

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES  
**BUDGETING AND REPORTING for EXPENSES AND REVENUES**

Modified for Division of Victim Services Grants

## INTRODUCTION

Budgets and Financial Status Reports (FSRs) are important tools to prepare for and account for MDHHS funded projects. This Budgeting and Reporting Expenses and Revenues document provides continuity for line item budget preparation and expenditure reporting.

The grantee submits the Budget and FSR electronically through EGrAMS. EGrAMS user roles dictate data entry, submission, and approval functions for grantee and MDHHS.

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## BUDGET

- 1) The Budget should reflect all planned expenditures and revenues associated with the program. Funding source revenues include federal funding sources, fees and collections, local, state, and other sources.
- 2) When developing the budget, it is important to note that total program expenditures must equal total program revenues.
- 3) **Although a grantee’s budget is approved, it does not mean expenses are approved. Reported expenses are subject to audit and must comply with Federal regulations, the terms of the agreement, and other policy impacting the allowability of expenses. Certain expenses may require prior approval, which should be in writing from MDHHS.**
  - a) It is the grantee’s responsibility to ensure budgeted expenses comply with Federal regulations, the terms of the agreement, and other policy impacting the allowability of expenses, and have documented prior approval, as needed, when the budget is submitted for review.

## EXPENSE LINE-ITEM CATEGORIES

### Salaries and Wages

#### Instructions

- 1) This category includes compensation paid to permanent full-time and part-time employees on the payroll of the grantee who works in the program is reasonable for the services rendered and conforms to the established written policy of the grantee consistently applied to both federal and non-federal activities.
- 2) This category may include the cost of leave/paid time off (e.g., vacation, sick, holiday, bereavement, military) or the cost of leave/paid time off may be included as a fringe benefit, based on the grantee’s written policy. See Section 2, Fringe Benefits. Leave/paid time off cannot be included in both categories and must be consistently budgeted and expensed for all federally and non-federally funded programs and activities of the grantee.
- 3) This category does not include personnel hired on a private contract basis or through a personnel service, contractual services, or professional fees. Consulting services, professional fees or personnel hired on a private contracting basis should be included in Contractual – Professional Services.
- 4) Charges to salaries and wages must be based on records that accurately reflect the work performed. The records must:
  - a) Reflect the total activity for which the employee is compensated by the non-federal entity, not to exceed 100 percent.

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- b) Encompass federally assisted and all other activities compensated by the non-federal entity on an integrated basis but may include the use of subsidiary records as defined in the non-federal entity's written policy.
  - c) Support the distribution of the salaries or wages among specific activities or cost objectives if the employee works on more than one federal or non-federal program; an indirect cost activity and a direct cost activity; more than one indirect activity which are allocated using different distribution bases; or an allowable and unallowable activity.
  - d) Include an after the fact accounting of actual time worked.
- 5) See Title 2 CFR 200.430 for salaries and wages regulations.
  - 6) The budget must include an accurate Unit of Measure (UOM).

#### Notes to include in EGrAMS budget

- 1) For On-Call Stipends (limited to hourly staff providing services for the victimization area covered by the grant), include the rate and projected number of hours.
- 2) Include position descriptions for any position that is 100% charged to any DVS grant or that is 100% funded by multiple DVS grants.
- 3) If an administrative position also provides direct services or supervision of direct service staff, indicate the hourly rate and amount of time spent supporting direct service.

#### Fringe Benefits

##### Instructions

- 1) Fringe benefits include, but are not limited to, the costs of leave/paid time off (e.g., vacation, sick, holiday, bereavement, military), employee insurance (e.g., employer paid portion of health, dental, vision, life), pensions, employer contribution to a retirement account, bonuses, health stipends in lieu of health insurance, unemployment, workers compensation, and social security.
- 2) The cost of leave/paid time off, and other taxable income (e.g., bonuses, health stipends in lieu of health insurance) may be included in salaries/wages, see Item 1 above. It cannot be included in both categories and must be consistently budgeted and expensed for all federally and non-federally funded programs and activities of the grantee.
- 3) The cost of fringe benefits is allowable provided they are reasonable and are required by law, or a grantee-employee agreement or established in the grantee's written policy.
- 4) Fringe benefit costs must be equitably allocated to all activities (Federal award activity and non-Federal award activity).
- 5) See Title 2 CFR 200.431 for fringe benefit regulations.

#### Notes to include in EGrAMS budget

- 1) If using composite rate, include what is included in the composite rate (e.g., FICA, workers compensation, unemployment, etc.)

#### Employee Travel and Training

##### Instructions

- 1) This category includes the cost of travel and training for full and part-time employees working in the program.
- 2) This category does not include travel and training costs for personnel hired on a private contract basis or through a personnel service, for contractual services, or for volunteers.

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- 3) This category includes the cost of mileage, lodging, per diem, meals, tips, modes of transportation, approved registration fees for conferences, seminars, and other types of training related to the program.
- 4) The costs must be consistent with the grantee's written policy and procedures to be allowable.
- 5) See Title 2 CFR 200.474 for travel expense requirements.

#### Notes to include in EGrAMS budget

- 1) The anticipated number of miles for travel and training.
- 2) The anticipated number of miles of for staff to provide direct services.
- 3) The board approved reimbursement rate. If no board approved rates, include a note State of Michigan rates will be followed.
- 4) Name of Conference(s)/Trainings(s) (if known).
- 5) Anticipated mode and cost of transportation.
- 6) Anticipated per diem meal rate.
- 7) Anticipated registration fees.

### Supplies and Materials

#### Instructions

- 1) This category includes consumable and short-term items costing less than five thousand dollars (\$5,000).
- 2) Examples include office supplies, office furniture, computers, computer software, printers, printing, postage, janitorial supplies, educational supplies, medical supplies, etc. according to the requirements of the program.
- 3) Purchases of materials and supplies must be charged at the actual price, net of applicable credits. Sales tax is not a reimbursable expense.

#### Notes to include in EGrAMS budget

- 1) For computers, including standard software, there is a maximum limit of \$2,200. Include a note with the cost per computer.
- 2) For supplies purchased for culturally healing and honoring activities, include a note describing the item(s) to be purchased.
- 3) For food purchased for shelter, where allowable, include a note estimating the number of clients to be served and estimated amount per client.
- 4) For general office supplies where costs are supported by multiple funding sources, include a note confirming amount(s) are consistently prorated.

### Subawards – Subrecipient Services

#### Instructions

- 1) This category includes the cost of an agreement (subaward) between the grantee and another organization for the purpose of carrying out a portion of the grant program. A subaward is a subrecipient relationship.
- 2) See below to differentiate between a subrecipient and a contractor.

#### SUBRECIPIENT AND CONTRACTOR DETERMINATION FACTORS

Title 2 CFR 200.331 states that a pass-through entity (in this case the Grantee) must make case by case determinations whether an agreement it makes for the disbursement of Federal funds casts the party

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receiving the funds in the role of a subrecipient or contractor. In determining whether an agreement casts the role of party receiving the Federal funds from the Grantee as a subrecipient or contractor, the substance of the relationship is more important than the form of the agreement. All characteristics listed below may not be present in all cases and the Grantee must use judgement when determining if the agreement is a subaward or a procurement contract.

*Subrecipient Characteristics*

A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics of a subrecipient include:

- 1) In accordance with its agreement, uses the Federal awards to carry out a public purpose specified in authorizing statute, as opposed to providing goods and services for the benefit of the pass-through entity.
- 2) Is responsible for adherence to applicable Federal program requirements specified in the Federal award.
- 3) Has responsibility for programmatic decision making.
- 4) Determines who is eligible to receive what Federal assistance.
- 5) Has its performance measured in relation to whether objectives of the Federal program are met.

*Contractor Characteristics*

A contract is for the purpose of obtaining goods or services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics of a contractor include:

- 1) Provides goods and services within normal business operations.
- 2) Provides similar goods and services to many different purchasers.
- 3) Normally operates in a competitive environment.
- 4) Provides goods or services that are necessary to support the operation of the Federal program.
- 5) Is not subject to compliance requirements of the Federal program as a result of the agreement although similar requirements may apply of other reasons.

## Contractual – Professional and Personnel Services

### Instructions

- 1) This category includes the costs of professional and personnel services rendered by members of a particular profession or possess a certain skill set and are not employees of the grantee.
- 2) This category includes the costs of services such as accounting, auditing, payroll, consulting, services, contract employees, etc.
- 3) Grantees generally hire contract employees in place of part-time or full-time staff because of the need for specialized skills or budgetary reasons.
- 4) The grantee is not responsible for taxes, social security, workers compensation, unemployment, health benefits, sick or vacation time for contract employees.
- 5) Travel expenses may be included when it is part of the contract terms between the grantee and the contractor.
- 6) Training expenses may be included when it is part of the contract terms between the grantee and the contractor.

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#### Notes to include in EGrAMS budget

- 1) For external bookkeeping / accounting / pay roll expenses supported by multiple funding sources, include a note confirming amount(s) are consistently prorated.
- 2) For Financial Review Audit costs for organizations who receive less than \$750,000 annually in Federal funds, include a note confirming the cost is prorated and has been counted toward Administrative Cap.
- 3) For Single Audit costs for organizations who receive more than \$750,000 annually in Federal funds, include a note confirming amount(s) are consistently prorated.
- 4) For interpreter services, include a note estimating the number of clients to be served and estimated amount per client.
- 5) For an individual or entity that provides services for IT support / maintenance for computers, internet, records database, security systems, etc. include a note describing cost(s).

#### Communications

##### Instructions

- 1) This category includes the cost of telephone services (cell and/or land lines), hotline, data lines, internet services, cloud services, copy machine, and website necessary for the operation of the program,
- 2) The cost of certain telecommunication and video surveillance services or equipment are prohibited in accordance with Title 2 CFR 200.216.

#### Notes to include in EGrAMS budget

- 1) For communication expenses where costs are supported by multiple funding sources, include a note confirming amount(s) are consistently prorated.

#### Grantee Rent Expense

##### Instructions

- 1) This category includes the cost of rent/leases by the grantee for space related to the operation of the program.
- 2) This category does not include the cost of client rent assistance or equipment rentals/leases.

#### Notes to include in EGrAMS budget

- 1) For rent expenses that are supported by multiple funding sources, include a note confirming amount(s) are consistently prorated.

#### Space Expenses

##### Instructions

- 1) This category includes costs to maintain a facility related to the operation of the program. Costs include electricity, heating and air conditioning, maintenance and repairs, lawncare and snowplowing, janitorial services, insurance, security system, depreciation (when the space is owned by the grantee), etc.
- 2) These costs must be allocated equitably to all federal and non-federal activities related to the space.

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- 3) Shelter Expenses – The costs associated with operating a shelter. Includes such things as rent or depreciation, insurance, utilities, maintenance and repairs, snow removal, lawn care, trash removal, security system etc.

#### Notes to include in EGrAMS budget

- 1) For Building Depreciation, include a note identifying how depreciation is calculated.
- 2) For all Shelter Expenses where costs are supported by multiple funding sources, include a note confirming amount(s) are consistently prorated.
- 3) For Minor Renovations, include a note describing what renovations are anticipated and an estimated cost.

### Capital Expenditures – Equipment and Other

#### Instructions

##### *Capital Expenditures - Equipment*

- 1) Equipment is defined as an article of non-expendable property having a useful life of more than one year and acquisition cost of \$5,000 or more per unit. Items with an acquisition cost of less than \$5,000 classified as supplies and materials.
- 2) The cost of single a single unit or piece of equipment includes the necessary accessories and installation costs.
- 3) When the Grantee's definition and threshold differs from the definition above, the grantee will budget and report only those equipment purchases of \$5,000 or more, on the Capital Expenditures – Equipment and Other line item.
- 4) Equipment purchases must have prior written approval from MDHHS if the item will be expensed in the year of purchase. The approved Budget does not qualify as prior written approval. When equipment purchases are not expensed in the year of purchase, the grantee may only expense the depreciation calculated in accordance with its written policy.

##### *Capital Expenditures – Other*

- 1) This category includes capital outlay for capital assets other than equipment.

#### **CAPITAL ASSETS AND DEPRECIATION**

Title 2 CFR 200.1 defines capital assets as tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with Generally Accepted Accounting Principles and includes:

Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financial purchase under GASB or a finance lease under FASB.

Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Title 2 CFR 200.439(b) includes the following rules of allowability for equipment and other capital expenditures.

- 1) Capital expenditures for general purpose equipment, building, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or the pass-through entity.



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- 2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a cost of \$5,000 or more have prior written approval of the Federal awarding agency or the pass-through entity.
- 3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with prior written approval from the Federal awarding agency or the pass-through entity.
- 4) When approved as a direct charge, capital expenditures will be charged in the period in which the expenditure is incurred.
- 5) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable depreciation on the equipment or by amortizing the amount to be written off over a period of years negotiated with the Federal cognizant agency for indirect cost.
- 6) Cost of equipment disposal is allowable if the non-Federal entity is instructed by the Federal awarding agency to otherwise dispose or transfer the equipment.
- 7) Equipment and other capital assets are unallowable as indirect costs.

Title 2 CFR 200.1 defines capital assets as tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with Generally Accepted Accounting Principles and includes:

Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financial purchase under GASB or a finance lease under FASB.

Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

#### **Notes to include in EGrAMS budget**

- 1) For equipment depreciation, indicate how your depreciation is calculated.
- 2) For software and other technology-based systems, include any added features and equipment necessary to its operation, as well as the price of each piece of equipment.

#### **Client Assistance – Rent**

##### **Instructions**

- 1) This category includes the cost of rental assistance provided for eligible clients in accordance with the program requirements.
- 2) The grantee must account for rental assistance separate from all other client assistance.

##### **Notes to include in EGrAMS budget**

- 1) For all client assistance – rent, include a note estimating the number of clients to be served and estimated amount per client.

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## Client Assistance – All Other

### Instructions

- 1) This category includes the costs of providing assistance for eligible clients in accordance with program requirements. The guidance below is not meant to be comprehensive, and some costs may not be allowable for a particular program. It is the Grantee's responsibility to budget and report expenses in accordance with the program requirements.
- 2) Examples include:
  - a) Gift Cards/Prepaid Cards/E-Cards/Store Cards/Vouchers – The cost various types of purchase cards (e.g., gas, phone, food), vouchers (e.g., laundry vouchers for a local laundromat), and public transportation cards/tokens, etc. in accordance with program requirements.
  - b) Transportation – The cost of taxis, Uber, Lyft, etc. for eligible clients when necessary for the health and safety for eligible clients in accordance with program requirements.
  - c) Utilities – The costs associated with heat, electricity, water, etc. for eligible clients in accordance with program requirements.
  - d) Personal Care – The costs associated with food, formula, clothing, diapers, toiletries, medication, medical equipment, etc. for eligible clients in accordance with program
  - e) requirements.
  - f) Safety – The cost of changing windows and doors or locks, cost of short-term alternative housing (e.g., hotel due to shelter capacity), security cameras, assistance for obtaining long-term housing for a victim (regardless of distance, based on safety needs) etc. for eligible clients in accordance with program requirements.
  - g) Other – The cost of assistance not specifically identified above for eligible clients in accordance with program requirements.

### Notes to include in EGrAMS budget

- 1) Include a note estimating the number of clients to be served and estimated amount per client.

## Other Expenses

### Instructions

- 1) This cost category includes expenses not previously identified on other line items purchased for the operation of the program.
- 2) If the grantee will claim the DeMinimis Indirect rate, the grantee's accounting records must clearly identify the following excluded expenses which are included as Other Expenses for budget and FSR purposes and excluded when determining Total Modified Direct Costs.

## Volunteer Wages - rarely used Line Item

### Instructions

- 1) This category includes the value of volunteer "wages" using the standard statewide volunteer hourly rate applied to the hours volunteered for the program.
- 2) The standard volunteer rate is updated annually. The rate is found at <https://independentsector.org/value-of-volunteer-time>

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### Volunteer Fringe Benefits - rarely used Line Item

#### Instructions

- 1) This category includes the computed value of “fringe benefits” using the FICA rate of 7.65%.
- 2) The FICA rate is applied to the calculated volunteer wages to determine the value of volunteer fringe benefits.

### Volunteer Training - rarely used Line Item

#### Instructions

- 1) This category includes the cost of training for volunteers when necessary for program operations, so they are better able to provide quality direct services.
- 2) Costs include, but are not limited to, manuals, books, videoconferencing, electronic training resources, and other materials and resources related to such training. See Title 28 94.121(b) for allowable volunteer training expenses.
- 3) Volunteer training costs must be included in the grantee’s approved budget for the program to be allowable.
- 4) Volunteer travel is not included in the volunteer match category because it is a true expense which is generally covered by grant funds or other revenue sources.

## Financial Status Report

- 1) The FSR is used to provide a standardized format for reporting the financial status of individual MDHHS agreements.
- 2) The grantee will report all expenses and revenues on a cash or accrual basis in accordance with the Grantee’s accounting basis.
- 3) Definitions
  - a) Cash Expenditures – Actual cash outlays for goods and services received.
  - b) Accrued Expenditures – Goods and services received, but not yet paid for.
- 4) The FSR should be prepared and submitted within 30 days after the end of the reporting period as prescribed in the MDHHS agreement.
- 5) The final FSR must be marked **FINAL**. The final FSR is due within 30 or 60 days of the last day of the agreement period. The MDHHS Agreement, Final Obligations and Financial Status Reporting Requirements, Final FSRs, includes the requirement specific to the agreement.
- 6) The grantee must liquidate all accounts payable and encumbrances within 30 or 60 days after the end of the last day of the agreement period.
  - a) Accounts Payable – Obligations for good or services received, which have not been paid as of the end of the agreement period.
  - b) Encumbrance – Commitments at the end of the agreement period related to unperformed (executory) contracts for goods or services.

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- 7) An exception may be granted for one-time obligations that cannot be liquidated within this time period. A written request for an extension, with the reason why additional time is needed, must be submitted and approved by DHHS Expenditures Operations Division by the due date of the final FSR.
- 8) If an agreement does not end on September 30, it is still necessary to estimate accounts payable as of September 30.
- 9) Failure to meet the final reporting deadlines may result in the State's inability to reimburse the grantee the full amount of the State's share of gross expenditures.
- 10) The grantee will not report expenses for items that require prior approval or exceed the agreement deviation allowance, prior to receiving approval by the contract administrator.
- 11) The FSR is submitted and validated through EGrAMS by the grantee's designated staff person based on the user role in EGrAMS. The submission and validation process includes certification that the documentation and records are available and easily accessible and support the data contained in the report.
- 12) Any citations for improper or undocumented expenses, may require a payment or adjustment to the FSR.
- 13) In addition to submitting FSRs, other financial information will be requested to assist MDHHS in properly closing the State's fiscal year which ends on September 30. This information will help ensure sufficient funds have been reserved by the State to make reimbursement for the contract in the upcoming fiscal year. The additional information will include an estimate of open commitments and obligations as of September 30, but not yet paid. The MDHHS Expenditures Operations Division will provide detailed instructions for additional financial information mid- August of each year.
- 14) Inquiries regarding financial reporting should be directed to MDHHS-DVS@Michigan.gov.

## General and Administrative Indirect Expenses

### DeMinimis Rate

- 1) Any non-federal entity that does not have a negotiated rate, may elect to charge a de minimis rate of 10% of modified total direct costs. No documentation is required to justify the 10% de minimis indirect cost rate. If chosen, this methodology once elected must be used consistently for all Federal awards until such time the non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do so at any time. See Title 2 CFR 200.414(f).
- 2) Modified Total Direct Costs (MTDC) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, up to the first \$25,000 of each subaward (regardless of the performance period of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.
- 3) When a grantee selects to utilize the DeMinimis Indirect rate, it must be applied to all Federal awards, whether funded by MDHHS or by other sources.

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### Approved Federal Indirect Rate

- 1) 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. Governmental Grantees are defined as State and Local governments, and Indian Tribes.
- 2) Governmental and nonprofit Grantees which have received an approved indirect rate from its Federal cognizant agency must attach the Federal approval letter to the Indirect Costs line item.
- 3) A nonprofit may have a federally approved indirect cost rate although it is not common.
- 4) See Title 2 CFR Part 200 Appendix VII – State and Local Governments Appendix IV – Nonprofit Organizations

### University Indirect Rate

- 1) Administrative costs charged to Federal awards by institutions of higher education are limited to 26% of modified total direct costs. Title 2 CFR, Appendix III to Part 200, C.8.
- 2) MDHHS issued its University Indirect Rate memo on August 11, 2015, which applies to State- funded Universities in Michigan.
  - a) General Fund/General Purpose and/or State Restricted Fund projects are restricted to an indirect rate not to exceed 10%.
  - b) Federally funded projects where MDHHS is the Federal award recipient, and the University is the subrecipient:
    - i) Block grants and Medicaid funded projects are restricted to an indirect rate not to exceed 20%.
    - ii) Other federal funded projects are restricted to an indirect rate not to exceed 26% per Federal guidelines, but to maximize competitiveness, it is recommended that the indirect rate be capped at 20%.
  - c) Certain programs or funding sources may prescribe a capped indirect rate. It is the grantee's responsibility to ensure the capped rate is used to calculate budgeted indirect costs and to report expenses on the FSRs.
  - d) Documentation supporting University Indirect Rates must be attached to the Indirect Costs line item.

### Other Department Approved Indirect Rate

- 1) In some cases, a department of the State of Michigan (e.g. Department of Education) may approve an indirect rate.
- 2) The grantee must attach the approval letter which identifies the rate and what the rate is applied to (e.g., total direct expenses, salaries and wages, modified total direct costs, etc.) to the Indirect Costs line item.

### County-City Central Services Cost Allocation Plan

- 1) This category includes the allocation of central services costs allocated to the program.
- 2) Central service departments are within the county or city government that exist to provide support services to other operating departments within that unit of government.
- 3) Examples of central service departments include finance, accounting, facilities maintenance, information technology, human resources, purchasing, motor pools, etc.
- 4) All costs and data used to distribute the costs included in the plan must be supported by formal accounting and other records that support the propriety of the costs assigned to Federal awards.
- 5) Each central service cost allocation plan is required to be certified by the local government.
- 6) See Title 2 CFR Part 200 Appendix V, State/Local Governmentwide Central Service Cost Allocation Plans for specific requirements.

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### Other Indirect Cost Distributions

- 1) This category includes various contributing activity costs to appropriate program areas based on a documented allocation methodology in accordance with Title 2 CFR 200.
- 2) This category is generally associated with governmental entities that utilize a City-County Central Services Plan.
- 3) Documentation supporting Other Indirect Cost Distributions must be attached to the Indirect Costs line item.
- 4) For example, the grantee is ABC County Prosecuting Attorney (PA) Office. ABC County allocates the central service costs to the PA Office. The grantee reports the program's fair share of these expenses on the Central Services Cost Allocation expenditure line item. In addition, the PA Office has allowable indirect expenses (e.g., expenses associated with the accountant that works in the PA Office) that it allocates to the programs and activities of the PA Office based on a reasonable and documented methodology.

### Revenue Sources

#### MDHHS State Agreement

- 1) Funding (Federal and/or State dollars) provided by MDHHS for this grant agreement.

#### Fees and Collections – 1st and 2nd Party

- 1) 1st party funds received from private payers, including patients, source users, and any member of the general public receiving services.
- 2) 2nd party funds received from organizations, private or public, who might reimburse services for a group or under a special plan.
- 3) Revenues will be reported when earned (accrual basis of accounting) or when received (cash
- 4) basis of accounting).

#### Fees and Collections – 3rd Party

- 1) 3rd Party funds received from private insurances, Medicaid, Medicare, or other applicable titles of the Social Security Act directly related to the cost of providing patient care or other services.
- 2) Revenues will be reported when earned (accrual basis of accounting) or when received (cash basis of accounting).

#### Local Funds

- 1) Funding provided by the Grantee to support expenditures incurred under this grant agreement. This does not include contributions or in-kind (see below).

#### Non-MDHHS State Agreement

- 1) Funds provided to directly to the Grantee from the State of Michigan (other than MDHHS) to support the program.

#### Federal

- 1) Funds provided directly to the Grantee from the Federal government to support the program.

#### Other

- 1) Funding provided by foundation grants, United Way grants, private donations, fund-raising, charitable contributions, etc. that provide support to the program.

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### In-Kind

- 1) Represents the value of donated services (e.g., accounting, legal, medical, etc.), donated materials and supplies, donated space, etc. that support the program.

### Volunteer

- 1) Represents the value of Volunteer Salaries (Expenditure Line Item V1) and Volunteer Fringe Benefits (Expenditure Line Item V2).