

ATTACHMENT D

Michigan Department of Community Health Instructions for Preparation of Budget Forms Required Budget Forms DCH - 0385 and DCH -0386

One set of budget forms DCH - 0385 and DCH - 0386 must be completed for each 12-month period of the project for a maximum of 36 months (3 years).

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
INSTRUCTIONS FOR PREPARATION OF BUDGET FORMS (DCH-0385, DCH-0386)**

I. INTRODUCTION

The 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 instruction for the completion of these forms follows in Sections IV - V.

II. DISTRIBUTION

The original and three (3) copies of the Program Budget Forms are prepared and distributed as follows:

Original and two (2) copies -

Michigan Department of Community Health
(Bureau/Office)
(Appropriate Address)

One copy - Retained by Contractor

III. RETENTION

This budget should be retained for a period complying with the retention policies established in the agreement.

IV. PROGRAM BUDGET SUMMARY (DCH 0385) FORM PREPARATION

Use the **Program Budget Summary (DCH 0385)** supplied by the Michigan Department of Community Health. An example of this form is attached (**see Attachment B.1**) for reference.

- A. Page ___ of ___ - Enter the page number of this and the total number of pages comprising the complete budget package.
- B. Program - Enter the title of the program.
- C. Code - Enter the program code if applicable.
- D. Budget Period - Enter the inclusive dates of the budget period.
- E. Date Prepared - Enter the date prepared.
- F. Contractor- Enter the name of the Contractor.
- G. 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 number of the amendment to which the budget is to be attached.

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
INSTRUCTIONS FOR PREPARATION OF BUDGET FORMS (DCH-0385, DCH-0386)**

PROGRAM BUDGET SUMMARY (DCH 0385) FORM PREPARATION (continued)

- H. Address - Enter the complete address of the Contractor.
- I. Employer Identification Number - Enter Federal Identification Number.
- J. Category Column

Expenditures

1. Salaries and Wages - This category includes the compensation paid to all permanent and part-time employees on the payroll of the contractor and assigned directly to the program. This does **not** include contractual service, professional fees or personnel hired on a private contract basis (see Items 5 and 7 below).

The salaries and wages line must be supported on the Program Budget-Cost Detail (DCH 0386) which lists each type of position description, number of positions assigned to the program and the budget amount. **This applies only to those positions within the contractor, not to personnel of subcontractors.**

2. Fringe Benefits - This category is to include the employer's contributions for insurance, retirement, FICA, and other similar benefits for all permanent and part-time employees assigned to the program. **Specific fringe benefits provided must be checked on the Cost Detail Schedule (DCH 0386).**
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, registration fees and approved seminars or conference and other approved travel costs incurred by the employees for the conduct of the program. Travel of consultants is reported under Other Expenses - Consultant Services (see Item 7 below). **Specific detail should be provided if any item exceeds 10% of total expenditure.**
4. Supplies and Materials - Use for all consumable and short-term items and equipment items costing less than five thousand dollars (\$5,000). This includes office, printing, janitorial, postage, educational supplies, medical supplies, contraceptives and vaccines, tape and gauze, education films, etc., according to the requirements of each applicable program. **Specific detail should be provided if any item exceeds 10% of total expenditures.**
5. Contractual (Subcontracts) - Use for written contracts or agreement with subrecipient organizations such as affiliates, cooperating institutions or delegate contractors **when compliance with federal grant requirements is delegated to the subrecipient contractor. Detail on each subcontract (contractor name, contractor address, amount of contract) must be provided on the DCH 0386 Cost Detail Schedule, however, multiple small subcontracts can be grouped.** Vendor payments such as stipends and allowances for trainees, patient care, consulting fees, etc., are to be identified in the Other Expense category (see Item 7 below).

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
INSTRUCTIONS FOR PREPARATION OF BUDGET FORMS (DCH 0385, DCH-0386)**

PROGRAM BUDGET SUMMARY (DCH 0385) FORM PREPARATION (continued)

6. 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 items costing less than five thousand dollars (\$5,000) each are to be included in the Supplies and Material category.**

All equipment items summarized on this line must be detailed on the Program Budget-Cost Detail Schedule (DCH 0386). The schedule must include item description, quantity and budgeted amount. 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.
7. Other Expenses - This category includes other allowable cost incurred for the benefit of the program. The most significant items should be specifically listed on the Cost Detail Schedule. Other minor items may be identified by general type of cost and summarized as a single line on the Cost Detail Schedule to arrive at a total Other Expenses category. Some of the more significant groups or subcategories of costs are described as follows and should be individually identified in the space provided on and under line 7. **Specific detail should be provided if any item exceeds 10% of total expenditures.**
 - a. Consultant Services - These are costs for consultation services 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 also to be included in this category.
 - b. Space Cost - Costs of building space, rental 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 privately owned facilities in the same general locality.
 - c. Communication Costs - Cost of telephone, telegraph, data lines, etc., when related directly to the operation of the program.
 - d. Other - All other items purchased exclusively for the operation of the program and not previously included.
8. Total Direct - Enter the total of the direct expenditures (lines 1-7).
9. Indirect Cost - Enter the allowable indirect costs for the budget. Indirect costs can only be applied if an approved indirect cost rate has been established or an actual rate has been approved by the Department of the applicable federal cognizant agency and is accepted by the Department. **Detail on how the indirect amount was calculated must be shown on the Cost Detail Schedule (DCH 0386).**
10. Other Cost Distributions - This line provides for allocation of various contributing activity costs to appropriate program areas based upon activity counts, time study support data or other reasonable and equitable means. **The percent and amount must be shown on the Cost Detail Schedule (DCH 0386).** An example of cost distribution may be Nursing Supervision.

**MCHIGAN DEPARTMENT OF COMMUNITY HEALTH
INSTRUCTIONS FOR PREPARATION OF BUDGET FORMS (DCH-0385, DCH-0386)**

PROGRAM BUDGET SUMMARY (DCH 0385) FORM PREPARATION (continued)

11. Total Expenditures - Enter the total expenditures budgeted for the program. This is the total of lines 8, 9, and 10.

Source of Funds

12. Fees and Collections - Enter the total fees and collections estimated. The total fees and collections represent funds which the program earns through its operation and retains for operation purposes. This would include fees for services, payments by third parties (insurance, patient collections, Medicaid, etc.) and any other collections.
13. State Agreement - Enter the amount of MDCH funding allocated for support of this program. State percentages are not required.
14. Local - Enter the amount of local contractor funds utilized for support of this program. Local percentages are not required. **In-kind and donated services from other agencies/sources should not be included on this line.**
15. Federal - Enter the amount of any Federal grants received in support of this program and identify the type of grant received.
2. Other - 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. In-kind and donated services should not be included unless specifically requested by MDCH.
3. Total Funding - The total funding amount is entered on line 17. This is determined by adding lines 12 through 16 and must be equal to line 11 - Total Expenditures.

- K. 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 the Department or some other non-local funding source. Total Budget column represents the program budget amount. **The "Total Budget" column must be completed while the remaining columns are not required unless additional detail is required by the Department.**

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

Use the **Program Budget-Cost Detail Schedule (DCH 0386)** supplied by the Michigan Department of Community Health. An example of this form is attached (**see Attachment B.2**) for reference.

- 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. Code - Enter the program code if applicable.
- D. Budget Period - Enter the inclusive dates of the budget period.
- E. Date Prepared - Enter the date prepared

**MCHIGAN DEPARTMENT OF COMMUNITY HEALTH
INSTRUCTIONS FOR PREPARATION OF BUDGET FORMS (DCH-0385, DCH-0386)**

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

- F. Contractor - Enter the name of the contractor.
- G. Original or Amended - Check whether this is an original budget or an amended budget. If an amended budget, enter the number of the amendment to which the budget is to be attached.
- H. Position Description - List all position titles or job descriptions required to staff the program.
- I. Positions Required - Enter the number of positions required for the program corresponding to the specific position title or description. This entry may be expressed as a decimal 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.
- J. Total Salary - Compute and enter the total salary cost by multiplying the number of positions required by the annual salary.
- K. Comments - Enter any explanatory information that is necessary for the position description. Include an explanation of the computation of Total Salary in those instances when the computation is not straightforward.
- L. Totals - Enter a total in the Position Required column and the Total Salary column. The total salary amount is transferred to the Program Budget Summary - Salaries & Wage category. If more than one page is required, a subtotal should be entered on the last line of each page. On the last page, enter the total amounts.
- M. Fringe Benefits - Specify applicable ("X") for staff working in this program. Enter composite fringe benefit rate and total amount of fringe benefit.
- N. Travel - Enter cost of employee travel (mileage, lodging, registration fees). **A specific description is required for any item which exceed 10% of total expenditures.**
- O. Supplies & Material - Enter cost of supplies & materials (medical, office, postage). **A specific description is required for any item which exceeds 10% of total expenditures.**
- P. Subcontracts - Specify subcontractor(s) working on this program, including subcontractor(s) address, amount by subcontractor and total of all subcontractor(s). Multiple small subcontracts can be grouped (e.g., various worksite subcontracts).
- Q. 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.
- R. Other Expenses - Enter amounts by category and total for all categories. **A specific description is required for any item which exceeds 10% of total expenditures.**
- S. Other Cost Distributions - Enter a description of the cost, percent distributed to this program and the amount being distributed.
- T. Indirect Cost Calculations - Enter the base(s), rate(s), and amount(s).

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH PROGRAM BUDGET SUMMARY

DCH-0385 6/98
Replaces FIN-110

PAGE ____ OF ____

Program	Code	Budget Period	TO	Date Prepared
Contractor		Budget for Original Agreement _____ or Amendment # _____		
Address		City	State	Zip Code
				Payee Identification Number:
	EXPENDITURE CATEGORY			TOTAL BUDGET
1	Salaries & Wages			
2	Fringe Benefits			
3	Travel			
4	Supplies & Materials			
5	Contractual (Subcontracts)			
6	Equipment			
7	Other Expenses:			
8	TOTAL DIRECT			\$0.00
9	Indirect Costs: Rate #1			
	Indirect Costs: Rate #2			
10	Other Cost Distributions			
11	TOTAL EXPENDITURES			\$0.00
SOURCE OF FUNDS				
12	Fees & Collections			
13	State Agreement			
14	Local			
15	Federal			
16	Other			
17	TOTAL FUNDING			\$0.00

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
PROGRAM BUDGET - COST DETAIL**

DCH-0386 6/98
Replaces FIN-116

PAGE ____ OF ____

Program		Code	Budget Period TO	Date Prepared
Contractor		Original Budget ____	Amended Budget _____	Amendment Number ____
POSITION DESCRIPTION	POSITIONS REQUIRED	TOTAL SALARY	COMMENTS	
TOTAL	0	\$0.00		
FRINGE BENEFITS:				
(Specify) FICA _____	LIFE INS. _____	DENTAL INS. _____	COMPOSITE RATE	_____ %
UNEMPLY INS. _____	VISION INS. _____	WORK. COMP. _____	AMOUNT	_____
RETIREMENT _____	HEARING INS. _____			
HOSP. INS. _____	OTHER: _____			
TRAVEL (Specify if any item exceeds 10% of Total Expenditures) _____				
SUPPLIES & MATERIALS (Specify if any items exceeds 10% of Total Expenditures) _____				
CONTRACTUAL (Subcontracts)			TOTAL SUB-CONT	_____
EQUIPMENT (Specify)			TOTAL EQUIPMENT	_____
OTHER EXPENSES (Specify if any item exceeds 10% of Total expenditures:				
Communications				
Space Cost				
Other			TOTAL OTHER	_____
OTHER COST DISTRIBUTIONS			INDIRECT COST CALCULATIONS	
Description of cost being distributed:	Percent distributed to the program:	Amount Distributed		
	_____ %	\$ _____	BASE	X RATE
	_____ %	\$ _____		
	_____ %	\$ _____	BASE	X RATE