

MID-STATE HEALTH NETWORK
MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
INSTRUCTIONS FOR PREPARATION OF BUDGET FORMS (DCH-0385, DCH-0386)

I. INTRODUCTION

The budget should reflect all expenditures and funding sources associated with the program, including fees and collections and local, state and federal funding sources. When developing a budget, it is important to note that total expenditures for a program must equal total funds.

The Program Budget Summary (DCH-0385) is utilized to provide a standard format for the presentation of the financial requirements (both expenditure and funding) for each applicable program. Detail information supporting the Program Budget Summary is contained in the Program Budget Cost Detail Schedule (DCH-0386).

General instructions for the completion of these forms follows in Sections II and III.

II. PROGRAM BUDGET SUMMARY (DCH-0385) FORM PREPARATION

Use the Program Budget Summary supplied by Mid-State Health Network (MSHN). The Program Budget Cost Detail (DCH-0386) form should be completed prior to completing the Program Budget Summary (DCH-0385) form. Please note that the excel version of the form automatically updates the Program Budget Summary amounts as the user completes the Program Budget Cost Detail amounts.

- A. Program - Enter the title of the program.
- B. Date Prepared - Enter the date prepared.
- C. Page ___ of ___ - Enter the page number of this page and the total number of pages comprising the complete budget package.
- D. Grantee Name - Enter the name of the Grantee.
- E. Budget Period - Enter the inclusive dates of the budget period.
- F. Mailing Address - Enter the complete address of the Grantee.
- G. Budget Agreement: Original or Amended - Check whether this is an original budget or an amended budget. The budget attached to the agreement at the time it is signed is considered the original budget although it may have been revised in the negotiation process. If the budget pertains to an amendment, enter the amendment number to which the budget is attached.
- H. Federal Identification Number - Enter the Employer Identification Number (EIN), also known as a Federal Tax Identification Number.
- I. Expenditure Category - All expenditure amounts for the DCH-0385 form should be obtained from the total amounts computed on the Program Budget Cost Detail Schedule (DCH-0386).
- J. Expenditures (See Section III for explanation of expenditure categories) -
 - 1. Salary and Wages
 - 2. Fringe Benefits
 - 3. Travel
 - 4. Supplies and Materials
 - 5. Contractual (Subcontracts/Subrecipients)
 - 6. Equipment
 - 7. Other Expenses
 - 8. Total Direct Expenditures
 - 9. Indirect Costs
 - 10. Total Expenditures
- K. Source of Funds - Refers to the various funding sources that are used to support the program. Funds used to support the program should be recorded in this section according to the following categories:
 - 11. Fees and Collections - Enter the total fees and collections estimated. The total fees and collections represent funds that the program earns through its operation and retains for operation purposes. This includes:

- a) 1st Party funds projected to be received from private payers, including clients and any member of the general population receiving services;
 - b) 2nd Party funds projected to be received from organizations, private or public, who might reimburse services for a group or under a special plan;
 - c) 3rd Party funds projected to be received from private insurances or Medicare directly related to the cost of providing client care or other services; and
 - d) any other collections.
12. Mid-State Health Network - Enter the amount of MSHN funding allocated for support of this program. This amount includes all state and federal funds received by MSHN that are to be awarded to the Grantee through the agreement.
13. Local - Enter the amount of Grantee funds utilized for support of this program.
14. Federal - Enter the amount of any Federal grants received directly by the Grantee in support of this program and identify the type of grant received in the space provided.
15. Other(s) - Enter and identify the amount of any other funding received. Other funding could consist of foundation grants, United Way grants, private donations, fund-raising, charitable contributions, etc.
16. Total Funding - The total funding amount is entered on line 16. This amount is calculated based on a formula and is determined by adding lines 11 through 15. The total funding amount must be equal to line 10 - Total Expenditures.
- L. Total Budget Column - The Program Budget Summary is designed for use in presenting a budget for a specific program agreement funded in part by or through MSHN or some other non-local funding source. The Total Budget column represents the program budget amount.

III. PROGRAM BUDGET COST DETAIL SCHEDULE (DCH-0386) FORM PREPARATION

Use the Program Budget Cost Detail Schedule supplied by MSHN; include additional pages if necessary. Please note that the excel version of the form automatically updates the Program Budget Summary amounts as the user completes the Program Budget Cost Detail amounts.

- A. Page ___ of ___ - Enter the page number of this page and the total number of pages comprising the complete budget package.
- B. Program - Enter the title of the program.
- C. Budget Period - Enter the inclusive dates of the budget period.
- D. Date Prepared - Enter the date prepared.
- E. Grantee Name - Enter the name of the Grantee.
- F. Budget Agreement: Original or Amended - Check whether this is an original budget or an amended budget. If an amended budget, enter the amendment number to which the budget is attached.
- G. Expenditure Categories:
 - 1. Salary and Wages -
 - a) Position Description - List all position titles or job descriptions required to staff the program. This category includes compensation paid to all permanent and part-time employees on the payroll of the Grantee and assigned directly to the program. This category does not include contractual services, professional fees or personnel hired on a private contract basis. Consulting services, professional fees or personnel hired on a private contracting basis should be included in Other Expenses. Contracts with subrecipient organizations such as cooperating service delivery institutions or delegate agencies should be included in Contractual Expenses.
 - b) Comments - Enter information to clarify the position description or the calculation of the salary and wages or fringe benefits, (i.e., if the employee is limited term and/or does not receive fringe benefits).
 - c) Positions Required - Enter the number of positions required for the program corresponding to the specific position title or description. This entry could be expressed as a decimal (e.g., Full-time equivalent FTE) when necessary. If other than a full-time position is budgeted, it

is necessary to have a basis in terms of a time study or time reports to support time charged to the program.

- d) Total Salary - Compute and enter the total salary cost by multiplying the number of positions required by the annual salary.
 - e) Total Salary and Wages - Enter a total in the Positions Required column. A formula will calculate the Total Salary column. If more than one page is required, attach an additional DCH 0386.
2. Fringe Benefits - Check applicable fringe benefits for employees assigned to this program. This category includes the employer contributions for insurance, retirement, FICA, and other similar benefits for all permanent and part-time employees. Enter composite fringe benefit rate and total amount of fringe benefit. The composite rate is calculated by dividing the fringe benefit amount by the Salary and Wages amount.
 3. Travel - Use only for travel costs of permanent and part-time employees assigned to the program. This includes cost for mileage, per diem, lodging, lease vehicles, registration fees and approved seminars or conferences and other approved travel costs incurred by the employees as listed under the Salary and Wages category. Specific detail should be stated in the space provided on the Cost Detail Schedule if the Travel category exceeds 10% of the Total Expenditures. Travel of consultants is reported under Other Expenses as part of the Consultant Services.
 4. Supplies and Materials - Enter cost of supplies and materials. This category is used for all consumable and short-term items and equipment items costing less than \$5,000. This includes office supplies, computers, office furniture, printers, printing, janitorial, postage, educational supplies, medical supplies, etc., according to the requirements of each applicable program. Specific detail should be stated in the space provided on the Cost Detail Schedule if the Supplies and Materials category exceeds 10% of the Total Expenditures.
 5. Contractual (Subcontracts/Subrecipients) - Specify the subcontractor(s) working on this program in the space provided under line 5. Use this category for written contracts or agreements with subrecipient organizations such as affiliates, cooperating institutions or delegate Grantees when compliance with federal grant requirements is delegated (passed-through) to the subrecipient Grantee. Contractor payments such as stipends and allowances for trainees, consulting fees, etc., are to be identified in the Other Expense category. Amounts should be entered in the Amount column; a formula will calculate the amount in Total Contractual if entered correctly. Specific details must include:
 - a) subcontractor(s) and/or subrecipient(s) name and address,
 - b) amount for each subcontractor and/or subrecipient. Multiple small subcontracts can be grouped (e.g., various worksite subcontracts).
 6. Equipment - Enter a description of the equipment being purchased, including number of units and the unit value, the total by type of equipment and total of all equipment. This category includes stationary and movable equipment to be used in carrying out the objectives of the program. The cost of a single unit or piece of equipment includes the necessary accessories, installation costs and any taxes. Equipment is defined to be an article of non-expendable tangible personal property having a useful life of more than one (1) year and an acquisition cost of \$5,000 or more per unit. Equipment items costing less than \$5,000 each are to be included in the Supplies and Materials category. Amounts should be entered in the Amount column; a formula will calculate the amount in Total Equipment if entered correctly.
 7. Other Expenses - This category includes other allowable cost incurred for the benefit of the program. The most significant items should be specified. Minor items may be identified by general type of cost and summarized as a single item on the Cost Detail Schedule to arrive at a total Other Expenses category. Specific detail should be stated in the space provided on the Cost Detail Schedule if the Other Expenses category exceeds 10% of the Total Expenditures. Amounts should be entered in the Amount column; a formula will calculate the amount in Total Other Expenses if entered correctly. Significant groups or subcategories of costs are described as follows and should be individually identified in the space provided.

- a) Communication Costs - Costs of telephone, telegraph, data lines, Internet access, websites, fax, email, etc., when related directly to the operation of the program.
 - b) Space/Rental Costs - Costs of building space, rental and maintenance of equipment, instruments, etc., necessary for the operation of the program. If space is publicly owned, the cost may not exceed the rental of comparable space in privately owned facilities in the same general locality. Funds may not be used to purchase a building or land.
 - c) Participant Support Costs - Costs for items such as stipends or subsistence allowance, travel allowance, registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.
 - d) Consultant or Contractor Services - These are costs for consultation services, professional fees and personnel hired on a private contracting basis related to the planning and operations of the program, or for some special aspect of the project. Travel and other costs of these consultants are to be included in this category.
 - e) Other - All other items purchased exclusively for the operation of the program and not previously included, such as non-employee insurance, automobile and building maintenance, membership dues, fees, etc.
- 8. Total Direct Expenditures - Enter the sum of items 1 through 7 on line 8. This amount is calculated based on a formula.
 - 9. Indirect Costs Calculations - Enter the allowable indirect costs for the budget. Enter the rate description, base amount, percentage and indirect costs.
 - 10. Total Expenditures - Enter the sum of items 8 and 9 on line 10. This amount is calculated based on a formula.

GOVERNMENTAL GRANTEES: The following are additional guidance for Governmental Grantees in accordance with Title 2 CFR Part 200 Appendix V and Appendix VII:

- A. Governmental Grantees receiving more than \$35 million in direct Federal awards are required to have an approved indirect cost rate from a Federal Cognizant Agency. If your agency has received an approved indirect rate from a Federal Cognizant agency, attach the Federal approval letter.
- B. Governmental Grantees receiving \$35 million or less in direct Federal awards are required to prepare indirect cost rate proposals in accordance with Title 2 CFR and maintain the documentation on file subject to review.
- C. Governmental Grantees that received approved indirect cost rates from another State of Michigan Department should attach their State approval letter.
- D. As a Subrecipient of federal funds from MDHHS, a Governmental Grantee that has never received a negotiated indirect cost rate, may elect to charge a de minimis rate of 10% of modified total direct costs based on Title 2 CFR part 200 requirements.