

**ADMINISTRATION
BUDGET JUSTIFICATION NARRATIVES**

BACKGROUND

Justification Narratives are incorporated in the Budget/Invoice file. Justifications are entered on four tabs located at the bottom of the file (J-Pers, J-Oper, J-Capl, and J-Other).

Narratives are explanations of each item listed on the Summary, Personnel, and Operating Expenses and Other Costs Pages.

Narratives must include all particulars as specified by the MCH Branch for evaluating the necessity or desirability of each expenditure. This portion of the Budget Document is used for management, monitoring, and auditing purposes.

Construct the Justification Narratives in accordance with the following guidelines:

1.0	PERSONNEL (J-PERS) (SERVES AS MEDI-CAL FACTOR JUSTIFICATION)	1
2.0	OPERATING EXPENSES-TRAVEL (J-OPER)	1
3.0	OPERATING EXPENSES-TRAINING (J-OPER)	2
4.0	OPERATING EXPENSES-OTHER OPERATING (J-OPER).....	2
5.0	CAPITAL EXPENDITURES (J-CAPL).....	2
6.0	OTHER COSTS-SUBCONTRACT (J-OTHER)	2
7.0	OTHER COSTS-OTHER CHARGES (J-OTHER)	3

1.0 PERSONNEL (J-PERS) (SERVES AS MEDI-CAL FACTOR JUSTIFICATION)

1.1 Procedure:

Select the J-Pers tab and list the following information for each staff:

- Benefit Rate or amount (optional, may use average benefit rate on Personnel Detail Page)
- Variable Medi-Cal factor, if applicable
- Specific MCH Program (e.g. MCH, CPSP, PCG, FIMR, etc.)
- Source of data for Medi-Cal Factor
- Explanation of each Medi-Cal Factor higher than the agency's base Medi-Cal Factor provided by the MCH Branch for the current year.

2.0 OPERATING EXPENSES-TRAVEL (J-OPER)

2.1 Procedure:

Select the J-Oper tab and complete the following items:

- Agency Mileage

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- Agency per diem rate (meals and incidentals)
- Agency maximum lodging rate excluding taxes

3.0 OPERATING EXPENSES-TRAINING (J-OPER)

3.1 Procedure:

3.1.1 Line item titles and amounts automatically carry over to this justification worksheet from the Budget.

3.1.2 Select the J-Oper tab and briefly describe training expenses.

4.0 OPERATING EXPENSES-OTHER OPERATING (J-OPER)

4.1 Procedure:

4.1.1 Line item titles and amounts automatically carry over to this justification worksheet from the Budget.

4.1.2 Select the J-Oper tab and briefly describe other operating expenses

4.1.3 Place an "X" in the appropriate column if the item is Unmatched. Such expenditures may include, but are not limited to:

- Space rental
- Office supplies
- Computer software
- Educational materials
- Postage

5.0 CAPITAL EXPENDITURES (J-CAPL)

5.1 Procedure:

Select the J-Capl tab and list all Capital expenditures and the cost of each item.

6.0 OTHER COSTS-SUBCONTRACT (J-OTHER)

6.1 Procedure:

6.1.1 Line item titles and amounts automatically carry over to this justification worksheet from the Budget.

6.1.2 Select the J-Other tab and briefly describe the necessity, types of services, and cost for each subcontract.

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7.0 OTHER COSTS-OTHER CHARGES (J-OTHER)

7.1 Procedure:

- 7.1.1 Line item titles and amounts automatically carry over to this justification worksheet from the Budget.
- 7.1.2 Select the J-Other tab and provide a brief explanation for the necessity and cost of each expenditure.
- 7.1.3 For Indirect costs:
 - Briefly describe the indirect costs in excess of the allowable 10% indirect costs shown on the Budget Summary page.
 - Such expenditures may include, but are not limited to A-87 County Wide Cost Allocation Plan (CWCAP) costs for the programs being budgeted.