



Budget Guidelines

Overview

The Budget Guidelines must be used when creating a budget to request funds from Healthy Start Coalition of Miami-Dade (HSCMD). The Budget Guidelines are also intended to assist Contracted Providers (Providers) in substantiating the operating costs of a program, maximize resources, and protect direct services and program quality for families of Miami-Dade. The Budget Guidelines are effective for contracts with a commencement date of July 1, 2014 or later.

A program budget must be prepared in conformity with contract requirement. All budgets are subject to final review and approval by the HSCMD and may be modified during contract negotiation process. Rationale and cost calculations for each expense must be provided in the narrative field of the appropriate budget line item.

All budget narratives must be concise, complete, and free of calculation errors; narratives must also include the frequency of an activity, the cost of each occurrence and the percentage of cost allocated to the HSCMD. All expenses must be reasonable, allowable and necessary; a cost is considered reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under circumstances prevailing at the time the decision was made to incur the cost.

Salaries

Complete this section for all staff directly employed to the Healthy Start program (HS). The budget for salaries must be reasonable, justifiable and no greater than comparable market value. The HSCMD uses the term “full-time equivalent”, or FTE, as a measure of time charged to a contract. FTE is defined as a unit of time that indicates the workload of an employed individual in a way that makes workloads comparable across various contexts. FTE is often used to measure a worker's involvement in a project, or to track cost reductions in an organization. An FTE of 1.0 means that the person is equivalent to a full-time worker with 100% of their time charged to HSCMD contract; whereas, an FTE of 0.5 signals that the worker’s time is charged 50% (half-time) to HSCMD contract.

HSCMD will not allow any salary increases in excess of 2% for the contract year July 1, 2014 to June 30, 2015. The HSCMD will not pay reimbursement for overtime (except prior approval is given in writing), bonuses (if bonuses exceeds 2% of previous years’ salary and/or is being paid in addition to a 2% salary increase).

Narrative for salaries must include: the employees’ annual salary, percentage of salary allocated to Healthy Start, pay frequency (bi-weekly/bi-monthly) and number of pay frequencies in the contract year. If a Provider is approved to include overtime hours for an employee, please include the estimated hours and rate in the calculation and budget narrative. As an example:

| Position | Position # | Employee | Annual Salary (\$) | % | Amount (\$) | Narrative |
|------------------|-------------------|-----------------|---------------------------|----------|--------------------|--|
| Care Coordinator | HSM001 | Susan Hernandez | 50,000 | 75 | 37,500 | This part-time position provides Direct Services to HS Clients i.e. Initial Contacts, Initial Assessment and Care Coordination. Annual salary of \$50,000 (\$24.03/hr.), 75% of time allocated |

| | | | | | | |
|----------------------|--------|--------------|--------|-----|--------|---|
| | | | | | | to HS. Total HS salary is \$37,500. Bi-weekly pay frequency @ \$1,442.30 biweekly x 26 frequencies. |
| Care Coordinator | HSM002 | Iris James | 50,000 | 100 | 50,000 | This full-time position provides Direct Services to HS Clients i.e. Initial Contacts, Initial Assessment and Care Coordination. Annual salary of \$50,000 (\$24.03/hr.), 100% of time allocated to HS. Bi-weekly pay frequency @ \$1,923.07 biweekly x 26 frequencies. Position is expected to work overtime hours of 2 hours per week x (\$24.03/hour x 1.5) x 20 weeks = \$1,441.60. Total salary = \$51,441.60 |
| Lactation Consultant | HSM003 | Maria Thomas | 40,000 | 25 | 10,000 | This part-time position provides breastfeeding classes and support to HS Clients. Annual salary of \$40,000 paid at a hourly rate of \$19.23/hr. It is estimated that the position will work a maximum of 10 hours per week which is equivalent to 25% of time allocated to HS. Bi-weekly pay frequency amount varies based on hours worked at a maximum of \$385 biweekly x 26 frequencies. |

Fringe Benefits

Fringe benefits reimbursed by the HSCMD shall be reasonable and justifiable. A justification and calculation of Fringe Benefits must be provided. The HSCMD will fund fringe benefits in the same proportion as it funds salaries. This means that if a position is funded 75% by the HSCMD, then the associated fringe benefits will also be funded at 75%.

- 1) **FICA/MICA:** FICA/MICA rate is set by law at 7.65% (please refer to the Internal Revenue Service Code for further information). To calculate FICA/MICA expense, simply multiply the total salary by 7.65%. As an example, if total salary is 200,000 then FICA/MICA is $\$200,000 \times 7.65\% = \$15,300$.
- 2) **Workers Compensation:** Rates for worker's compensation insurance are set by the State of Florida, annually, and vary by type of employee based upon the risk inherent in their job classifications and responsibility. To calculate workers compensation, multiply the total salary charge to HS by the workers compensation rate.
- 3) **Reemployment (f/k/a unemployment) Tax (SUTA):** State unemployment tax is paid on the first \$8,000 of wages multiplied by an agency's unemployment tax rate, assigned annually, by the Florida Department of Revenue & Taxation (FDOR). Each agency's unemployment rate is based upon their history of unemployment claims. Unemployment tax is paid and reported on a quarterly basis by filing form UCT-6. To calculate unemployment tax for **salaries of \$8,000 or greater**, simply multiply \$8,000 times the number of FTE's charged to HS times the agency's unemployment rate.

For example, if an agency's unemployment tax rate is \$.027, with 5.5 FTE's charged to HSCMD, then unemployment expense is calculated at \$1,188 ($\$8,000 * 5.5 \text{ FTE's} * .027$, or \$1,188). Please note that each position included in the calculation of 5.5 FTE's would have individual wages greater than \$8,000 with no limit.

To calculate unemployment tax for **salaries of \$7,999 or less**, simply multiply total salaries by the unemployment tax rate (FTE's are not applicable for this calculation). For example, if a position is paid \$4,250 and 100% of this amount is charged to HSCMD, then unemployment expense is calculated at \$114.75 ($\$4,250 * .027$, or 114.75).

In 2014, the minimum unemployment tax rate is 0.0059 or \$47.20 per employee and the maximum rate is 0.0540 or \$432 per employee.

- 4) **Retirement Contributions:** Retirement expense is typically calculated as a percentage of total salary multiplied by a retirement contribution percentage For example, if a Providers total HS salary is \$200,000, with a retirement benefit paid at 5% then retirement expense is calculated at \$10,000 ($\$200,000 * 5\%$)

- 5) **Health/Dental/Vision/STD/LTD:** These expenses are typically calculated by using a rate per employee.

- 6) **Other Fringe:** This category is reserved for fringe benefits offered to program staff, other than those described above. *This category is often used by colleges, universities and hospitals* because these organizations use composite fringe benefit rates. Please be sure to show all calculations and thoroughly describe fringe benefits charged to this budget line item.

Program Operating Expenses

Program Operating expenses include operating expenses required to sustain a program's on-going activities, other than salaries and fringe benefits. Expenses must be allowable. Allowable costs are those that are reasonable, necessary and/or required for the program. *Calculations of how program operating expenses are determined must be provided in the narrative.*

Staff Travel: Travel Costs may include items such as staff travel to client, conference, meetings or training or staff travel that is an integral part of the program (i.e.) home visitation. **Mileage Rate should not exceed the State of Florida allowable Rate of 44.5 cents per mile.** The HSCMD will reimburse for reasonable parking and tolls.

To calculate staff travel simple multiple the estimated number of miles per employee per month x number of eligible employees x \$0.445/mile x 12 months. A descriptive budget narrative, including detailed calculations must be provided for staff travel expense and should refrain from using etc.

Staff Training: Approval by HSCMD is required for all attendances of HS staff for Staff Trainings/Conferences. Please use the HSCMD Travel and Training Request Form to seek approval for all Staff Trainings/Conferences. Please see staff travel for local trainings/conferences. If an approved training or conference is out of town/city, the use of privately owned vehicle for travel may be approved. Whenever travel is by privately owned vehicle:

- a) A traveler shall be entitled to a mileage allowance at a rate of 44.5 cents per mile or
- b) A traveler shall be entitled to the common carrier fare for such travel if determined by HSCMD to be more economical.

Lodging expenses will be reimbursed at a reasonable rate. Allowances for meals for out of town travel shall be based on the following schedule:

| Type | Schedule | Allowance |
|-------------|---|------------------|
| Breakfast | When travel begins before 6 a.m. and extends beyond 8 a.m. | \$6 |
| Lunch | When travel begins before 12 noon and extends beyond 2 p.m. | \$11 |
| Dinner | When travel begins before 6 p.m. and extends beyond 8 p.m. | \$19 |

To calculate staff training, determine the number of trainings per eligible employee per year x number of employees x estimated miles per training x \$0.445/mile. In addition include calculation for any registration fees that may be applicable. A descriptive budget narrative, including detailed calculations must be provided for staff training expense and should refrain from using etc.

Office Supplies: Enter the amount of funding you are requesting for office supplies; the amount should be reasonable. Office supplies includes charges for paper, stationery, toner etc. A descriptive budget narrative, including detailed calculations must be provided for office supplies expense and should refrain from using etc.

Printing/Reproduction: Enter the amount of funding you are requesting for printing/reproduction. Printing/Reproduction includes: Printing of flyers, envelopes with logo, letterheads, special photocopies required for the HS program. A descriptive budget narrative, including detailed calculations must be provided for each type of printing/reproduction expense and should refrain from using etc.

Postage: Enter the amount of funding you are requesting for postage. Postage includes: stamps, courier etc. A descriptive budget narrative, including detailed calculations must be provided for each type of postage expense and should refrain from using etc.

Membership/Subscription: Enter the estimated amount per membership/subscription x number of membership/subscription. List the membership/subscription which must be related to Maternal Infant and Child Health (MICH) and for only HS paid staff. A descriptive budget narrative, including detailed calculations must be provided for membership/subscription expense and should refrain from using etc.

Advertising: Enter the amount of funding you are requesting for advertising. Advertising includes: posting of vacant position. A descriptive budget narrative, including detailed calculations must be provided for each type of advertising expense and should refrain from using etc.

Client Educational Material: Enter the amount of funding needed for Client Educational Material; *all client educational material must be approved by HSCMD before purchase* (only approved items will be reimbursed) Client Educational Material include charges for: books, material for MICH classes, brochures, etc. A descriptive budget narrative, for each type of Client Educational Material must be included and should refrain from using “etc.”

Utilities: Enter the budgeted cost of utilities that will be used by the HS program. A reasonable method for the allocation of utilities must be included in the budget narrative for example: based on square footage being occupied by the HS program.

Utilities charges include items such as electricity, water, phone (landline), waste management, pest control and alarm services. A descriptive budget narrative, including detailed calculations must be provided for each type of utility expense and should refrain from using etc.

Office Rent: Facility rental/lease/storage may be reimbursed by HSCMD. *A copy of the fully executed rent/lease document(s) must be submitted to HSCMD with contract documents and renewal submitted promptly upon expiration.* If the building is owned by the Provider, reasonable expenses of building/property maintenance may be allowed. A reasonable method for the allocation of office rent must be included in the budget narrative for example: based on square footage being occupied by the HS program. A descriptive budget narrative, including detailed calculations must be provided for each type of office rent expense and should refrain from using etc.

Cellular: Enter the amount of funding you are requesting for cellular. To calculate cellular expenses determine the number of FTEs requiring cellular x cost per month x 12 months. Cost per month per cellular must be reasonable. A descriptive budget narrative, including detailed calculations must be provided for cellular expenses and should refrain from using etc.

Computer Network Fees: Enter the amount of funding you are requesting for computer network fees. Computer Network Fees include: backup of data, maintenance of computers, network expenses, data/internet etc. *It does not include purchases of computer equipment.* A descriptive budget narrative, including detailed calculations must be provided for computer network expenses and should refrain from using etc.

Equipment Rental/Lease: Includes rental of copier. *A copy of the lease/rental agreement must be provided to HSCMD with contract documents and renewal submitted promptly upon expiration.* A descriptive budget narrative, including detailed calculations must be provided for each type of equipment rental/lease and should refrain from using etc. Narrative must include type of equipment, quantity of equipment and rate per month for each equipment.

Non-Capital Equipment: Non-Capital Equipment of less than \$1,000 includes purchase of items such as furniture, computers, printers, telephones, breast feeding pumps. A descriptive budget narrative, including detailed calculations must be provided for each type of non-capital equipment and should refrain from using etc. Narrative must include type of non-capital equipment, quantity of equipment and cost per equipment.

*You are required to maintain an inventory of non-capital items purchased and submit an updated list to HSCMD at the beginning of each contract year.

Capital Equipment: Capital Expenditures of \$1,000 or more must be approved by HSCMD before purchasing. Capital expenditures are individual items purchased at a cost of \$1,000 or more with a life expectancy of more than one year.

All capital equipment purchased with funds from HSCMD remains the property of HSCMD. The budget justification should include a description of each item, the purpose of the item and the cost per unit.

At no time will Provider dispose of capital equipment purchased with funds from this contract except with the permission of the HSCMD in accordance with their instructions.

*You are required to maintain an inventory of Capital Equipment purchased and submit an updated list to HSCMD at the beginning of each contract year.

Staff Background Check: Enter the amount of funding you are requesting for staff background. Staff background expenses includes: drug testing, fingerprinting, reference checking etc. A descriptive budget narrative, including detailed calculations must be provided for staff background expenses and should refrain from using etc.

Transportation Services for Clients: Enter the amount of funding you are requesting for transportation services for clients. Transportation

services for clients includes: bus passes issued to clients to assist clients to attend classes or reasonable costs for repairs, maintenance and expenses for Providers' vehicle used to transport HS clients (where applicable and approved by HSCMD). ***It does not include gas cards.*** A descriptive budget narrative, including detailed calculations must be provided for transportation services for clients expenses and should refrain from using etc.

*Please note that a copy of transportation log showing clients' name, clients' signature, date of service, type of service (example childbirth classes) must be submitted with your request for reimbursement.

Subcontracted Services: Subcontracted Services includes the services of independent contractors, consultants, instructors, and other professionals engaged by a Provider to perform direct services to participants on behalf of that provider. ***All subcontractor agreement must be submitted to HSCMD within 30 calendar days of contract execution.*** No costs will be reimbursed for subcontracted services until an agreement has been reviewed and approved by HSCMD. Rates paid for subcontracted services must be reasonable and consistent with that paid for similar work.

The budget justification must include a description of the services, frequency of services (number of days/hours, number of classes) and method of payment (hourly rate, rate per class).

*Please note that an organization must determine if the services provided are deemed that of an independent contractor or an employee. As a general rule, an independent contractor is an individual who has the right to control the means or methods of accomplishing the results of the work contracted. See IRS definition for additional details:

Other (specify): This section should be used for any other allowable direct service program costs that are not specifically covered in the budget categories above. . A descriptive budget narrative, including detailed calculations must be provided for other expenses and should refrain from using etc.

Administrative/Indirect Costs

Administrative/Indirect Costs represents the general overhead expenses necessary to operate a program (example: accounting, auditing insurance and general administrative costs). ***Administrative/Indirect Costs cannot exceed 10% of total budgeted expenses.*** It is not necessary to include cost calculations or justification for administrative/indirect costs.