

BACKGROUND

Budget Documents form the basis for Agency payments and for fiscal accountability for audit compliance. All expenses shown on the Budget Documents must directly relate to the accomplishment of the goals, objectives, activities, timelines, and outcomes identified in the SOW. General budget policies and requirements are identified in the chapter below:

1.0 GENERAL POLICIES AND REQUIREMENTS 1

The budget document is comprised of three budget pages and are discussed in the chapters listed below:

2.0 BUDGET SUMMARY PAGE2
3.0 PERSONNEL PAGE4
4.0 OPERATING EXPENSES AND OTHER COSTS PAGE - General..... 5

The Operating Expenses and Other Costs Page is comprised of five expense areas and described in the chapters listed below:

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1.0 GENERAL POLICIES AND REQUIREMENTS

1.1 Policy

- 1.1.1 An Excel Budget/Invoice file is provided to Agencies annually by the MCH Branch. This file contains all the necessary budget documents for submitting a proposed budget including budget justification pages to support budgeted items. These budget documents are a required component of the final approved AFA/AGA.
- 1.1.2 Cells in the budget and invoice file that are unlocked for data entry are shaded in yellow. All other cells are locked and password protected to prevent accidental entries. Any unauthorized changes made to the original file format will require a resubmission by the Agency.
- 1.1.3 All other data are calculated by formulas embedded in the worksheet cells.

- 1.1.4 Total Agency General Fund and Total Matching Title 19 are automatically calculated and forwarded from information entered on the Detail Pages to the Budget Summary Page.
- 1.1.5 Negative balances are not allowed on any Budget Document.
- 1.1.6 The Worksheets have been designed so that as you scroll down and across the worksheet the column references will remain at the top of your screen.
- 1.1.7 The Fetal Infant Mortality Review (FIMR) is funded, in whole, by Title V and Agency funds, and cannot be matched with Title 19 funds.

1.2 Requirements

- 1.2.1 All Budget documents must include a completed Summary Page, Detail Pages and Justification Pages.
- 1.2.2 Agencies must ensure that the most current version of the Program Budget/Invoice file is used.

2.0 BUDGET SUMMARY PAGE

2.1 Policy

The Budget Summary Page consists of the following five line items:

1. Personnel
2. Operating Expenses
3. Capital Expenditures
4. Other Costs
5. Indirect Costs

2.2 Requirement

- 2.2.1 Indirect Costs are limited to a maximum of 10% of salaries excluding benefits.
- 2.2.2 The total balance between Title V and SGF cannot be greater than \$10 when submitting your budget to MCH for approval.
- 2.2.3 Individual balances for Title V and SGF cannot be negative.

2.3 Procedures

- 2.3.1 Click the macro button at the top of the Budget Summary Page to correctly format the budget/Invoice file for the specific

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program. All the worksheets in this file will format correctly for the selected program.

- 2.3.2 Enter the Base Medi-Cal Factor at the top right corner of the budget.
- 2.3.3 Enter a percentage for Indirect Costs on the Budget Summary Page (10% maximum). Indirect Costs is calculated by multiplying the percentage entered into the box on the Indirect Cost line by the total wages listed at the top of the Personnel Page.
- 2.3.4 Enter program allocation totals for Title V and SGF on the Budget Summary Page. (Allocations of Title V and SGF are listed on the program specific Allocation Tables located in the Appendix of these Policies and Procedures)
- 2.3.5 Certification statements on the Budget Summary Page must be signed and dated by both the Program Director and the Agency's Fiscal Agent. (This is not applicable to grant agreement Program Budgets for AFLP/ASPPP).
- 2.3.6 The print command will automatically generate the Budget Summary Page and the two Budget Detail Pages.
- 2.3.7 Submit Budget Documents in both hard copy and electronic media, for each MCH funded program. Each Budget/Invoice file is used for both budgeting and invoicing purposes.
- 2.3.8 Submit an original and three copies of the Budget (with AFA) to the following address:

**Department of Health Services
Maternal and Child Health Branch
Operations Section
Attn: Contract Manager
1615 Capitol Avenue, MS 8305
PO Box 997420
Sacramento, CA 95899-7420**

3.0 PERSONNEL PAGE

3.1 Policy

- 3.1.1 Personnel Costs are listed as the first line item on the Budget and Invoice Summary Pages. The Personnel Page is titled "I. Personnel Worksheet" even though it is located after the "II. Operating Expenses Worksheet" and "IV. Other Costs Worksheet". This accommodates agencies with large numbers of MCH personnel.
- 3.1.2 All MCH staff, regardless of time worked in the program, or funding source (unless included in indirect expense line items), must be included on the Personnel Detail Page.
- 3.1.3 Personnel listed on the Personnel Page must meet all applicable MCH Branch policies and requirements as detailed in the Program Section.
- 3.1.4 The total Personnel Costs' dollar amount forwarded to the Personnel line item on the Program Budget Summary Page is the total of the information entered on the Personnel Page.
- 3.1.5 Anticipated salary increases must be included in the initial preparation of the Personnel Page.
- 3.1.6 MCH allows reimbursement for fringe benefits that meet the following criteria:
 - Necessary and reasonable for the performance of the MCH Agreement and Program Budget,
 - Determined in accordance with Generally Accepted Accounting Principles, and
 - Consistent with policies that apply uniformly to all activities of the Agency.
- 3.1.7 Fringe benefits do not include:
 - Compensation for personal services paid currently or accrued by the Agency for services of employees rendered during the term of this agreement which is identified as regular or normal salaries and wages, vacation, sick leave, holidays, jury duty and/or military leave,
 - Director's and executive committee member's fees,
 - Incentive or bonus pay,
 - Relocation allowances,
 - Hardship pay, or
 - Cost-of-living differentials.

3.2 Requirement

3.3 Procedures

- 3.3.1 List each staff's initials and their job title or classification in the appropriate columns. Enter a "Vac" in the initials column if the position is vacant.
- 3.3.2 Enter percent of Full Time Equivalent (FTE) for each employee.
- 3.3.3 Indicate the total annual salary for employees as if they were employed full time.
- 3.3.4 Benefit rates can be calculated in two ways:
- To use one benefit rate for all staff, enter percentage on the Personnel Page in the benefit rate box provided.
 - For actual benefits, a Benefit Rate Per Staff or an Actual Benefit Amount Per Staff must be entered on the J-Pers Justification Page. (Any rate or amount entered on the J-Pers Justification Page will supercede the average rate entered on the Personnel Page.)
- 3.3.5 Enter the approved Medi-Cal Factor (M/F) per staff in column 16 on the Personnel Worksheet. (If it is anticipated that a staff's M/F will vary during the year, please note by placing a "V" in the appropriate column on the J-Pers Justification Page.)
- 3.3.6 An alternate method of determining matching rates for travel costs may be used by identifying those specific individuals for whom travel is being charged. By placing an "X" in the Staff Travel column (Column 17), the worksheet will automatically calculate matching percentages for travel expenses based upon an average of the matching percentages listed on the Personnel Worksheet for those individuals specifically identified.

4.0 OPERATING EXPENSES AND OTHER COSTS PAGE - General

4.1 Policy

- 4.1.1 The Operating Expenses and Other Costs page is comprised of two sections:
- Operating Expenses
 - Travel

- Training
 - Operating Expenses (Other than Travel and Training)
 - Other Costs
 - Subcontracts
 - Other Charges
- 4.1.2 The total dollar amounts from the Operating Expenses and Other Costs Page are forwarded to the Summary Page.
- 4.1.3 Operating expenses are automatically distributed to the Title V and Non-Enhanced Combined Federal/State columns according to how personnel costs are distributed. Travel and Training may also be distributed to the Enhanced Combined Federal/State column.
- 4.1.4 The distribution of these costs can be changed as needed by typing new percentages in the % columns, but total of the percentage entered into the matching columns cannot exceed the % Personnel Matched. The percent of personnel costs that are matched can be found in the % Personnel Matched box at the top of the Budget Summary Page. .

5.0 OPERATING EXPENSES– Travel

5.1 Policy

- 5.1.1 Travel costs are for staff listed on the personnel page who must travel to conduct MCH business and to attend conferences and training that is directly related to the objectives described in the SOW.
- 5.1.2 The cost of travel cannot exceed the established State rates as noted in the Short-Term Travel Reimbursement Information (periodically updated) located in the Appendix.
- 5.1.3 Out of state travel is allowed for agency leadership to travel to the following national conferences:
- Annual meetings of the National Association of Maternal and Child Health Programs
 - Center for Disease Control and Prevention’s MCH Epidemiology Conference
 - Annual City Match Conference
 - American Public Health Association (APHA) Annual Meeting.
- 5.1.4 Travel to other national conferences may be approved on a case by case basis and requires prior MCH Branch approval.

5.1.5 Travel can be matched at an Enhanced rate. Travel cannot be matched at a higher percentage than what is listed on the Personnel Worksheet for those staff for whom travel is being budgeted.

5.2 Requirements

5.2.1 There are two methods that may be used for determining matching rates for travel costs:

- When using non-employee specific costs, the Enhanced and Non-Enhanced percentages listed in the respective Combined Federal/State and Combined Federal/Agency columns on the Personnel line of the Program Budget Summary Page must be used.
- When using employee specific costs, each individual for whom travel is being charged must be identified by an "X" in Column 17 of the Personnel Worksheet. The spreadsheet will automatically calculate matching percentages for Travel expenses based upon the FTE and average of the matching percentages listed on the Personnel Worksheet for those individuals specifically identified.

5.2.2 Prior MCH written approval is required for travel and training costs for staff not listed on the Program Budget, but who contribute a portion of their time to the MCH program.

5.2.3 Any written approval from MCH as well as any receipts required in the Short-Term Travel Reimbursement Information page found in the Appendix must be retained by the Agency for audit purposes.

6.0 OPERATING EXPENSES – Training

6.1 Policy

6.1.1 Local MCH Programs may host or sponsor MCH related trainings, seminars, workshops or conferences.

6.1.2 Training can be matched at an Enhanced rate. Training cannot be matched at a higher percentage than what is listed on the Personnel Worksheet for those staff for whom training is being budgeted.

6.2 Requirements

6.2.1 Prior MCH written approval is required for training and associated travel and per diem costs for staff not listed on the

Budget, but who contribute a portion of their time to the MCH program.

6.2.2 Prior written MCH Branch approval is required to host trainings, seminars, workshops, or conferences.

6.3 Procedures:

Agencies requesting approval to host trainings or seminars must:

- Describe the proposed training or seminar in the Program Budget Justification Narrative
- Submit to the Contract Manager a written request not less than 60 days prior to the proposed training or seminar date(s) which includes:
 - The date of proposed training or seminar location
 - Subject matter of the training or seminar draft of agenda
 - List of instructors
 - Draft of instructional/educational materials
 - Targeted audience and projected number of attendees
 - Draft of publicity materials
 - Total cost

7.0 OPERATING EXPENSES– Other than travel and training

7.1 Policy

7.1.1 Other Operating Expenses include, but are not limited to, items such as space rental, office supplies, computer software, educational materials, duplication, postage and other operating costs

7.1.2 Except for Travel and Training, each matchable Operating Expenses may be matched at the Non-Enhanced rate. The total percentage of the Non-Enhanced Combined Federal/State and Combined Federal/Agency columns in each line item cannot exceed the % Personnel Matched.

7.1.3 Enhanced funding is not allowable for Other Operating Expenses.

7.2 Requirement:

Other Operating Expenses listed on the Budget must be explained and justified on the J-Oper Justification Page.

8.0 OTHER COSTS - Subcontracts

8.1 Policy:

- 8.1.1 Subcontracts/consultant services can be used only for activities directly related to meeting the goals and objectives of the primary SOW.
- 8.1.2 Subcontractors may match federal funds at the Enhanced rate only if the subcontractor is performing Enhanceable activities AND IS A GOVERNMENTAL AGENCY.
- 8.1.3 If a subcontractor is matching at either the Enhanced or Non-Enhanced rate, they are subject to the all guidelines stated in the Fiscal section (FFP Guidelines for MCH Programs) of this Policy and Procedure Manual.

8.2 Requirement:

The use of a subcontractor or consultant must be explained and justified on the J-Other Justification Page. Refer to the Subcontracts sections of this Policy and Procedure Manual for additional information regarding subcontracts/consultant services.

9.0 OTHER COSTS - Other Charges

9.1 Policy

- 9.1.1 Other Charges include but are not limited to:
 - Indirect Expenses
 - Computers
 - Audio/Visual equipment
 - Telecommunication items (including personal digital assistants (PDA's), phone systems, and teleconferencing equipment) having a base unit cost of less than \$5,000
 - Furniture having a base unit cost of more than \$500,
 - Services such as development costs of media campaign advertising.
- 9.1.2 Indirect Costs are distributed among the unmatched and Non-Enhanced Budget columns based upon the average distribution of all personnel listed on the Personnel Detail

Page. Indirect Costs are not matched at the Enhanced (75/25) rate.

9.2 Procedures

- 9.2.1 Enter total Indirect Expenses. Indirect Expenses allowed on the Budget Summary Page will be deducted from this total. The remaining balance is the Excess Indirect.
- 9.2.2 The Excess Indirect is distributed between Unmatched and Non-Enhanced (50/50) columns using Agency funds.