

## FORM E-3 Categorical Budget Justification Example

Cost Categories	Category I (Counseling and Testing)	Category II – (CRCS)	Category II – Intervention 1 (Community PROMISE)	Category II – Intervention 2 (Insert Name)	Total
<b>A. PERSONNEL</b>	\$ 23,812	\$ 74,128	\$ 93,928	\$	\$ 191,868
<b>Direct Program Staff</b>	18,112	62,728	82,528		\$163,368
<b>Administrative Staff</b>	5,700	11,400	11,400		\$ 28,500
Example:	\$ 5,728	\$ 5,728	\$ 5,728	\$	\$ 17,184
<p><b>Program Manager (Watson – Direct Program Staff)</b>  <b>\$3,580/monthly X 40% X 12 = \$17,184</b></p> <p>Supervises all HIV prevention activities; Provides staff training, as needed; coordinates HIV prevention programming; designs and maintains data collection system; prepares all required program reports; evaluates staff performance and conducts quality assurance.</p>					

<p><b>Health Education Coordinator II (Jones – Direct Program Staff)</b>  \$3,200/monthly X 100% X 12 = \$38,400</p> <p>Conducts outreach and implements Community PROMISE. Identifies and recruits potential role models, constructs role model stories, and trains peer volunteers.</p>	\$	\$	\$ 38,400	\$	\$ 38,400
<p><b>Health Education Coordinator II (Donnelly-Direct Program Staff)</b>  \$3,200/monthly X 100% X 12 = \$38,400</p> <p>Conducts outreach and implements Community PROMISE. Identifies and recruits potential role models, constructs role model stories, and trains peer volunteers.</p>	\$	\$	\$ 38,400	\$	\$ 38,400
<p><b>HIV Prevention Specialist I (Brooks-Direct Program Staff)</b>  \$2,580/monthly X 40% X 12 = \$12,384</p> <p>Conducts HIV counseling and testing activities, as well as outreach.</p>	\$ 12,384			\$	\$ 12,384

<p><b>HIV Case Manager (McDade-Direct Program Staff)</b>  <b>\$2,375/monthly X 100% X 12 = \$28,500</b></p> <p>Provides case management services to rural HIV-positive residents of Jones, Hays, Delgado counties through face-to-face client contact and phone contact. Conducts needs assessments with the clients and updates needs assessment on a regular basis. Establishes linkages with social services providers and medical providers to ensure clients have a medical home. Makes appropriate referrals for services, and collects and maintains accurate program data.</p>	\$	\$ 28,500	\$	\$	\$ 28,500
<p><b>HIV Case Manager (Vacant-Direct Program Staff)</b>  <b>\$2,375/monthly X 100% X 12 = \$28,500</b></p> <p>Provides bilingual case management services to rural HIV-positive Spanish speaking residents of Miller, Bend, Gonzales and Montemayor counties through face-to-face client contact and phone contact. Conducts needs assessments with the clients and updates needs assessment on a regular basis. Establishes linkages with social services providers and medical providers to ensure clients have a medical home. Makes appropriate referrals for services, and collects and maintains accurate program data.</p>	\$	\$ 28,500	\$	\$	\$ 28,500

<p><b>Clerical Support (Gonzales-Administrative Staff)</b>  <b>\$2,375/monthly X 100% X 12 = \$28,500</b></p> <p>Provides clerical support to daily program operations including answering telephone inquiries, filing, and data entry.</p>	\$ 5,700	\$ 11,400	\$ 11,400	\$	\$ 28,500
<p><b>B. FRINGE BENEFITS</b></p>	\$ 4,518	\$ 14,621	\$ 17,065	\$	\$ 36,204
<p>Example:</p> <p>Direct Staff:</p> <p>FICA: 7.65% x salaries =</p> <p>Insurance: \$2,160 x # of FTEs =</p> <p>Worker's Comp: 2.0% x salaries = \$</p> <p>Unemployment: 2.7% x salaries = \$</p> <p>Total Direct Staff Fringe</p> <p>Administrative Staff:</p> <p>FICA: 7.65% x salaries =</p> <p>Insurance: \$2,160 x # of FTEs =</p> <p>Worker's Comp: 2.0% x salaries = \$</p> <p>Unemployment: 2.7% x salaries = \$</p> <p>Total Administrative Fringe</p>	\$	\$	\$	\$	<p>12,498</p> <p>10,347</p> <p>3,268</p> <p>4,411</p> <p>30,524</p> <p>2,180</p> <p>2,160</p> <p>570</p> <p>770</p> <p>5,680</p>
<p><b>C. STAFF TRAVEL</b></p>	\$ 659	\$ 3,636	\$ 1,318	\$	\$ 5,613

<p><u>Example:</u>  Mileage for Case Managers in service area:  \$0.505/mile X 600 miles/mo. X 12 months = \$3,636</p> <p>Expenses for 3 staff members, two Health Education Coordinators and one HIV Prevention Specialist to attend the Texas HIV/STD Conference:</p> <p style="padding-left: 40px;">Airfare @ \$175 X 3 staff = \$525  Lodging @ \$85 X 4 days X 3 staff = \$1,020  Meals @ \$36 X 4 days X 3 staff = \$432</p>	175 340 144	\$  \$3,636	350 680 288		\$ 3,636   1,977  525 1,020 432
D. EQUIPMENT					
E. SUPPLIES					
<p><u>Example:</u>  General office supplies to be used by all staff members-  \$100 mo x 12 mo</p>	400	\$ 400	400		\$ 1,200
F. CONTRACTUAL					\$ None Requested
<p>G. OTHER</p> <p>Printing and reproduction of materials for Community PROMISE including client brochures and referral cards.</p> <p>\$50 per month x 12 months = \$600</p> <p>Registration Fees for 3 staff members, two Health Education Coordinators and one HIV Prevention Specialist to attend the Texas HIV/STD Conference  \$190 x 3 = \$570</p>	190		600  380		\$ 1170  600  570

<b>H. TOTAL DIRECT COSTS</b>  [Enter the total of A - G above]	\$	\$	\$	\$	\$
<b>I. INDIRECT COSTS</b>	\$	\$	\$	\$	\$
<p><b>Indirect costs are based on (mark the statement that is accurate):</b></p> <p><input type="checkbox"/> The <b>maximum rate</b> allowed under an indirect cost rate agreement approved by a federal cognizant agency or state single audit coordinating agency. A copy of the current rate is attached behind the Budget. <b>Expired rate agreements are not acceptable.</b></p> <p><input type="checkbox"/> <b>Less than the maximum amount</b> allowed by a federal cognizant agency or state single audit coordinating agency. A copy of the current rate is attached behind the Budget.</p> <p><input type="checkbox"/> (Applies to local governments only) The <b>maximum rate</b> allowed under an indirect cost rate proposal prepared in accordance with OMB Circular A-87. A copy of the indirect cost rate proposal certification and supporting documents is on file and is subject to review by DSHS fiscal monitors, or any of its duly authorized representatives, as well as duly authorized federal or state authorities.</p> <p><input type="checkbox"/> (Applies to governmental entities only) <b>Less than the maximum amount</b> allowed under an indirect cost rate proposal prepared in accordance with OMB Circular A-87. A copy of the indirect cost rate proposal certification and supporting documents is on file and is subject to review by DSHS fiscal monitors, or any of its duly authorized representatives, as well as duly authorized federal or state authorities</p> <p><input type="checkbox"/> The <b>maximum amount</b> calculated under a cost allocation plan must be submitted for review to DSHS no later than the 60<sup>th</sup> calendar day after the effective date of the contract.</p> <p><input type="checkbox"/> <b>Less than the maximum amount</b> calculated under a cost allocation plan that must be submitted for review to DSHS no later than the 60<sup>th</sup> calendar day after the effective date of the contract.</p>					
<b>J. TOTAL BUDGET</b>	\$	\$	\$	\$	\$

<b>Cost Category</b>	<b>Definition and Instructions</b>
<b>A. Personnel</b>	<p>The actual cost of salaries and wages of employees devoted to working on activities directly related to carrying out the Scope of Work of the DSHS funded project. These costs are allowable to the extent that they are reasonable and conform to the established, consistently applied policy of the organization and reflect no more than the time actually devoted to the project. The salaries and wages of employees that do not work on activities described in the the Scope of Work of the DSHS funded project should be allocated as indirect costs and budgeted under the Indirect Cost category.</p> <p>List each position with a brief job description of 50 words or less. For each position listed, multiply the monthly salary or wages by the percentage of personnel time by the number of months which the salary is to be paid from this budget.</p>
<b>B. Fringe</b>	<p>Fringe benefits are allowances and services provided by the organization to its employees as compensation in addition to regular salaries and wages. Fringe benefits include but are not limited to the cost of employee insurance, pensions, and unemployment benefit plans. The cost of fringe benefits is allowable (in proportion to the amount of time or effort employees devote to the grant funded project) to the extent that the benefits are reasonable and are incurred under formally established and consistently applied policies of the organization.</p>
<b>C. Travel</b>	<p>The cost of transportation, lodging, meals and related expenses incurred <u>by employees</u> of the organization while performing duties relevant to the proposed project. This includes auto mileage paid to employees on the basis of a fixed mileage rate for the use of their personal vehicle. Costs related to client transportation and conference registration fees should be classified under the "Other" expense category. Travel costs incurred by a third party under contract should be included within the terms of the contract and be budgeted under the "Contractual" expense category. ALL OUT OF STATE TRAVEL MUST HAVE DSHS PRIOR APPROVAL. NOTE: Contractors who do not have written travel reimbursement policies must use DSHS travel reimbursement rates as follows: \$.505/mile, \$36/day meals, and \$85/day lodging. Contractors that have approved rates greater than the DSHS's established rates must attach the approved travel policy to the submitted budget.</p>

<p><b>D. Equipment</b></p>	<p>Equipment means an article of nonexpendable, tangible personal property having a useful lifetime of more than one year and an acquisition cost of \$5,000 or more. Contractor must inventory equipment, and controlled assets, which include, firearms regardless of the acquisition cost, and the following assets with an acquisition cost of \$500 or more: desktop and laptop computers, non-portable printers and copiers, emergency management equipment, communication devices and systems, medical and laboratory equipment, and media equipment. If purchase of equipment is approved in writing by the Department, Contractor is required to initiate the purchase of that equipment in the first quarter of the Contract or Program Attachment term, as applicable. Failure to initiate the purchase of equipment may result in loss of availability of funds for the purchase of equipment.</p> <p>Prior approval from the DSHS is required before grantee may acquire equipment. List each item, describe and explain use. Attach the Justification for Request for Equipment Purchase Form for <u>each</u> piece of equipment requested and include equipment specifications for all computer equipment.</p> <p>For each type of equipment item, please provide a description of each item, the cost per unit, the number of units to be purchased, the total amount for the line item (multiply the cost per unit by the number of units), state the purpose for the item(s) and why the equipment is necessary and how the respondent determined or will determine that the cost is reasonable. Attach a complete specification or a copy of the purchase order</p>
<p><b>E. Supplies</b></p>	<p>Supplies are defined as consumable items necessary to carry out the services under this DSHS project including medical supplies, drugs, office supplies, patient educational supplies, software, and any items of tangible personal property other than those defined as equipment above.</p> <p>For each general category or type of supplies, please provide a description of the items, the cost per unit, the number of units to be purchased, the total amount for the line item (multiply the cost per unit by the number of units), and state the purpose for the item(s), why the supplies are necessary and how the respondent determined or will determine that the cost is reasonable.</p>
<p><b>F. Contractual</b></p>	<p>The costs of activities directly associated with carrying out the statement of work that are contracted by the organization to a third party are recoded in the "Contractual" category. A contract with a subrecipient must comply with Article XII, section titled "Contracts with Subrecipient Subcontractors" of the DSHS General Provisions. The contractor may enter into contracts with subrecipient subcontractors unless restricted or otherwise prohibited in a specific Program Attachment(s). Prior to entering into an agreement equaling \$100,000 or more of a Program Attachment amount, Contractor shall obtain written approval from DSHS. Contracts with subcontractors shall be in writing and include the following:</p> <ul style="list-style-type: none"> <li>Name and address of all parties;</li> <li>A detailed description of the services to be provided;</li> <li>Measurable method and rate of payment and total amount of contract;</li> <li>Clearly defined and executable termination clause;</li> <li>Beginning and ending dates that coincide with the dates of the applicable Program Attachment(s) or cover a term within the beginning and ending dates of the applicable Program Attachment(s);</li> <li>Access to inspect the work and the premises on which any work is performed, in accordance with the General Provisions;</li> </ul> <p>and a copy of these General Provisions and a copy of the Statement of Work and any Special Provisions in the Program Attachment(s) applicable to the subcontract.</p> <p>Contractor is responsible to DSHS for the performance of any subcontractor. Contractor shall monitor both financial and programmatic performance and maintain pertinent records that shall be available for inspection by DSHS. Contractor shall ensure that subcontractors are fully aware of the requirements placed upon them by state/federal statutes and regulations and under this Contract. Contractor shall not contract with a subcontractor, at any tier, that is debarred or suspended or excluded from or ineligible for participation in federal assistance programs. <b>When subcontracting, Contractor is required to meet all applicable HUB requirements.</b></p>

<p><b>G. Other</b></p>	<p>All other allowable direct costs not listed in any of the above categories are to be included in the “Other” category. Some of the costs listed below may also be treated as indirect cost. Their treatment as “Other” (direct) or indirect must be consistent throughout the respondent's organization. Typical costs that may be budgeted in the “Other” category are the approved DSHS program attachment’s share of:</p> <ul style="list-style-type: none"> <li>* equipment rental if used solely on the DSHS project, otherwise include in "Indirect Costs" ;</li> <li>* single audit services if allocated directly to each funding source, otherwise include in "Indirect Costs";</li> <li>* long distance telephone expenses, (general telephone expenses should be included in "Indirect Costs");</li> <li>* printing and reproduction expenses directly related to the DSHS project;</li> <li>* postage and shipping directly related to the DSHS project;</li> <li>* contract personnel services for individuals that work solely on activities described in the DSHS Statement of Work;</li> <li>* equipment repairs or service maintenance agreements for equipment used solely on the DSHS funded project;</li> <li>* periodicals:</li> <li>* advertising that promotes the DSHS project;</li> <li>* registration fees;</li> <li>* patient transportation;</li> <li>* training costs, speakers fees and stipends.</li> </ul> <p>The justification should include an explanation of the purpose of the goods/services and why it is necessary to complete the project.</p>
<p><b>H. Total Direct Costs</b></p>	<p>Total of cost categories A-G.</p>

<p><b>I. Indirect Costs</b></p>	<p>Indirect costs are those costs incurred for a common or joint purpose benefiting more than one project or cost objective and not readily identified with a particular program.</p> <p>Organizations that <u>do not use an indirect cost rate</u> and <u>governmental entities with only a central service rate</u> must identify the types of costs that will be allocated as indirect costs and the methodology used to allocate these costs in the categorical budget justification. The costs/methodology must also be disclosed in Part V-Indirect Cost Allocation of the Cost Allocation Plan that is submitted to DSHS. <b>Identify the types of costs that are being allocated as indirect costs, the allocation methodology, and the allocation base:</b></p> <p>Facility costs, depreciation, utilities, and property insurance costs are captured in a separate cost center and allocated to cost objectives based on square footage occupied by the cost objective.</p> <p>General administrative office, executive office, accounting office, and human resource office costs are captured in separate cost centers established for each office; the costs are pooled and allocated to benefited cost objectives based on direct salary/wages.</p> <p>General organization costs (i.e. general liability insurance) are captured in a separate cost center and allocated to all cost objectives of the organization based on direct salary/wages.</p> <p><i>OMB Circular A-87 permits States, Local and Indian Tribal Governments to prepare central service and indirect cost rate proposals in accordance with the requirements of the Circular and maintain the proposal and related supporting documentation for audit. The Circular goes on to state that no rate shall be acceptable unless such costs have been certified by the governmental unit using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Attachments C and E. The certification forms are also available in the Appendix to the DSHS Contractor's Financial Procedures Manual (CFPM) available on the internet at: <a href="http://www.dshs.state.tx.us/contracts/">http://www.dshs.state.tx.us/contracts/</a></i></p> <p><b>NOTE:</b> Governmental entities must also submit a cost allocation plan as specified in Appendix A of the Contractor's Financial Procedures Manual to DSHS within 60 days of the contract start date. Governmental entities that only have a central service cost rate must also include the indirect costs of the governmental department. The allocation of indirect costs of the department must be addressed in Part V - Indirect Cost Allocation of the Cost Allocation Plan that is submitted to DSHS.</p>
<p><b>J. Total Budget</b></p>	<p>Total of H. Direct Costs and I. Indirect Costs.</p>