

**Budget Justification Instructions and Sample
FFY 2013
(October 1, 2012 – September 30, 2013)**

Instructions for Completing the Budget Cover Sheet and Budget Justification

A Budget Cover Sheet and Budget Justification must be submitted for each budget year your organization participates in the *Network for a Healthy California (Network)* program. Accompanied by a Budget Cover Sheet, the Budget Justification gives the basis for the costs in your budget.

The **Budget Cover Sheet (BCS) template** is available in Excel. The document can be found in Attachment F. To complete the document, provide the legal name of your organization at the top left side of the page. Indicate the “contract number” below your organization name at the top left of the page. If a contract number has not been assigned to your agency, please leave blank. If you are a Contractor with the *Network* in FFY 2012, please enter the total amount of each line item in the corresponding field in the FFY 2012 column. Follow by entering the total line item amount for each line item in the FFY 2013 column. The Excel document will calculate the grand total amount for each column. The Excel formula will calculate the % Difference in each row for each line item. If there are no figures entered in the FFY 2012 column, the last column will show “0.00%”. If figures have been entered for FY 2012, and the % Difference is greater than 5%, please provide a brief explanation.

The **Budget Justification (BJ) template** is available in Excel and can be found in Attachment G.

1. List your organization’s legal name at the top right of each page.
2. List your “contract number” below your organization’s name at the top right of each page (This will be assigned to your organization by the *Network’s* Contract Manager. If a number has not been assigned to you, please leave blank).
3. Round off dollars to the nearest whole number and percentages to two decimal points.
4. Use the budget justification to reflect your budget amounts. If the space provided for the required information is not sufficient, you can modify the rows to add additional information as needed (e.g., additional personnel titles and information). When adding rows or columns to the Excel form please make sure to format the cells, rows and/or columns added.
5. Place a revision date in the footer of each page in order to easily identify the most current version. When doing subsequent revisions, please Save As the old budget justification so you will have the previous budget justification saved for reference if needed. Remember to change the revision date in the footer to the new revision date.
6. Use a calculator to verify total calculations. Do not rely on formulas.
7. Enter in Award budget items for each of the Budget Justification lines.
8. Space allocation, equipment, and non-*Network* related travel must be prorated by Full Time Equivalent (FTE) when staff person is not dedicating 100% FTE to the *Network* contract. If costs are required to be prorated, please provide the basis of the prorating. Example: Project Coordinator is 75% on budget; rent for the space occupied by the Project Coordinator must be prorated based on the FTE. The *Network* would only reimburse for 75% of the rental costs. If staff is on reduced time base, but dedicated 100% to the *Network* with no other funding source for salary and benefits, prorating is not required.
9. If there are Subcontractor services for \$5,000 and over, please provide a Subcontractor Scope of Work (SOW) and Subcontractor Budget Justification with the submission of the *Network* Funding Application Packet. (See Attachment I, Subcontractor Budget Justification 2013).

10. Contractors must adhere to United States Department of Agriculture (USDA) and *Network* deadlines in order to meet required timely submission of the *Network's* plan to USDA. Failure to comply with the timeline will cause lengthy delays in the contracting process or loss of opportunity to contract with the *Network*.

Budget Line Item Definitions/Information

Contractors should verify with their appropriate fiscal staff that the following *Network* line item definitions are compatible with their internal line item definitions. Accommodations may be made with the *Network* to place expenses in alternative line items to facilitate accurate invoicing. If needed, such accommodations should be requested by the contractor during contract negotiations and prior to finalizing the budget justification. For more detail pertaining to the following line items please see the Local Projects Guidelines Manual (Fiscal) located at: <http://www.cdph.ca.gov/programs/cpns/Pages/FiscalGM.aspx>.

- A. Personnel Salaries:** Describe and justify staffing information for each position budgeted. Contract employees or consultants should not be included in this line item. Include all of the following information:

1. Name and Position Title:

- **Name** - Enter the employee name(s). If there are more than 8 staff per classification, indicate "multiple staff" and the total number of staff in parenthesis. A list of names is not needed, but should be available upon request.
- **Position Title** - Enter the employee's "position title". This should be one of the titles found on the list of USDA-approved sample position descriptions, which can be located on the *Network* web site at: <http://www.cdph.ca.gov/programs/cpns/Documents/CPNS-LIAPositionDescriptions.xls>. (Position Descriptions are also listed on the Budget Justification template)
- If the sample title differs from the employee's official title, list the official title in parenthesis next to the generic title.
- Note: using USDA-approved sample titles and position descriptions is recommended.
- If a position is not filled, indicate "TBD".

2. Annual Salary

Enter the annual salary used for each employee. When converting a monthly, semi-monthly, weekly or hourly salary to an annual salary please use the standard 52 week year at 2080 hours/year to make the calculation. Calculations should be based on actual salaries.

3. Total Full Time Equivalent (FTE) Allocated to *Network* Contract

Enter the FTE each employee will spend on allowable *Network* activities (e.g., 20 hours of a 40-hour week equals .5000 FTE). Please note: enter this as a decimal not a percentage. (The FTE should be carried to four decimal places)

4. Percentage FTE Time for Administrative Duties Allocated to *Network* Contract

Estimate the percentage of time for each employee that is spent on administrative duties (the percent of time entered for Administrative Duties + the percent of time

entered for Direct Delivery should add up to the percentage of FTE for each position listed). Please enter as a percentage (i.e., 50% rather than a decimal .5000 FTE).

Administrative Duties are related to personnel positions that perform administrative duties (e.g., processing purchase orders, preparing invoices, collecting weekly time logs, and performing general clerical duties, such as answering phones, ordering supplies and preparing correspondence, etc.).

5. Percentage FTE Time for Direct Delivery Duties Allocated to Network Contract

Estimate the percentage of time for each employee that is spent on direct delivery or programmatic duties (the percent of time entered for Administrative Duties + the percent of time entered for Direct Delivery Duties should add up to the percentage of FTE for each position listed). Please enter as a percentage (i.e. 50% rather than a decimal .5000 FTE).

Direct Delivery Duties are related to personnel positions directly engaged in service/program delivery (e.g., nutrition education in the classroom, food stamp promotion, food demonstrations, community outreach activities, physical activity promotion, nutritional aspects of gardening, etc.).

The *Network* is implementing this requirement using the following methodology: if the majority of the activities for the staff person are administrative, i.e. an accounting assistant, then place all that person's FTE allocated to the *Network* contract under "Administrative Duties", if the person is a Registered Dietitian (RD), working as a Project Coordinator, place that person's FTE allocated to the *Network* contract under "Direct Delivery Duties". This methodology must be applied consistently in order to meet USDA's requirement.

Example: if a person is working as a Project Coordinator and dedicating .5 FTE, this should be reflected as 50% Direct Delivery Duties in column # 5. If the person is working as an Administrative Assistant and dedicating .75 FTE, this should be reflected as 75% Administrative Duties in column #4.

Note: The percentages listed under columns 4 (% Administrative Duties) and column 5 (% Direct Delivery Duties) should equal the FTE listed for each employee(s). For example, if a Nurse is budgeted at .25 FTE, then we should see 25% listed in the Direct Delivery Duties column for that row. Similarly, if 10 Nutrition Educators are budgeted for a total of 2.5 FTE, we should see 250% in the Direct Delivery Duties column for that row.

6. Budget Total Dollars

For each employee calculate the total amount of dollars allocated. Annual Salary (column 2) multiplied by Total FTE (column 3) = Total Award Dollars (column 6).

Position Description

There is a list of sample position descriptions approved by USDA on the *Network* website at: <http://www.cdph.ca.gov/programs/cpns/Documents/CPNS-LIAPositionDescriptions.xls>.

These sample position descriptions are listed on the Excel Budget Justification form. Next to each position description title, include the corresponding number(s) in parenthesis from each staff listed under the Personnel Salaries line item that the position description applies to. Please remove any position descriptions that are not applicable to your organization and not needed for this budget justification. The order of personnel listed in the Personnel Salaries line item should correspond directly with the list of position descriptions. The *Network* recommends the use of these sample position descriptions as well as inserting the actual organization staff title in parenthesis next to the position description.

- B. Fringe Benefits:** Fringe Benefits may include expenses such as statutory benefits, a comprehensive benefits package, or other benefits (e.g., medical, dental, vision coverage, long-term disability, accidental death insurance, and a tax-sheltered annuity program). Benefits may be calculated using various rates depending on individual factors. List the type of fringe benefits included in the Fringe Benefit rate. Indicate the fringe benefit percentage used for calculating the fringe benefit line. In cases of multiple percentage rates of Fringe Benefits, an average may be used. (When invoicing, actual Fringe Benefits rates are used)
- C. Operating Expenses:** Operating Expenses include expenses for routine items such as office supplies, communications, telephone, facsimile, e-mail, postage, overnight mail, routine printing and duplication, and space-rent/lease, (include formula for calculating space costs). Identify the major areas of operating expenses and provide a detailed cost breakout of these expenses. The detailed cost breakout should include the basis for the calculation.

Example: Nutrition newsletter for SNAP-Ed eligibles.

Postage -1,000 stamps X \$.44 each = \$440

Operating expenses should be prorated based on the FTE dedicated to NEOP. Please indicate the percentage by which you are prorating the expense. Indicate the total operating expenses in Total Awards column (6). Note: Non-routine and one-time types of expenses should be budgeted under the "Other Costs" line item.

If your organization will be contracting out for printing services, you must complete a Form A28, Office of State Publishing Specifications Form, and provide it to your CM for further processing. This form seeks an exemption from the Department of General Services, Office of State Printing. Form 28 is located on the *Network* website at: <http://www.cdph.ca.gov/programs/cpns/Pages/FiscalGMAppendix.aspx>

- D. Equipment Expenses:** Equipment is defined as non-expendable property used to conduct eligible nutrition education activities, and includes items such as computers, VCRs/DVDs, cameras, furniture, microwaves, etc. Describe and itemize any equipment expenses and indicate the staff assigned to the equipment. (Please review the Allowable/Unallowable list prior to adding items to your equipment line item at <http://www.cdph.ca.gov/programs/cpns/Pages/GuidelinesManual.aspx>). If your equipment will not be used exclusively for allowable *Network* activities or by a 100% FTE, then the expense must be prorated by FTE to include only the portion related to nutrition education. If prorating, please indicate the percentage by which you are prorating the expense and the staff the equipment is assigned to. The % FTE for the staff must match the prorated % of the cost. Indicate the total equipment expenses in the Budget column. Contractors should be able to tie equipment purchases to specific Scope of Work (SOW) objectives. Upon request, contractors may be required to submit a justification to the Contract Manager (CM)/Program Manager (PM) that explains why

the equipment is necessary in order to execute the SOW. Please see Program Letter #12-01, IT Security Policy Letter which provides information pertaining to computers, mobile IT devices and State IT Security requirements. The Program letter is located on the *Network* website at:

<http://www.cdph.ca.gov/programs/cpns/Pages/ProgramLetters.aspx>.

- E. Travel and Per Diem Expenses:** For each trip, include personnel title and FTE of person(s) traveling, dates of travel, purpose of trip as it pertains to SNAP-Ed SOW, location and approximate cost. The approximate cost should include an expense breakdown for registration, hotel, mileage, meals, parking, etc. Indicate the travel and per diem expenses in the Budget column. The reimbursable State Department of Personnel Administration (DPA) mileage rate is \$.555 per mile. Travel and Per Diem expenses included on the Budget may be no greater than the current DPA rates as outlined in Exhibit H.

Staff from your organization should budget for the following training opportunities offered by the *Network* as applicable to your Scope of Work: (These trainings do not need to be prorated)

1. Regional Collaborative Trainings or meetings (4 annually).
2. *Network*-Sponsored Skill Based Meetings, Trainings and Conferences – including trainings such as facilitation, sustainability, program delivery, and Harvest of the Month. Each contractor is required to attend one *Network* Sponsored Skills-Based Training each year and should budget for the costs for each contract year.
3. *Network* Fiscal Training.
4. *Network* Media Training.
5. Youth Empowerment Training.
6. *Network* Statewide Collaborative Meetings.

Prorate all non-*Network* sponsored travel and per diem by the percentage of FTE for all personnel traveling and again by the percentage of allowable nutrition education and physical activity promotion included in the agenda. Your PM will help determine the proration for non-*Network* conferences/trainings. All non-*Network* sponsored conferences/trainings must be prorated, require state approval and are subject to further justification if requested by *Network* staff including objective/purpose as it pertains to SNAP-Ed SOW. Please see Form A5, Request Form for Non-*Network* Sponsored Travel in the Local Projects Guidelines Manual (Fiscal) Appendix:

<http://www.cdph.ca.gov/programs/cpns/Pages/FiscalGMAppendix.aspx>

- F. Subcontracts:** The Subcontractor line is to include both subcontractor and consultant costs. The following information must be provided for the Budget:

- Subcontractor name (if known); list as “TBD” if not known.
- Brief description of services to be provided.
- Basis for the Cost – e.g., hourly or daily rate, # of hours/and or days to perform the deliverable.
- Percentage of FTE time for administrative duties, and/or direct delivery duties.

If consultant services or stipends are budgeted, provide the following details:

- Consultant name; list as “TBD” if not known.
- Brief description of services to be provided.
- Basis for the Cost - number of consulting hours and the hourly/daily rate.
- Total costs.

Subcontractor/Consultant budgets and budget justifications will be reviewed and approved during contract negotiations with the CM and PM. If the subcontractor/consultant has not been determined, submit the required subcontract information to the *Network* as soon as the agreement is negotiated with contractor but prior to execution, so that *Network* staff can review and approve the subcontract for compliance with USDA and CDPH regulations. As required by USDA, prior written authorization is required for all subcontracts. No subcontractor expenses will be paid by the *Network* to the agency unless a fully executed copy of the Subcontract Agreement has been submitted to the *Network* for review and approval. Attach the subcontractors' budget justification and brief project description as part of the application. The subcontract Agreement form can be found here: <http://www.cdph.ca.gov/programs/cpns/Pages/FiscalGMAppendix.aspx>.

G. Other Costs: This line item includes non-routine, occasional, or one-time expenses such as publications, i.e., calendars, recipe books, training/training materials, nutrition education materials, and food and supplies (for demonstration/taste testing purposes only). Identify the major areas of expense and provide a brief cost breakout of these expenses. The most current USDA Approved Materials List can be found in Appendix 14.

H. Indirect Costs: Indirect Costs are defined as expenses not directly or exclusively associated with the project's deliverables such as overhead or allocated expenses. Examples of overhead or allocated expenses include: administrative personnel, bookkeeping, payroll services, janitorial services, insurance, and audit expenses. Describe briefly the expenses associated with this line item. Calculations should be based on rates as indicated below. Please submit documentation from your fiscal department that supports how the indirect rate was determined and calculated.

- Show the Indirect Percentage and the Costs you are using for this calculation, i.e., 11% of Total Direct Costs x \$76,577 = \$8,423.
- Indirect Costs must not exceed 25% of personnel or 26% of modified direct costs.
- The indirect rate used to calculate this line item should be your organization's standard indirect rate. If your organization has a federally negotiated indirect cost rate, this must be used.
- If your indirect costs are based on a modified amount, please identify what expenses are not included in your calculations to arrive at your total Indirect Costs amount.
- For colleges and universities: since most services take place off-campus, the off-campus rate is considered most appropriate to use. Only if the majority of the nutrition education activities are conducted on campus can the on-campus rate be allowed. (Only applicable if subcontracting with a college or university)

For more information on Indirect Costs visit Section 1300 (Indirect Cost Certification) in the Local Projects Guidelines Manual (Fiscal) located on the *Network* website at: <http://www.cdph.ca.gov/programs/cpns/Documents/II1300IndirectCostCertification.pdf> . For indirect cost source documentation information refer to Section VII, Attachment P of the Request for Application (RFA) NLP-2013.

I. Total: Enter the sum of line items A through H to reflect the Total Award Dollars. Please make sure the Totals are carried over from Page 1 for Columns 2, 3, 4, 5, and 6.

**Sample Budget Justification
FFY 2013
October 1, 2012 – September 30, 2013**

**Organization Name
Contract Number**

A. PERSONNEL SALARIES: *

1. Name and Position Title	2. Annual Salary	3. Total FTE (as a decimal)	4. Percentage FTE Time for Administrative Duties	5. Percentage FTE Time for Direct Delivery Duties	6. Total Award Dollars
POSITIONS					
1. Name: [First and last name] Title: Project Director	\$ 62,500	0.3000	0.00%	30.00%	\$ 18,750
2. Name: [First and last name] Title: Project Coordinator (Lead Site Coordinator)	\$ 45,000	0.5000	25.00%	25.00%	\$ 22,500
SUBTOTAL	\$107,500	0.8000	25%	55%	\$ 41,250

PERSONNEL POSITION DESCRIPTIONS:

Project Director 1	Administer the nutrition education contract and budget, supervise nutrition education staff, attend work-related meetings, and monitor program implementation. Coordinate contract reporting requirements.
Project Coordinator (Lead Site Coordinator) 2	Plan and facilitate nutrition education activities for programming in after school setting for different age groups of children, family resource center clients, and farmers market shoppers. Train teen peer educators. Prepare instructional plans for nutrition activities, collect data related to nutrition education programming, prepare documentation for nutrition education contract, and prepare interim and final progress report. Attend required meetings.

Total Award Dollars

B. FRINGE BENEFITS:*

Includes payroll taxes and medical/dental benefits at 28% of salaries
(\$41,250 x 28% = \$11,550)

	\$ 11,550
SUBTOTAL:	\$ 11,550

*Personnel Salaries and Fringe Benefits: California Department of Public Health (CDPH) shall reimburse the contractor for services performed and invoiced during the invoice period, as outlined in Exhibit B, 1(D) and Exhibit E, 1(A, 1) of this agreement.

C. OPERATING EXPENSES: **

Printing and duplication: Print and duplication of nutrition and physical activity related flyers and other materials	\$ 320
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For participants, families, and teachers throughout the year – approximately 8,000 copies x \$.04/copy = \$320

Total Award Dollars

General office supplies: such as pens, paper, markers, flip charts, folders, etc. \$170.40 x 12 x .55 FTE =

\$ 1,125

SUBTOTAL:

\$ 1,445

D. EQUIPMENT EXPENSES: **

Microwave oven used for _____ \$125
 Digital camera used for _____ \$175
 4 Bookcases to store nutrition education materials - \$100 x 4 \$400

\$125
 \$175
 \$400

SUBTOTAL:

\$ 700

E. TRAVEL AND PER DIEM: **

Local Travel: Agency ABC estimates that local travel by the Project Coordinator, for trainings and monitoring will average approximately 245 miles/month. 245 x 12 months x \$.555/mile = **\$1,632/year.**

\$ 1,632

Conferences. Agency ABC staff will participate in all required meetings and conferences, as detailed below.

Staff person attending meetings: Project Coordinator - FTE .50

Regional Network meetings – 2 trips

Per Diem: \$40 x 2 days = **\$80**; Mileage: 187 miles x 2 trips x \$.555 a mile = **\$280**

\$ 360

Regional Collaborative Trainings – 2 trips

Airfare: **\$200**; Lodging: \$84 + tax = \$96 x 2 nights = **\$192**; Per Diem: \$40 x 3 days = **\$120**; Mileage 250 miles x \$.555 a mile x 2 trips = **\$278**

\$ 790

Network-Sponsored - Skill Based Trainings:

Lodging: \$84 + tax = \$96 x 2 nights = **\$192**; Per Diem: \$40 x 2 days = **\$80**; Mileage 250 miles x \$.555 a mile x 2 trips = **\$278**

\$ 550

* Mileage, per diem, and lodging will be billed @ current DPA rates.

Total Award Dollars

SUBTOTAL:

\$ 3,332

F. SUBCONTRACTORS: **

Registered Dietitian – TBD – Provides nutrition education to the SNAP-Ed population. Specific duties include:

Delivery of general nutrition education in a classroom or group setting, staffing health fairs and other community or promotional events where nutrition education messages are delivered, distribution of nutrition education materials, maintaining program reports. Approximately 285.7 x \$35 an hour

\$ 10,000

SUBTOTAL:

\$ 10,000

G. OTHER COSTS: **

Food Samples: Agency ABC will purchase food and paper supplies for taste-testing and demonstrations for nutrition education classes and presentations: \$2.50/sample x 4 sites x 30 lessons/site x 20 students/lesson = \$6,000.

\$ 6,000

Small Wares to conduct food demonstrations such as toaster oven, crock pot, griddle, measuring cups/spoons, bowls, cutting boards, blenders, etc.

\$ 1,500

Nutrition education materials: Such as books, handouts, etc., required for the delivery of critical program services, not to exceed \$4 per item. Approximately 200 items @ \$4/each = \$800.

\$ 800

SUBTOTAL: \$ 8,300

SUBTOTAL OF DIRECT COSTS: \$ 76,577

H. INDIRECT COSTS: **

11% of Total Direct Costs
(\$76,577 x 11% = \$8,423)

\$ 8,423

**CDPH shall reimburse the Contractor for expenses incurred and invoiced through the term of the agreement.

TOTAL	\$107,500	.8000	25%	55%	\$ 85,000
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