

SUBMITTAL A Instructions **BUDGET OVERVIEW AND WORKSHEETS**

This section contains the Service Budget worksheets and instructions to assist in identifying, quantifying and estimating all allowable costs as they relate to proposed budget for each service being proposed for the contract period. A brief narrative also follows of generally acceptable service costs for formulating all applicable costs.

Worksheets should be completed in the following order as each worksheet contains information detailed in the preceding worksheet:

1. Submittal A1 - Staff Salary Expense Allocation Worksheet
2. Submittal A2 - Service Budget Cost Detail Worksheet
3. Submittal A3 - Service Budget Summary Worksheet

If submitting a proposal for more than one service, a separate set of Submittal A worksheets must be completed for each service. Each proposed service should be clearly identified on the worksheets and all applicable documents will require an original signature(s). Submittal A worksheets include Submittal A1, A2 & A3.

- Submittal A1 - Staff Salary Expense Allocation Worksheet
- Submittal A2 - Service Budget Cost Detail Worksheet
- Submittal A3 - Service Budget Summary Worksheet

INSTRUCTIONS for Budget Forms (Submittal A1, A2 & A3):

The service cost categories are as follows:

ADMINISTRATION: That portion of necessary and allowable costs associated with the overall management and administration of the service(s) being proposed and which are not directly related to the provision of services to clients.

Examples of these costs include:

- A. Evaluating service results against stated objectives.
- B. Performing administrative services including such services as general legal services, accounting services, auditing services, and managed purchasing, property, payroll and personnel.
- C. Costs for goods and services required for administration of the service, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, postage, and rental and maintenance of office space.
- D. The costs of organizational-wide management functions associated with service.
- E. Travel costs incurred for official business in carrying out service management or administrative activities.

DIRECT SERVICE: The personnel and non-personnel costs directly related with providing proposed service.

SUPPORT SERVICE: The personnel and non-personnel costs indirectly related to providing the proposed service such as clerical staff or file clerk who maintains client records.

TOTAL SERVICE: This column should capture the sum of figures in the Administration, Direct, and Support Services columns for each line item.

Submittal A1- Staff Salary Expense Allocation Worksheet Instructions

Detail all staff positions that are included in the service being proposed. List the title of all positions in the first column and the complete the remaining columns as follows:

In **Column A** - Wages per Week, fill in the projected weekly wage associated with each position.

Calculate the total average weekly fringe benefits and place this figure in **Column B**.

Then add the amounts in Columns A and B and include the total in the Total Personnel Weekly Cost column, **Column C**.

Determine the number of weeks during the proposed service that each person will be assigned (104 is the maximum number of weeks [52 weeks per year times 2 years]); place the figure in the corresponding line in **Column D**.

Determine the percentage of time each person will be assigned to the proposed service and enter the percent for each assigned person in **Column E**.

Multiply the figures in Column C through E. for each line item to derive at the Total Project Cost. Place this figure on the appropriate line item in **Column F**.

Assign the percentages and totals of Project Costs in Column F to one of more columns in the **“Expense Category Allocation”** section of Submittal A1.

Fringe benefits may include social security, Medicare, retirement and pension, life and health insurance plans, workers compensation, and unemployment compensation. In allocating these costs to the expense classification categories of Administration, Direct Services and Support Services, please reference the Service Cost Categories detailed above.

In the program budget narrative **be sure** to list the components of the fringe benefits package associated with the project and how these cost were derived.

Submittal A2 - Service Budget Cost Detail Worksheet Instructions

The Service Budget Cost Detail Worksheet (Submittal A2) contains three separate columns for capturing budget information and assigning cost to the appropriate expense classifications. The cost categories are **Administration, Direct Service and Support Service**. See the Service Cost Categories referenced above for cost category definitions and classification guidelines.

All proposed costs **must be** properly allocated to each cost category. All costs associated with the service(s) being proposed only and not the broader agency's budget should be included on the worksheet. The sum total of figures in the cost categories column on each line item must add up correctly and shown in the last column called **Total Cost**.

For each item listed on the Budget Cost Detail Worksheet, please provide a narrative (brief explanation) of what is included in that item and how the cost was calculated (if necessary, use additional sheets).

Item A: Personnel Cost – Use figures from the completed “Staff Salary Expense Allocation Worksheet” (Submittal – A1).

Item B: Direct Services Cost – Detail the cost of all materials, supplies and consumables items to be used directly and indirectly in providing the service. Only those materials and supply costs necessary in providing the service are allowable. Direct charges should be based upon the actual price less cash discounts, trade discounts, rebates and allowances.

The cost of consultation fees (i.e., charges for the use of the external service business/agencies or persons not on the business/agency’s payroll) are allowable to the extent they are necessary for the administration and management of functions related to providing contract services. Examples of such services include legal counseling, audit services and specialized consultation, payroll accounting. These costs are considered indirect costs and they may be included in the Administration or Support Services section of the worksheet. All relevant and service specific costs that are allowable should be estimated and included in the budget, when applicable, and placed in the appropriate column in section B on the worksheet.

Item C: Other Operating Cost – Costs incurred for direct and indirect expenses associated with a specific service. These costs may be for advertising, telephone calls or service, postage, printing, reproduction and messenger services; all costs should be estimated and detailed to the fullest extent possible and listed in section C.

Item D: Occupancy Cost – Include the projected costs for office and service site rental, and utility costs associated with the service being bid; all costs should be estimated and detailed to the fullest extent possible and listed in section D. In general, the cost for space rental is determined by the number of square feet used, multiplied by a rate, usually stated in the lease, per square foot.

Rental cost for space, in a privately or 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, and depreciation on the building and depreciation of major renovations. The lease agreement must stipulate the extent of the lessee’s responsibility for renovations. Major renovations, which add to the permanent value of the property or appreciably prolong its estimated useful life, when the cost is borne by the contract provider, must be depreciated.

Item E: Equipment Cost – Depreciable Equipment, reimbursement for capital equipment (an item or group of items costing \$300 or more) is available through depreciation charges. Computation depreciation is based upon the acquisition cost of the item excluding (1) any cost borne by the Federal Government through other Federal Grant Programs, and (2) 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 and any unrealized depreciation charges are deducted from the acquisition cost of the new equipment. All costs should be estimated and detailed to the fullest extent possible and listed in section E.

Non-Depreciable Equipment – Small equipment necessary in providing contract Services may be expensed during the period in which it is purchased.

Rental Charges – The cost of leased/rental equipment is allowable, to the extent of its use for the service and its reasonableness as sound business policy.

Item F: Transportation Cost – Represents costs associated with transporting clients or using transportation as a part of the cost of providing a service. Some costs such as those associated

with a Transportation Service are considered a direct service expense (i.e. driver's salary and fringe benefits, gas, oil, vehicle maintenance, insurance). All relevant and service specific costs that are deemed allowable should be estimated and included in the budget, as applicable, and placed in the appropriate column on the worksheet in section F. Only those materials, supply costs and consumable items that are necessary to provide the service are allowable. All direct charges should be based upon the actual price less any cash discounts, trade discounts, rebates and allowances.

Other costs may be necessary; some may be indirect such as legal counseling, audit services and specialized consultation, payroll accounting. These costs are indirect costs and they may be considered Administration or Support Services and may also be included in the appropriate section on the worksheet.

Item G: Housekeeping & Maintenance Cost – Represents costs incurred for necessary janitorial, maintenance, repair and general up-keep of the property which neither add to the permanent value of the property nor appreciable prolong its estimated useful life but keep it in good working order. All costs should be estimated and detailed to the fullest extent possible and listed in section G.

Item H: Miscellaneous Cost – All expenditures should be estimated and fully detailed in the service budget narrative and included in section H. Allowable miscellaneous costs may include memberships and subscriptions, reference materials, and any other incidental costs required in the delivery of the service not previously specified.

Summing It All Up – Total the figures in all service budget cost category columns. Enter the resulting totals on the "Service Budget Grand Total" Line for the service being proposed.

Submittal A3 - Service Budget Summary Worksheet Instructions

The Service Budget Summary Worksheet (Submittal A3) must be completed in detail using the aggregate totals from the last column entitled "Total Cost" for each cost classification that appears on the Service Budget Cost Detail Worksheet (Submittal A2).

Make sure to total each expense classification as these amounts are needed to obtain the total of the proposed service budget on the "Total Service Budget" line. This figure must agree with the total appearing on the "Service Budget Grand Total" Line on Submittal A2.

Calculate the unit rate (if applicable) for each service based on generally accepted accounting and/or accounting standards to derive at the Unit Cost per Service. This is obtained by dividing the "Total Service Budget" by the "Potential Service Units."