

First 5 Commission of San Diego

Budget Guidelines

Fiscal Year 2011-12

The following guidelines have been developed to assist First 5 Commission of San Diego contractors in the development of an annual Program Budget and Program Budget Narrative for Fiscal year 2011-12. The items listed are those most commonly requiring additional clarification.

PERSONNEL

Personnel

Personnel line items shall be specific and include the position title, staff name, and time allocated to project, annual salary or hourly rate, and budget amount. This information must be supported on timesheets and match the information reported on the approved Cost Allocation Plan. For Management and Executive staff who do not complete time sheets, their information must be listed on the Cost Allocation Plan. The budget narrative shall include a clear detailed description of the line item including how the budget amount was derived. The rule of thumb is to list the full-time staff separately from the part-time staff.

Fringe Benefits

Examples of Fringe Benefits are: State Unemployment Insurance, Workers' Compensation, FICA, SDI, and health insurance. These benefits shall be listed on the Program Budget as "Fringe Benefits" and the total amount listed. This line item is not to be combined with the Personnel line items. The Program Budget Narrative shall list each benefit separately and list the rate and calculation used to determine the budget amount. This information must match the information reported on the Cost Allocation Plan.

NOTIFICATION OF KEY PERSONNEL CHANGES

Contractor shall notify the Commission Contract Monitor in writing when there is a change in key personnel funded under the Agreement (**including vacancies**). Key personnel are defined to include personnel who provide direct services, management oversight or any combination of these services. The Commission shall have the right to reject any change in key personnel upon reasonable cause. Whenever there is a change in key personnel, a revised Cost Allocation Plan shall be submitted to reflect the allocation of the new staff.

OVERHEAD

Overhead Cost shall not exceed 15% of Personnel Costs (Personnel and Benefits). This line item shall be listed separately from other line items under *Overhead*.

SERVICES AND SUPPLIES

All services and supplies shall be listed separately on the program budget and budget narrative. Each item shall contain a clear and detailed description of the line item to include the reason and purpose and cost of the line item. If the line item is a percentage of the organization's total cost, the calculation must be listed in detail to show how the budget line allocation was derived. Some examples of line items under Services and Supplies are: IT Support, Rent, Utilities, Insurance, and Printing and Duplicating costs.

Other line items in this category that require additional clarification are:

Mileage

Mileage reimbursement to staff shall not exceed the IRS approved rate. The Budget Narrative shall list the number of staff, number of miles and rate with the budget amount (for example: 5 staff at 3,000 miles each x 55 cents = \$8,250.00). See <http://www.irs.gov/newsroom/article/0,,id=200505,00.html> for current mileage rates.

Conferences and Training

Conferences and trainings shall be listed individually and shall include descriptions of the event(s), costs, and the name(s) and work titles of the attendee(s). The rule of thumb is that the presented subject needs to be directly related to the attendee's contracted position and responsibility. Generally, one or two persons attend and bring back information for the rest of the staff. An exception to this rule is if the training is on a curriculum required for the attendee's position.

MEETING INCENTIVES

Food, Beverages, Refreshments

- Meeting Incentives such as food, beverages, or refreshments can be purchased for special events, workshops or meetings if official business is conducted during these meetings. In addition, it is expected that an important speaker, or guest, and a substantial number of participants be present.
- Food, beverages, or other refreshments are not to be purchased for “routine” meetings for staff, or where there are adequate refreshments and food purchasing options available.
- The cost of refreshments, including minor snacks and supplies such as cups, napkins, etc., should be reasonable. The cost shall not exceed the County current approved cost of five dollars (\$5.00) per person.
- The cost of breakfast and supplies such as cups, napkins, etc., should be reasonable. The cost shall not exceed the County current approved cost of twelve dollars (\$12.00) per person.
- The cost of lunch and supplies such as cups, napkins, etc., should be reasonable. The cost shall not exceed the current approved cost of eighteen (\$18.00) per person.
- Commission funds are never to be used to purchase alcohol.

Other Incentives

- Incentives such as pens, t-shirts, child care, baby items, passes, or transportation shall be pre-approved in writing by the Commission Contract Monitor upon receipt of written justification provided by the contractor. Approved incentives shall be documented separately and in detail in the Program Budget Narrative. The description shall include the incentive item, the number (such as 50), item description, and reason for purchased (who it will be distributed to) (For example: 100 pens will be purchased for a total cost of \$10.00 and will be distributed to parents during parent education classes). The approved Program Budget shall list the total cost of the incentives under *Incentives*.
- Gift Cards used as incentives to support program objectives shall be pre-approved in writing by the Commission Contract Monitor upon receipt of written justification provided by the contractor. If the request is approved, the contractor shall enter the dollar amount on the approved Program Budget under the *Incentives* line item. On the corresponding approved Program Budget Narrative, the contractor must provide a detailed description of the use of the gift cards.

NOTE: For additional requirements on contractor gift card purchases, See *Contractor Gift Card Purchases Guidelines* issued to contractors on 2/17/11 via e-mail.

NOTIFICATION OF SUBCONTRACTOR(S) CHANGES

Contractor shall notify the Commission Contract Monitor in writing when there will be a change (**including vacancy**) in subcontractor(s) under the Agreement. The Commission Contract Monitor shall have the right to reject any change to a new subcontractor(s) upon reasonable cause.

BUDGET ADJUSTMENTS

The Commission Contract Monitor may make administrative Agreement adjustments to change or modify the budget as long as the total Agreement amount or Agreement Term is not modified. The approved budget provides specific categories (For example: Personnel and Services and Supplies) and line items (For example: Program Incentives and Mileage) within categories.

- If the Contractor wishes to reallocate dollars from one line item to another line item in a category and the total dollars is less than 10% of the total budget, the Contractor may allocate the dollars and shall report the reallocation in *Section 4: Comments* on the current monthly invoice.
- If the Contractor wishes to reallocate dollars from one budget category to another or move more than 10% of the total contract dollars within a category, a written request shall be made to the Contract Monitor and approved prior to the budget adjustment.
- The Contractor shall provide the Commission Contract Monitor a revised Program Budget and Program Budget Narrative within 15 days of all budget adjustments. A revised fiscal invoice will be required.

Remember, the justification on the approved Program Budget Narrative must match the approved Program Budget.

When in doubt, contact your Commission Contract Monitor!