Attachment 18: Instructions for Budget Justification Forms

Instructions for Budget Justification Forms

Definitions

AUDIT – The subcategory of expense used to budget funds to support the cost of the financial audit, which must be submitted in accordance with the contract.

DOCUMENTATION – Evidence supplied in support of the budgeted item (e.g., lease, job description, price quote).

EQUIPMENT – Any item with a purchase price of $500 or more and an expected useful life of two years or more.

FRINGE BENEFITS – Benefits an employee receives in addition to salary, such as Federal Insurance Contributions Act (FICA), Medicare, health insurance, and other employer-provided benefits.

INDIRECT COSTS – The shared costs for operating an agency, not easily assigned to a specific program within that agency. Indirect costs may include operating and maintaining facilities, equipment and grounds, or administrative salaries and supplies.

NON-DIRECT COSTS - Costs allocated to the WIC\WIC VMA\ CSFP Program for functions pertaining to the general operation of the Sponsor Agency that can be fairly allocable to WIC\WIC VMA\CSFP. Non-direct costs can be identified in the sponsoring agency's records and are not to be included in the agency's indirect cost rate or charged to any other project or program. Traditionally, non-direct costs are included in an agency's budget in lieu of indirect costs; an example of non-direct costs would be a small WIC agency sharing a bookkeeper with other programs and allocating a portion to WIC.

OTHER EXPENSES – An Other Non-Personal Services (ONPS) category of expense to be used for items that cannot be appropriately assigned to another budget line.

OTHER THAN PERSONAL SERVICES (OTPS) – The cost of expenses other than wages and salaries.

PERSONAL SERVICES – The cost of wages and salaries, including fringe benefits, paid currently or accrued, for services rendered under the terms of the contract. Personal services can include overtime and shift differential.

PROGRAM OPERATIONS – All consumable materials and supplies costing less than $500. Janitorial supplies are not to be listed here; they should be included in space costs.

SPACE – Expenses for work or storage space and related costs for contract activities and services.

SPACE-RELATED COSTS – Janitorial/cleaning, maintenance, repairs, capital improvements and utilities costs that are not included in base rent or space costs.

TRAVEL – Expenses for transportation, lodging, meals, and conference fees incurred by employees who travel on official business related to the program. Employee travel to and from work is not included.

Summary Budget Form

This summary form is completed last. It reflects the dollar total on all categories of the budget. The subtotals reflect the dollar total of each category's summary sheet, which is in turn a total of the individual detail sheets in that category.

It is easiest to complete each individual detail sheet, then transfer the totals to the category summary sheet. All budgeted costs from each of the justification forms must be included, and the personal service forms must include the total number of FTEs (for WIC include both Program Support and CPA staff).

Individual Budget Justification Forms

Personal Service

Personal service items must be accurately identified on the Budget Justification Personal Service forms. There are individual pages for each category of employee (for example, Competent Professional Authority, Program Support staff). All individual pages must be accounted for on the Personal Service Summary Form.

The number of FTE positions budgeted within specific job categories will be evaluated by State staff when reviewing budget requirements.

Attach a job description for each of the titles/positions that are to be included in the budget.

The cost of staff is given first preference in budgets and all essential positions should be requested. If funding is not requested for staff members in the budget, the personal item(s) will be considered an in-kind contribution of the local agency.

These costs are allowed to the extent that total compensation for individual employees is reasonable for the services rendered, made in accordance with the personnel rules or requirements of the sponsoring agency, and determined and supported by payrolls and time distribution records in accordance with applicable federal cost principles.

Fringe Benefits

If fringe benefits are paid to current employees according to a standard rate, the rates and amounts for each component listed on the Budget Justification Fringe Benefits Form must be indicated. Components are usually expressed as a percentage of salary/wage costs.

Alternative forms are available for circumstances in which different fringe benefit rates or amounts are used for different employees (e.g., union and non-union), or are a set dollar amount for each component rather than a rate.

Coverage for Workers Compensation and disability benefits are required by the contract. The cost must be included in the fringe benefits expenses. The documentation showing the agency's coverage, as delineated in the contract, must be supplied.

These expenditures are allowed on the condition that such benefits are granted under approved plans and are distributed equitably among grant programs and other activities.

Space and Related Costs

Space is an allowable program cost to the extent that there are funds available. A Budget Justification Space Summary Sheet is required, and must identify all sites that the local agency utilizes to provide program services to participants or vendors, including sites for which there is no cost.

Complete a Justification Space Site Detail Sheet for each site listed on the Summary sheet, and ensure that this information is transferred to the Space Summary Sheet. The space type should be identified.

Related costs are those related to the use and maintenance of program space, but not included in the base rent/space cost, including janitorial services, maintenance/repair, utilities, and other relevant costs as approved. Equipment leases and maintenance contracts on building/space items such as air conditioners are also included under space-related costs.

Allowable costs include:

- The program's appropriate share of maintenance or cleaning services for an area.
  Example:
  Maintenance - e.g., ongoing activities related to the general upkeep of the space occupied by the program such as painting, carpet cleaning, snow removal, etc.

- The program's appropriate share of utility services.

- Additional one-time expenses for specific anticipated items. An estimate of each cost must be listed and no item may exceed $5,000 unless USDA has approved all anticipated work.
  Example:
  Renovations - If new or existing space is to be renovated for program use. An estimate of each renovation cost must be listed. Renovations that are included in long-term space costs or rent charges should not be recorded in this category.

Other Non-Personal Service

Other non-personal service items must be accurately identified on the Budget Justification Other Non-Personal Service forms.

Complete all individual category pages, and ensure that this information is transferred to the Other Non-Personal Service Summary Form.

Other Non-Personal Service (Program Operations)

The expenses listed on the Budget Justification Program Operations form can be estimated based on the actual or anticipated cost. Any costs included in an indirect cost rate such as telephone or utilities should not be included in any budget category.

A second Program Operations subcategory page must be completed and the information transferred to the first page. It details various subcategories of expenditures, such as office supplies, printing of materials, purchase of educational materials, lease of copy machines, telephone and postage.

Other Non-Personal Service (Travel)

Local agencies must have a written travel policy included in their local agency procedure manual and the policy must be approved by the assigned regional office representative. Travel reimbursement made to employees must be at the rates specified in the procedure manual.

Local travel costs can be estimated based on previous or anticipated costs. However, any significant changes in local travel costs must be documented.

Non-local travel MUST be itemized with an estimated cost given for each instance of travel, and will be approved by the regional office representative on an individual basis prior to travel.

Categories of travel are:

- Program travel including inter-site travel for supervision, deliveries, staffing coverage, and local meetings. It also includes travel for outreach and community liaison activities
- Vendor management travel including price/stock surveys, training, and monitoring
- Non-local travel including conference/training travel, such as the annual NYS WIC Association Meeting and all other conferences and training costs, including registration fees, travel for meetings more than 35 miles from the worksite, and out-of-state travel.

NOTE: Approval of funding in the budget does not constitute approval for out-of state travel. Each non-local travel for a conference or training session requires prior approval.

Other Non-Personal Service (Equipment)

You must provide at least one price quote for each piece of equipment listed. If these items in the budget are approved, you will be provided with procurement procedures that must be followed when purchasing equipment with WIC, WIC VMA or CSFP funds.

All non-computer equipment items costing $25,000 or more must also have prior USDA approval. If these items in the budget are approved, you will be provided with procurement procedures that must be followed when purchasing equipment with WIC, WIC VMA or CSFP funds.

NYS DOH will provide WICSIS computer hardware and software required to operate the WIC Statewide Information System (WICSIS) that is used by WIC and WIC VMA, and the Food and Nutrition Information system (FANIS), which is used by CSFP. Any non-WICSIS computer equipment and software listed on this form will be subject to both NYS DOH and USDA approval regardless of the cost.

Examples of equipment items commonly purchased by programs include office and waiting room furniture; modular furniture units; office and audio/visual equipment; clinic equipment, shelving, and occasionally, items such as air conditioners, which are needed to maintain a healthful environment for participants and/or staff.

A modular office workstation is considered as one item of equipment. For example, a partition, work surface, and drawer or storage units needed to construct a workstation or replace a desk are considered together as one item.

This category of expense does not include equipment rental or leases - these items must be budgeted under the "Equipment Leases" subcategory of Program Operations.

Other Non-Personal Service (Audit)

The audit cost is an eligible expense after the audit has been submitted in accordance with the terms of the contract and approved as being in compliance with OMB A-133. These costs can be included in the Budget request in direct costs or indirect costs.

If audit costs are included in an agency's indirect cost plan, they must not be listed in the audit budget category. The audit must be received and approved by the State Audit Clearinghouse before audit costs will be reimbursed.

Other Non-Personal Service (Other)

Specific requirements for justifying items under the Other category are as follows:

- Subcontracts for Services: These are costs that result from entering into a subcontract for services provided to the local agency. A copy of the proposed or existing subcontract should be attached along with an explanation of how the contractor was selected.

- Out-of-Agency Nutritional Risk Expenditures (WIC): These are costs associated with providing services to WIC participants (e.g. blood work). When including this item in the budget, required documentation includes: an explanation of the need for these services; the provider(s) of the services; and the per participant cost with its components broken out so that their relevance to an evaluation for WIC is clear. An estimate of the number of participants by category must also be included.

- Staff Recruitment Costs: These are costs for filling vacant positions listed in the personal service budget section, and only if these costs are not included as part of the sponsoring agency's indirect cost rate. The local agency should provide the method(s) of staff recruitment with a description, the basis for the estimate of costs, and a brief explanation of the reason behind the type of recruitment chosen.

- WICSIS/FANIS Equipment Insurance Costs: These are costs associated with insuring WICSIS/FANIS equipment as required by NYS DOH policy. An estimate of cost is to be included.

Indirect Costs

Identify whether the sponsor agency uses an indirect cost rate for shared expenses. If your agency applies a federally approved indirect cost rate to grant funded budgets, check the appropriate box and provide the applicable rate. If your agency calculates and applies an indirect cost rate to sponsored programs not subject to federal review and approval, check the appropriate box and provide the applicable rate. If your agency does not use an indirect

cost rate in the budgets of currently sponsored programs check the appropriate box. In FFY 2010, the WIC Program will limit indirect and non-direct program related costs to 10 percent of the total budget.

Breast Pumps and Collection Kits – WIC Program

The costs budgeted on the WIC Budget Justification Breast Pumps and Collection Kits Form can be estimated for the year based on the monthly rental cost or number of units to be purchased.