STATE OF DELAWARE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH
APPENDIX D-1-BUDGET WORKBOOK INSTRUCTIONS

THESE INSTRUCTIONS ARE ASSOCIATED WITH THE BUDGET WORKBOOK ASSIGNED TO
RFP/CONTRACT NUMBER: HSS-20-041
PROGRAM/SERVICE: COMPREHENSIVE CARE COORDINATION PLATFORM

General Budget Guidelines

Please read these guidelines thoroughly before beginning to complete the budget workbook.

Organizations are required to complete a Budget Form to determine the appropriateness of agency costs allocated to the Department of Health and Social Services, Division of Substance Abuse and Mental Health (DSAMH) contracts, and to assist in making cost comparisons among similar programs and services. Those contracts include cost reimbursable contracts and contracts that have previously been cost reimbursable but have been converted to a unit cost contract. A separate budget form must be filled out for each vendor funded in this contract.

1.1 Types of Costs

The total cost of contracts is comprised of the allowable program costs, plus the allocable portion of agency administrative costs. Therefore, for purposes of this budget form, contracted costs are categorized into those two separate and distinct types: Program Costs and Administrative Costs. Definitions of these costs are provided below. Certain costs incurred by contractors may be deemed unallowable for inclusion in DSAMH contracts and, therefore, should not be included in the proposed budget in the Budget Workbook. These are enumerated later in this document.

1.1.1 **Program Costs**-Program costs are defined as those costs incurred in the provision of services to clients (for a further discussion of the difference between program costs and administrative costs of personnel). Examples of program costs are: salaries and applicable other employment costs, travel, contractual services (such as telephone, postage, and rent), supplies, and capital outlay/equipment.

One method of distinguishing administrative personnel from program service personnel is by their proximity to client services. For instance service workers would include staff working with clients and their supervisor, if they spend 100% of their time in supervision. As appropriate, the next level of supervision/management may also be considered as part of the program staff if their principal accountability is related to the on-site oversight of the program. All levels of personnel above this level should be considered administrative staff. Full Time Equivalent (FTE) positions should be prorated if they spend time working in multiple programs.

Certain costs, such as those for space or utilities, can be either administrative or program-related, depending on what type of employee occupies the space.

1.1.2 **Administrative Costs-** Administrative costs are defined as those costs incurred to provide central support functions to the service components of the program. Administrative costs are those that have been incurred for the overall general executive and administrative offices of the organization and other expenses of a general nature that do not relate solely to any major program area of the organization. In general, administrative costs cannot be readily identified to a specific program objective without

effort disproportionate to the results. This category may also include the allocable share of salaries and fringe benefit costs, operation and maintenance expense, depreciation and use allowances, and interest costs. Examples of costs that fit in this category include central office functions, such as the director's office, the office of finance, business services, budget and planning, personnel, payroll, safety and risk management, general counsel and management information systems.

1.1.3 **Startup Costs-** Startup costs are the expenses incurred during the process of creating a new project. Startup costs (if allowable) will be discussed during contract negotiations.

1.2 Unallowable Costs

DSAMH will not pay for the following costs:

1.2.1 Costs incurred before the effective date or after the termination date of any contract.

1.2.2 Costs for services which:

1.2.2.1 have not been rendered;

1.2.2.2 cannot be verified as having been provided, according to standard DSAMH monitoring and audit procedures;

1.2.2.3 have not been provided by DSAMH approved agencies and programs;

1.2.2.4 have been provided to persons not authorized by DSAMH;

1.2.2.5 have been provided to persons of less than 18 years of age, unless such persons have been approved in writing by DSAMH as eligible to receive services under this Contract;

1.2.2.6 have been paid for by Medicaid or Medicare, by other third-party payers, by or on behalf of the recipient of services; or

1.2.2.7 are a benefit offered as a covered service in any healthcare plan under which the client has been determined to be covered, or for which the client has been found to be eligible, unless such clients are specifically approved in writing by DSAMH as eligible to receive services under this Contract.

1.2.3 Costs incurred prior to the approval of the Purchase Order by the Delaware State Department of Finance.

1.2.4 Costs incurred in violation of any provision of the contract or the Operating Guidelines (if available).

1.2.5 Costs of acquisition, renovation or improvement of facilities or land. Ongoing costs of facility maintenance and repair are distinguished from improvement and are allowable.

1.2.6 Costs incurred for the purchase and maintenance of Vehicles.

1.2.7 Costs of acquisition of Computer system purchases including electronic health record software.

1.2.8 Costs of political activities, including: transportation of voters or prospective voters to the polls, activities in connection with an election or a voter registration effort, contributions to political organizations and expenses related to lobbying.

1.2.9 Costs of idle facilities. Idle facilities mean completely unused facilities that are excess to the organization's current needs. Unallowable costs related to the idle facility include: maintenance, repair, rent, property tax, insurance and depreciation or use allowances.

1.2.10 Interest payments, late payment fees and penalties charged by vendors as a result of late invoicing.

1.2.11 Costs related to fines or penalties imposed on the agency or legal fees related to the defense of the agency or any of its employees in any civil or criminal action.

1.2.12 Costs that violate any requirement or are identified as a prohibited activity in the Scope of Work (Appendix B of Contract / RFP).

1.2.13 Costs that violate any applicable Federal or State statute or regulation.

In determining unallowable costs listed as 1.2.1-1.2.8, DSAMH used, Subpart E of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, which replaced OMB (Office of Management and Budget) Circulars A-21, A-87 and A-122 Federal Cost Principles on December 26, 2013. A copy of this document is available at the following link:

http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1&rgn=div5

2. General Information Regarding Budget Workbook

The budget workbook is a standardized format for the Department of Health and Social Services, Division of Substance Abuse and Mental Health (DSAMH)

2.1 The budget is an Excel workbook. The workbook consists of:
- **2.1.1** Personnel Detail Worksheet;
- **2.1.2** Budget Worksheet;
- **2.1.3** Budget Narrative

2.2 Portions of the budget workbook and its worksheets are automated. Some items are calculated by the worksheet and some are transferred from other areas of the worksheet and workbook. As a result, the Salary and Budget worksheets require the most entries and time. Questions should be directed to the appropriate DSAMH representative.

2.3 A complete budget workbook must be submitted as part of the Request for Proposal (RFP) Appendix C-Business Proposal or during the annual contract renewal/amendment process as requested by DSAMH. If part of the contract, the budget workbook is listed under Appendix C- of the contract.

2.4 Develop a methodology for allocation of costs to each funding stream. This will speed the completion of the salary, fringe benefit and budget worksheets. In reviewing the budget proposal, DSAMH may ask for an explanation of the methodology.

2.5 A DSAMH representative will provide additional instructions as appropriate.

3. Definitions

3.1 Funding stream refers to the source of funds for each service/program.
- **3.1.1** Requested Funds: legislative and federal appropriations administered by DSAMH.

3.1.2 Other Resources: any other funding sources the agency utilizes to cover expenses.

3.2 Indirect Costs are those costs that have been incurred for common or joint objectives, and thus are not readily subject to treatment as direct costs (program costs) of a specific program/service or other ultimate or revenue producing cost centers. An indirect cost rate represents the ratio between the total indirect costs and benefiting total direct costs, after excluding and or reclassifying unallowable costs, and extraordinary or distorting expenditures. (i.e., capital expenditures and major contracts and subgrants). Indirect costs should not exceed a level beyond the Department of Health and Social Services cap of 12%.

3.3 Direct costs are costs that can be identified specifically with a project and therefore are charged to that project. The accounting system records these costs as they are incurred within the series of accounts assigned for that purpose and further distribution is not required. In the past, this may also have been referred to as program costs.

4. Instructions for Completing the Budget Workbook

4.1 Before beginning – save the budget workbook file with a new name for each service/program.

4.2 Vendors must complete the columns named "Requested Funds"; and "Other Resources"; No entries are needed or permitted in the areas shaded blue, green, purple, yellow, brown, or orange.

5. Personnel Detail Worksheet

5.1 The first step in the development of the budget is to complete the Personnel Detail Worksheet.

5.2 In the boxes provided at the top of the page, enter the Applicant Agency, for this budget.

Column

5.3 A. Name of Staff

In this Column list the name of each person (include each person's credentials) scheduled to work on the project. If this is a new position or currently a vacant position, put "To Be Hired" in this Column.

Group the staff into two sections:

- DIRECT STAFF: (intake staff, staff providing the services to the clients under this contract, etc.).
- INDIRECT STAFF: (support staff, staff that are not directly providing the services but are necessary for the overall operation of the agency that provides the services under this contract, like accounting, CEO, etc.).

5.4 B. Title/Position

In this Column, enter the title or position of each person.

5.5 C. FTE

Enter the Full Time Equivalent for each position listed from the perspective of the agency regardless of how many hours are spent on this contracted service

For example, if the standard workweek for your agency is 40 hours per week and person #1 will work only 30 hours per week for your agency, enter 0.75. If person #2 will work 40 hours per week for your agency, enter 1.0

5.6 D. Annual Salary

Enter the **total annual salary** for each individual. This may be more than the salary paid from project funds. For positions "To Be Hired", enter the salary to be paid from the estimated time of hire until the end of the contract year.

The annual salary is the payment for the total number of time

		the employee works for the agency as a whole, not just for this contract.
5.7	E. % of Time on Project	This is the percent of the individual's total work time that is spent on this project.
5.8	F-G. Salary Breakouts	In Columns F through G, indicate the dollar amount of salary paid from each funding stream used in this contract, as appropriate. The individual's salary may be paid from just one funding stream or more than one. For example, part of salary is paid with Requested funds and the balance by Other Resources.
5.9	H. Total Contract Salary	This Column calculates sum of Columns F through G.
5.10	Line 61 Totals	The totals are automatically calculated for each Column.

6. Budget Worksheet

	Budget Worksheet Note:	**Sections C-1 and C-2 are automatically imported from the Personnel Detail Worksheet for columns D-F. For sections C-3 through C-7, no entries are needed or permitted in the colored areas.**
6.1	Other Resources Column	If the agency is utilizing other resources to cover the expenses of this program, enter the dollar value of each additional resource that is going to be utilized for this line item.
6.2	**Section D-3**	**Travel and Training Expenses**
6.2.1	Line 12	Line 12 is the sum of lines 13 through 15. The values for this line are automatically calculated.
6.2.2	Line 13 Mileage	Mileage expense is the projected number of miles that will be driven by staff and volunteers in their personal vehicles for agency purposes multiplied by the rate per mile reimbursement. This rate cannot exceed the State of Delaware's maximum allowable of forty cents ($0.40) per mile. If an agency chooses to exceed the maximum, it may do so as long as the amount over the maximum is paid by the agency from other sources. http://delcode.delaware.gov/title29/c071/index.shtml Enter the value of the total number of miles multiplied by the reimbursement rate under appropriate funding stream(s), Columns D through F. Use the Budget Narrative C-3 Mileage to identify the quantity of the miles that the agency is projecting to use. **For example**, if agency projects 100 miles to be driven by the staff under this project, then enter 100*$0.40=$40.00.
6.3.3	Line 14 Training	Enter the cost of staff training for this project under appropriate funding stream(s).

6.3.4	Line 15 (Other specify)	Use this line if you need to specify additional Travel or Training Cost. In the Column B, instead of Other (specify), enter the name of the travel or training budget line item and enter the cost of that line item under appropriate funding stream(s).
6.4	**Section D-4**	**Contractual**
6.4.1	Line 16	Line 16 is the sum of Lines 17 through 32. The values for this line are automatically calculated.
6.4.2	Line 17 Rent	Enter the cost of space rental under appropriate funding stream(s). Use the Budget Narrative C-4 Rent to identify each space rented, the square footage and the cost per square foot.
6.4.3	Lines 18-24 Electricity Heat Telephone/Internet Utilities (Other) Printing/Advertising Postage Insurance	Enter the cost for each line item under appropriate funding stream(s).
6.4.4	Line 25 Repairs	Enter the cost of repairs under appropriate funding stream(s). Use the Budget Narrative C-4 Repairs to describe the proposed repairs and the need for them.
6.4.5	Line 26 Audit	Enter the cost of Audit under appropriate funding stream(s). Use the Budget Narrative C-4 Audit to describe what audit fees and what percent of the audit fees agency is allocating to the project expense.
6.4.6	Lines 27-32 Other (specify)	Use this line if you need to specify additional Contractual Costs. In the Column B, instead of Other (specify), enter the name of the contractual budget line item and enter the cost of that line item under appropriate funding stream(s).
6.5	**Section D-5**	**Supplies**
6.5.1	Line 33	Line 33 is the sum of the lines 34 through 43. The values for this line are automatically calculated.
6.5.2	Lines 34-38 Office Supplies Program Supplies Janitorial Supplies Building Supplies Medical Supplies	Enter the cost for each line item under appropriate funding stream(s).
6.5.3	Lines 39-43 Other (specify)	Use this line if you need to specify additional Supplies Costs. In the Column B, instead of Other (specify), enter the name of the supply budget line item and enter the cost of that line item under appropriate funding stream(s).
6.6	**Section D-6**	**Equipment/Other Direct Costs**

6.6.1 If replacement or additional equipment is being requested, use the Budget Narrative to provide details on the specific piece of equipment requested and explain why it is needed.

6.6.6 Lines 44-46 Other (specify) Use this line if you need to specify additional Equipment/Other Direct Costs. In the Column B, instead of Other (specify), enter the name of the direct cost budget line item and enter the cost of that line item under appropriate funding stream(s).

6.7 Section D-7 **Indirect Costs**
Explain how Indirect Cost was determined.

6.8 Section D-8 **Total Budget**
The values for this line are automatically calculated.

7. Budget Narrative

Budget Narrative Supplement Note: **For each section of the Budget Worksheet, use the Budget Narrative Worksheet to explain how a particular cost was calculated, explain why a certain cost is necessary or provide more information to clarify items in "Other Specify". This is the budget justification and narrative.**

The amount requested to DSAMH for each Section will appear to the right of each Section heading on the Budget Narrative.

7.1 D1 **Staff Salaries**

Explain how staff salaries were determined and allocated to this project. Explain any increases/decreases in salaries from the previous contract with the State (if applicable).

7.2 D2 **Staff Fringe Benefits**

In the Additional Narrative Section, explain how the fringe benefits were determined. Explain any increase/decrease in fringe benefits from the previous contract with the State (if applicable). Provide detail on the items included in the fringe benefits, and the percent and dollar amount of each item.

Complete the Fringe Benefits Classification table.
Example:

Fringe Benefit Classification	Amount	Percent
FICA	$16,000	8%
Health Insurance	$24,000	12%
Workers Compensation	$10,000	5%
Total Fringe Benefits	**$50,000**	**25%**

7.3 D3 **Travel/Training**

7.3.1 Travel Explain Mileage in the Narrative Portion and enter the quantity of the estimated miles for this program into the Mileage cell. Please make sure that the dollar value in Total Mileage matches with the total amount given for Mileage on Budget Worksheet Line 13.

Example: Mileage x 0.40(DSAMH Max) = Total

Mileage **4,000.00** Rate **$0.40** Total Mileage = **$1,600**

7.3.2	Training	For the training narrative please give a detailed description of the training allocated on the Budget Worksheet. Training expenses must align with spending principles outlined in the State of Delaware Budget and Accounting Manual, Chapter 11-Training. https://budget.delaware.gov/accounting-manual/index.shtml
7.3.3	Other (Specify)	Identify and explain the cost.
7.4	**D4**	**Contractual**
7.4.1	Rent	Identify the square footage and the cost per square foot for **each space rented**. Example: Sq. Footage x Cost/sq. ft. = Total 2000 sq. ft. x $10/sq. ft. = $20,000 In Cell called "Total Months Charged to Rent" enter the total months included in the contract. If this budget is for the entire year, the total months entered should be twelve (12). If this contract budget is for a shorter or longer period than a year, agency must enter the total months included in the budget. In the Additional Narrative portion, please explain how the rent was determined and allocated to the project.
7.4.2	Electricity Heat Telephone/Internet Utilities (Other) Printing/Advertising Postage Insurance	Explain how these costs were determined and allocated.
7.4.3	Repairs	Describe the proposed repairs and the need for them.
7.4.4	Audit	Explain how these costs were determined and allocated to the program.
7.4.5	Other (Specify)	Identify and explain each cost.
7.5	**D5**	**Supplies**
7.5.1	Office Supplies Program Supplies Janitorial Supplies Building Supplies Medical Supplies	Explain how these costs were determined and allocated.

7.5.2	Other (Specify)	Identify and explain each cost.
7.6	**D6**	**Equipment & Other Direct Costs** If replacement or additional equipment is being requested, use the Budget Worksheet Supplement to provide details on the specific piece of equipment requested and explain why it is needed.
7.6.3	Other (Specify)	Identify and explain each cost.
7.7	**Column E**	**Other Resources** Explain what the other resources are and how they are allocated to this project.
7.8	**D7**	**Indirect Costs** Explain how Indirect Cost was determined
7.9	**D8**	**Total Budget** The values for this line are automatically calculated.