



Area
Agency on
Aging (IIIIC)
Branch-St. Joseph

570 Marshall Road, Coldwater, MI 49036

Phone: (517) 278-2538

www.bhsj.org/aaa

BUDGET INSTRUCTIONS

FISCAL YEAR 2021-2022

**BRANCH-ST. JOSEPH AREA AGENCY ON AGING (IIIC)
INSTRUCTIONS FOR ANNUAL CONTRACTING APPLICATION FORMS
FISCAL YEAR 2023-2025**

OVERVIEW

Instructions are provided for Funding Application, Assurances, and Budget which are to be submitted to the Area Agency on Aging (AAA) during the competitive bidding process.

All services applied for must be explained within one application. The Program Narrative should be clearly labeled in accordance with the outline. Applicants proposing more than one service should clearly differentiate between service categories when responding to information requested.

All parts must be successfully completed by all applicants, regardless of past funding status with the AAA. Read all instructions and information carefully. Program monitoring will be based upon the proposed plan in the event of a subcontract award. Please contact the AAA if technical questions arise.

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INSTRUCTIONS

Funding Application - This part has been designed so that all federal and state service delivery can be applied for in one project information narrative. All service categories applied for must be explained within this section.

The applicant agency will complete this plan by filling in the Program Plan information and responding to the requested information in the Program Narrative. If more than three services are applied for, additional copies should be attached.

Assurances - This part includes agreements, compliance documents, and statutory assurances, which govern service activities for recipients of federal and state funding awards. Please read all information carefully, fill in the agency name and address where appropriate, secure requested signatures and indicate the date of signing.

Budget Instructions - Federal, state, program income, and matching funds which are to be included in the project must be presented by service category and unit cost.

The amount allocated to a specific service will be contractually binding for monitoring and reporting purposes. Subcontractors cannot reallocate monies between services without prior approval by the AAA. Activities will be reported on a monthly basis.

A. ELIGIBLE AND INELIGIBLE COSTS - The following are general items for which AAA funds may be spent: Personnel, including fringe benefits and travel; Communications, Including telephone and postage, Supplies; Rent, Utilities; and Conferences and Training.

Items that **may** also be covered include: Equipment; Fees for service contracts and Insurance.

Ineligible costs generally include: Bad debts; Capital expenditures; Construction; Entertainment; Interest; Severance pay; Penalties and other financial costs deemed ineligible by the AAA in accordance with state and federal guidelines.

A prescribed cost allocation plan for dividing shared-cost operating expenses between fund accounts within the provider organization must be in use and available for AAA review and monitoring.

B. BUDGET FORMS - The unit cost budget must be completed for all service categories except for nutrition services, which have a separate budget and instructions.

UNIT COST BUDGET

Following are definitions and step-by-step instructions for completing the unit cost project budget. Include funds requested, program income, and matching monies into each section as appropriate. **It is recommended that applicants complete the Unit Cost Budget Detail page before filling out the Unit Cost Budget Summary. All proposed costs must be presented within the correct section. Contact the AAA if technical questions arise.**

The AAA has uploaded all forms/budget worksheets in Microsoft Word and/or Excel format for use in preparation of proposals. Contact the AAA if technical questions arise.

A. UNIT COST BUDGET DETAIL - Page 2
Use one column for each service category.

Top of Page - Fill in the areas according to the following instructions (this information should be the same on page one and page two):

1. **Agency** - Enter the name of the organization to assume responsibility and accountability for the use of any funds.
2. **Project Title** - Enter the name/title of the overall project (example: "ABC Agency FY23 Original Budget")
3. **Budget Period** - Enter dates that the proposed project would be operated (i.e. 10/01/2022 – 09/30/2023).
4. **Date Prepared** - Enter the date that the budget was completed.

Expense Category:

1. **Salaries** - This section is to include the portion of compensation paid to all permanent and part-time employees who are funded in whole or part with AAA funding, program income, or local match. This does not include professional fees, contractual services or personnel hired on a personal contract basis.
 - a. List all positions whose time will be expended on, and charged to the contract.
 - b. List the FTE (full time equivalent) by positions and service category
 - c. Enter the dollar figures for salaries and wages of each position within the appropriate service category column.
2. **Fringe Benefits** - Include the employer's contributions for insurance, retirement, unemployment, Worker's Compensation, FICA, and other similar benefits for all permanent and part-time employees. Fringes are expressed as a composite rate, which is a % of salaries and wages, not position-by-position breakdowns.
 - a. Check the items included in fringe benefits.
 - b. Identify the percentage to be used.
 - c. Modify the formula to reflect % or calculate and list the dollar amount

3. **Travel** - This section is for mileage reimbursement costs for the travel of paid employees and volunteers and for conference travel.
 - a. Enter the cost per mile to be paid for employees and volunteers and the estimated number of miles to be traveled in "Cost per mile __ x miles" area.
 - b. Enter the dollar amounts for staff and volunteer travel within the proper service categories.

4. **Supplies** - This section is to be used for all items costing less than one thousand dollars (\$5,000). This includes office, janitorial, educational supplies, etc.

5. **Occupancy**
 - a. Office Space - This requests the portion of the cost for office space and includes utilities if not paid separately.
 - b. Utilities - This is to include the portion of the cost for utilities such as heat, electric, etc. These items do not need to be budgeted separately when included in the rent.
 1. Provide the office space costs per square foot figure in the "Office Space \$__ square foot" area.
 2. Enter dollar amounts for Office Space within the appropriate service category.
 3. If utility fees are not included in Office Space costs, list the utilities (i.e. heat, electric, etc.) on the "Utilities" line.

6. **Communications** - This is to include costs of postage, telephone, copying and printing.
 - a. List the specific line items to be included in the cost.
 - b. Enter the dollar amounts for communications line items within the appropriate service categories.

7. **Service Contracts** - Include all contracts the subcontracts the provider proposes to establish as a part of the AAA contract.
 - a. Under the "Service Contracts" list all contracts entered into for the operation of the project.
 - b. Provide the portion of the cost for items listed along each line, within the service category.

8. **Training** - Include all training functions the agency plans to undertake during the contract period, at workshops, etc. Provide the portion of the cost for training, within each service category.

9. **Other** - This is to include costs not included in the previous categories. Examples of such costs are approved indirect costs, audit fees, liability insurance, bonding, consultant fees, equipment rental and leases, etc.
 - a. List items under "Other Costs" area.

- b. Enter the dollar amounts for each item across the page under the appropriate service category. Please note that all agencies receiving funds from the AAA are required to complete and submit an annual financial audit. In addition, agencies receiving awards of \$50,000 or more are required to complete and submit a single audit of the contract. Costs for the audit(s) are an allowable charge toward awards and should be budgeted in this section.
- 10. **Total** - This section is to include the total of sections 1 through 11. Enter the total annual cost per service category.
 - 11. **Total Units**- enter the total units to be provided by the grant, match and program income funds
 - 12. **Unit Cost**- the program will calculate (total dollars/units)*

B. UNIT COST BUDGET SUMMARY-This page calls for the presentation of the total costs needed for each service category presented in the UNIT COST BUDGET DETAIL form. Dollar amounts entered on this page must correspond to the amounts presented on page 2 (unit cost budget detail).

Top of Page - Along the top of the page, fill in the areas according to the following instructions (this information should be the same on page one and page two):

- 1. **Agency** - Enter the name of the organization to assume responsibility and accountability for the use of any funds.
- 2. **Project Title** - Enter the name/title of the overall project (example: "ABC Agency FY23 Original Budget")
- 3. **Budget Period** - Enter dates that the proposed project would be operated (i.e.10/01/2022 – 09/30/2023).
- 4. **Date Prepared** - Enter the date that the budget was completed.

Budget Summary

Section I:

- A. **Service Category** – There is space on each budget for three different services to be budgeted, using the columns. In the first column, indicate the service name applied for (example: Home Care Assistance, Adult Day Services, Caregiver Education, Support and Training). Utilize the second and third columns if applying for more than one service.
- B. **Unit Cost** - Divide total cost by the total units projected.
- C. **Grant Unit Cost**- Divide **Total Funds Requested** (grant dollars only) by the **Total Units Less Other Resources**.
- D. **Blank**

- E. Total Funds Requested** - Enter the total amount of funds requested for each service category (also referred to as grant funds requested). Include only the funds requested, not program income or local match. See the allocation schedule provided at Bidders Conference.
- F. Local Match Total** - For each service category, enter the dollar amount that is the total local match, (the sum of any cash and in-kind resources). A minimum of 13% match is required.
 - 1. Cash - Of the dollar figures presented on the "Local Match Total" line, enter the local amount that is local cash match under the appropriate service category.
 - 2. In-Kind - Of the dollar figures presented in the "Local Match Total" line, enter the local amount that is in-kind match under the appropriate service category.
- G. Program Income** - Enter the total amount of anticipated program income (client donations) under the appropriate service category.
- H. Total Project Funds** - Calculate the sum of the following: total funds requested, local match, and program income and indicate total under the appropriate service category. This figure is placed at the bottom of page two as a cross check.
- I. Other Resources – (OPTIONAL)** Programs have the OPTION to indicate other funding that may be used to enhance the project proposed. Funding indicated here may include: county millage funds, united way, foundation or other federal/state funds. Other Resources are not incorporated into the calculation of total unit cost, grant unit cost or the total units to be provided. *When reviewing competitive bids, if Other Resources are indicated, that additional funding gives reviewers a bigger picture of the project, its scope and collaboration.*

Analysis – Section II

In this section, an analysis of the information presented in the Budget Summary is requested. It breaks down how many units of service will be provided with each type of funding involved in the project (grant funds, match, and program income).

Total Units Less Other Resources – The total number of units to be provided under the contract including: grant units, local match units and program income units (sum of section A through C in the Analysis section).

- A. Grant Total** - Enter total funds requested. Next to “Number of Units”, divide total funds requested by unit cost & enter the figure in the space provided.
- B. Local Match Total**

1. **Cash Match** - Enter the percent of total match that is cash of the 13% that is required. Number of units: divide the amount of cash match by the unit cost & enter the figure in the space provided.
 2. **In-Kind Match** - Enter the percent of total match that is in-kind of the 13% that is required. Number of units: divide the amount of in-kind match by the unit cost & enter the figure in the space provided.
- C. Program Income** - Enter the amount of anticipated program income/client donation. Number of units: divide the amount of program income by the unit cost & enter the figure in the space provided.
- D. Other Resources – OPTIONAL** - Enter the total amount of other resources and the source of the other resources in the space provided. Number of units: divide the amount of other resources by the unit cost & enter the figure in the space provided. Other Resources units are NOT included in Total Units Less Other Resources.

Certification - This form can be certified by the Project Director, Project Accountant, or Chairperson of the Board but should **not** be signed by the same person who calculated the budget figures. Sign, provide title, and date.

C. PROJECTED MONTHLY EXPENDITURES/SERVICES

This form calls for a projected monthly plan of costs, match, program income, unduplicated client counts, and units by service. Projected monthly information will be used for monitoring and reprogramming purposes. It is important that projections are not merely the total award divided by twelve (or the number of months in the contract), but that consideration is also given to:

- Large purchases which may be made in a particular month or quarter (i.e. equipment, insurance premiums, etc.).
- Seasonal variations in expenditures. The same premise holds true for client projections. For example, the first few months of the fiscal year often produce a higher client count than subsequent months.

Top of Page:

Agency: Please indicate Agency/Organization name in the space provided

Service: Please indicate the Service name for which the Projection is for in the space provided.

1. **Cost** - For each service category, enter the monthly cost being allocated to the service. Use only the dollar amounts of the total funds requested.
2. **Match** - For each service category, enter the total monthly amount of local match (either cash, in-kind, or the total of both) allocated.

3. **Program Income** - For each service category, enter the total monthly amount of program income anticipated.
4. **Clients** - For each service category, enter the total monthly number of clients anticipated to be served.
5. **Units** - For each service category, enter the total number of units anticipated to be served.
6. **Quarterly & Year-to-Date (YTD) Columns** - At the end of each quarter, add the total costs, match, program income, clients, and units, being planned for the service category. In quarters subsequent to the first quarter, add the previous quarters' totals to arrive at the year-to-date figure.

PURCHASE OF SERVICE BUDGET

The intent of a competitive grant process is to encourage the best utilization of resources to serve the greatest number of individuals in need. Therefore, unit cost reimbursement is the favored budget method. However, in some cases, Purchase of Service budget methods allow for ease of accounting and reimbursement on the part of the provider of service.

Purchase of Service (POS) budgets are also called Expense Reimbursement budgets. POS budgets are reimbursed based on actual expenditures. Please use the same forms & Instructions as the Unit Cost budget. Local Match, Program Income and Units of Service are still outlined in a POS budget. In addition, the Projection of Monthly Expenditures is also required.

When completing the "Unit Cost" & "Grant Unit Cost" sections of the budget form on page 1 and page 2, please indicate "POS" in all of these areas because the AAA will reimburse based on actual expenditures or a portion of total funds requested, not per-unit.

Please contact the AAA if technical questions arise.