
Miscellaneous	List sources of income for contract services not previously itemized. Total income for services under contract should indicate that revenue is available to support the proposed budget.
Income for other services provided by agency or unit under contract`	Itemize the provider's revenue for services not under contract if shared or indirect costs or other programs are included in the proposed budget. Indirect costs may be prorated for the period of the contract up to two years.

EXHIBIT II

BUDGET GUIDELINES

Allowable Staff costs:

Salaries: Includes all remunerations, paid currently or accrued, for services rendered during the period of the contract. Salaries are allowable to the extent that the costs are reasonable for the services rendered, and are supported by documented payroll vouchers or a generally accepted method of documentation. Payroll must be further supported by time and attendance or equivalent records for individual employees. Salaries of Employees chargeable to more than one program or cost center will be supported by appropriate time distribution records. The method used should produce an equitable distribution of time and effort. Compensation for owners is allowable provided the service performed is a necessary function.

Payroll Related Expenses: Employee benefits in the form of employer contributions to social security, state and municipal retirement systems, life and health insurance plans, unemployment insurance coverage, worker's compensation insurance and pension plans are allowable if equitably distributed. Severance pay is allowable when payment is consistent with standard approved policy.

Incentive Compensation: Such payments to employees based on cost reduction, or efficient performance, suggestion awards, etc., are allowable to the extent that overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an established plan followed by the institution consistently so as to imply, in effect, an agreement to make such payment.

Deferred Compensation: Such cost is allowable to the extent that except for past service pension and retirement costs:

- It is for services rendered during the period of the projected budget;
- It is, together with all other compensation paid to the employee, reasonable in amount;
- It is paid pursuant to an agreement entered into in good faith between the institution and its employees before the services are rendered, or pursuant to an established plan followed by the institution consistently so as to imply, in effect, an agreement to make such payments;
- The benefits of the plan are vested in the employees or their designated beneficiaries and no part of the deferred compensation refers to the employer institution;
- For a plan which is subject to approval by the Internal Revenue Service, and falls within the criteria and standards of the Internal Revenue Service.

Severance Pay: Also commonly referred to as dismissal wages, it is payment in addition to regular salaries and wages, by institutions to workers whose employment is being terminated. Costs of severance pay are allowable only to the extent that, in each case, it is required by law; employer/employee agreement; or established policy that constitutes, in effect, an implied agreement on the institution's part. Only severance benefits that accrue during the period of the contract are allowable.

Consultation Fees: The cost of consulting fees, charges for the use of personal services of outside agencies or persons not on the payroll; or functions related to contract services, i.e. audit service, legal counseling, and specialized consultation.

Allowable Operational Costs:

Travel: Includes the costs of operation, maintenance, and repairs of agency vehicles when relevant to the delivery of contract services; expenses for transportation, lodging, subsistence, and related items incurred by employees who are on a travel status on official business to deliver contract services either on an actual basis or per diem and mileage basis; expenses for meetings and conferences for the primary purpose of the dissemination of technical information relating to contract services. Purchased transportation is allowable if required for the delivery of contract services. Reimbursement for travel shall not exceed maximum state reimbursement rates.

Consumable Supplies: The costs of materials and supplies are allowable. Direct charges to services should be based upon the actual price less cash discounts, trade discounts, rebates, and allowances. Consumable supplies are those items which will be used up within one year.

Occupancy Costs/Rental of Privately Owned Building: Rental cost for spaces are an allowable charge and should not exceed the cost of comparable space facilities in the same locality. The lease agreement must stipulate the extent of the lessor's responsibility for renovations. Major renovations which add to permanent value of the property or appreciably prolong its intended life, the cost of which is borne by the provider, must be depreciated.

Rental of Publicly Owned Building: The rental cost of a publicly owned building is allowable if the charge does not exceed the cost of comparable space and facilities in the same locality. The rental charge should include the costs of service, maintenance, depreciation on the building and depreciation of major renovation.

Rent expenses must be justified with the following:

- Name on property Title
- Name to whom rent is being paid
- Relationship between provider and parties identified above

- Total square footage for program and nonprogram usages
- Copy of lease agreement

Use Allowance or Depreciation of Provider Owned Building: The computation of use allowances or depreciation will be based upon acquisition cost. The computation will exclude any cost borne to the federal government through other federal grant programs, the cost of land and idle or excess facilities. The straight line method of depreciation will be used for buildings and capital improvement. In lieu of depreciation, a use allowance for buildings and improvements may be computed on an annual rate not exceeding 2% of acquisition cost.

Leased Equipment: The cost of leased equipment is allowable, to the extent of its reasonableness as sound business policy. Equipment obtained by lease/purchase agreement must be depreciated.

Repair and Maintenance: Costs incurred for necessary maintenance, repair, and upkeep of property which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in efficient operating condition, are allowable. If these expenditures add to the value or prolong the life of the property they must be depreciated as capital improvements.

Utilities: Utility costs for agency facilities are allowable if equitably distributed among programs and cost centers.

Insurance Costs: Cost of insurance in connection with the general conduct of activities is allowable to the extent that the cost will be in accordance with sound business practice. Protection against liabilities for loss of assets related to the provision of contract services should be provided, because losses incurred through the lack of available insurance coverage would not be considered an allowable cost. However, the deductible portion of insurance coverage or minor uninsurable losses is allowable.

Indirect Costs: Indirect costs are those costs incurred for a common or joint purpose benefiting more than one service area or cost center. The allocation of indirect costs may be determined by any method, assuring that the distribution is equitable. A suggested method of allocating indirect cost is to divide the direct delivery staff costs of the specific service area by the total direct delivery staff costs of the entire agency. This percentage is then applied to the indirect cost pool. Allowable indirect costs for the budgeting functions, disbursing services, personnel administration payroll preparation, procurement services and general administrator's office.

Miscellaneous: Allowable miscellaneous costs include memberships and subscriptions, reference materials, printing and reproduction proposal preparation, mailing and postage and any other costs incidental to the delivery of service.

Unallowable Costs:

Bad Debt: Losses arising from uncollectible accounts and other claims and related costs are unallowable.

Contingencies: Contributions to a contingency reserve or any similar provision for unforeseen events are unallowable.

Contributions and Donations: Outlays of cash with no prospective benefit to the contracting agency or program are unallowable.

Entertainment: Costs of amusements, social activities, and related cost are unallowable.

Advertising: Costs of advertising with the exception of contract related recruitment needs, procurement of scarce items, disposal of scrap and surplus is unallowable.

Fines and Penalties: Costs resulting from violations of, or failure to comply with, laws and regulations are unallowable.

Interest and Other Financial Costs: Interest on borrowings, bond discounts, or any cost of financing or refinancing operations is unallowable.

Costs Borne by Other Federal or State Programs: Any costs specifically subsidized by other state or federal dollars are unallowable and must be deducted from the applicable line items prior to unit rate computation.

Sabbatical Leave: Payment of any sabbatical leave is unallowable.

Fundraising: Cost of activities to raise monies to support the provider program is unallowable.

Education: Cost of activities provided by the public schools that are free of charge to the general public are unallowable.

Allowable Equipment Costs:

Depreciable Equipment: Includes depreciation charges for capital equipment (any item or group of items costing \$500 or more). Computation of depreciation is based upon the acquisition cost of the item excluding:

- Any cost borne by the federal government through other federal grant programs; and
- Any idle or excess equipment

Adequate property records must be maintained and the straight line method of computing depreciation must be used. When equipment is replaced, the value received for the old equipment less the salvage value and the unrealized depreciation charges are deducted from the acquisition cost of the new equipment.

Nondepreciable Equipment: Small equipment items costing less than \$500 may be expensed (purchased outright) during the period of the contract.

EXHIBIT III
BUDGET FACE SHEET

RECAP OF BUDGET ITEMS

		Estimated Costs
I.	Staff Costs	
	A. Salaries	
	B. Payroll Related Expenses	
	C. Consultation Fees	
	Total Staff Costs.....	\$
II.	Operational Costs	
	A. Travel	
	B. Consumable Supplies	
	C. Occupancy	
	D. Insurance	
	E. Indirect Costs	
	F. Other – Miscellaneous (itemize)	
	Total Operational Costs.....	\$
III.	Equipment Costs	
	A. Equipment Subject to Depreciation	
	B. Small Equipment Purchases	
	C. Leased and Rented Equipment	
	Total Equipment Costs.....	\$
	TOTAL PROGRAM BUDGET FOR SERVICES CONTRACTED.....	\$

I.B. PAYROLL RELATED EXPENSES

		<u>Payroll Related Expenses</u>
Social Security		\$ _____
Worker’s Compensation/Unemployment Insurance		\$ _____
Retirement Expenses		\$ _____
Hospitalization Insurance Premium		\$ _____
Other (Identify) _____		\$ _____
_____		\$ _____
_____		\$ _____
Total Payroll Related Expenses.....		\$ _____

I.C. CONSULTATION FEES

TYPE	FUNCTION PERFORMED	FEES	ESTIMATE OF USE TO CONTRACT SERVICE(S)	CONSULTATION
			TOTAL CONSULTATION FEES	\$ _____

II.A. TRAVEL

	<u>Travel</u>
AGENCY VEHICLE EXPENSE	
A. Gasoline	\$ _____
B. Vehicle Repair	\$ _____
C. Vehicle License	\$ _____
D. Vehicle Insurance	\$ _____
Other	\$ _____
Mileage Reimbursement @ _____ mile	\$ _____
Conference, Meeting, Etc.	\$ _____
Purchased Transportation	\$ _____
Total Travel Related Expenses.....	\$ _____

II.B. CONSUMABLE SUPPLIES

Food	\$ _____
Kitchen Supplies	\$ _____
Office Supplies	\$ _____
Cleaning Supplies	\$ _____
Medical Supplies	\$ _____
Program Supplies	\$ _____
Other (Specify)	\$ _____
Total Consumable Supplies.....	\$ _____

II.C. OCCUPANCY COSTS

Rental @ \$ _____ per square foot \$ _____

Usage allowance/depreciation @ _____% rate of original
 Acquisition cost of \$ _____ by program square footage
 Percentage (program square footage _____ ÷ provider square
 footage _____ = _____%) \$ _____

Maintenance and repairs \$ _____

Utilities (if not included in rent)

Gas	\$ _____	
Electric	\$ _____	
Telephone	\$ _____	
Water	\$ _____	\$ _____

Total Occupancy Costs.....\$ _____

II.D. INSURANCE COSTS

Liability \$ _____

Property \$ _____

Accident \$ _____

Total Insurance Costs.....\$ _____

II.E. INDIRECT COSTS

Direct Staff Program Costs	Direct Staff Total Costs	% Indirect Cost Applicable to Contract	Indirect Cost for Contracted Service
\$ _____	\$ _____	\$ _____	\$ _____

II.F. OTHER MISCELLANEOUS

Identify miscellaneous costs:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Miscellaneous Costs.....	\$ _____

III.A. EQUIPMENT SUBJECT TO DEPRECIATION

1 Equipment to be Depreciated	2 New or Used	3 Date Purchased	4 Quantity	5 Total Actual Cost	6 Salvage Value	7 Amount to be Depreciated	8 Useful Life	9 Chargeable Annual Costs	10 % Use for Program	11 Applicable Annual Depreciation
TOTAL EQUIPMENT DEPRECIATION CHARGES.....										\$

III.B. SMALL EQUIPMENT PURCHASES

(Equipment Costing under \$500)

ITEM	QUANTITY	TOTAL COST	PERCENT TO PROGRAM	NET CHARGE
TOTAL SMALL EQUIPMENT PURCHASES.....				\$

III.C. LEASED AND RENTED EQUIPMENT

Equipment	Model and Year	Quantity	Leased & Rented Equipment Charge	% to Program	Net Charge
TOTAL LEASED & RENTED EQUIPMENT.....					\$

TOTAL INCOME FOR BUDGET PERIOD

A. Income for services under Contract	
Or unit not under contract	\$ _____
1. Fees from private consumers	\$ _____
2. Fees generated by contract for recipients	\$ _____
3. Other federal support of contracted services (as listed)	

_____	\$ _____
4. State, county or municipal allocations	\$ _____
5. Contributions (as listed)	

_____	\$ _____
6. Other Title XX Contracts	\$ _____
7. Miscellaneous (as listed)	

_____	\$ _____
B. Income for other services provided by agency	
Or unit not under contract	\$ _____
1. From private consumers	\$ _____
2. Federal monies (grants or contracts)	\$ _____
3. State, county or municipal allocations	\$ _____
4. Contributions	\$ _____
5. Miscellaneous	\$ _____
Total Other Services Income.....	\$ _____
Total Agency Income (Section A+B).....	\$ _____