Budget Guide

2018-2023 Funding Cycle
Request for Proposals and Request for Qualifications

Introduction

Thank you for applying to the Department of Children, Youth and Their Families' 2018-2023 Request for Proposals. We have prepared this guide to aid you in completing the Budget section of your submission. This is the fifth and final part of your application, following Agency Profile, Program Information, Program Design, and Services & Projections.

Current DCYF grantees will be familiar with many of these categories, but there are some important changes that they will notice. Some budget categories no longer exist, while others have new components. For example, there is no longer a category called "Professional." Do take the time to review all budget lines to ensure they accurately reflect your program.

The current policy guide for grants, called *Doing Business with DCYF*, will not apply to this RFP/RFQ. Therefore, please refer to this Budget Guide as you complete your proposal. If you have any additional questions, you can e-mail them to rfp@dcyf.org prior to August 11 at 5:00 p.m. and we will respond in writing on our [RFP website](#).

We look forward to receiving your proposal.

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SECTION I: PURPOSE OF THE BUDGET SECTION

Most public and private organizations that support community-based organizations ask their applicants to provide information on their financial operations. This information allows the funder to make an assessment of the general health of the agency and its programs, as well as its priorities, capacity and resiliency.

DCYF is interested in how you plan to financially support the program for which you are applying, as well as your agency overall. Our goal is to understand the full cost of operating your program so that we can determine an adequate level of funding to provide.

In addition, we are seeking details of how you plan to allocate the funds for which you are applying. For example, how much will you require for staff salaries, program supplies, rent, etc.? This information is useful both for our decision making and for structuring the grants that will result from this RFP/RFQ. DCYF will expect the budget described in your application to be implemented should you receive an award.

Finally, the Budget section is designed for you to provide us with both the total amount you are requesting for a grant, and the total amount your program actually costs. In some cases these are the same, as you may be asking DCYF to support all program costs. However, in many cases agencies have multiple sources of revenue, such as individual donors, private foundations board members, or program fees. These funds can be allocated to programs, thus reducing the amount requested from DCYF. We are very interested in knowing the total cost of your program, even if that means entering budget items for which you are not requesting DCYF support.

SECTION II: SUGGESTIONS FOR COMPLETING YOUR BUDGET

Before you begin the Budget section of your application, we have some general guidelines and recommendations for you. Following these tips will help you provide the clearest picture of your operations.

1. **Provide the Full Cost of Your Program** – Too often nonprofits do not include every cost they incur in order to provide their programs. Only budgeting the costs directly linked to your program is ultimately counterproductive, as it paints an incomplete picture of what it takes for you to support your services. Take time to consider *everything* your organization does that makes your program possible. This includes staff that may not work directly on the program, office supplies you need for general operations, and other costs. A detailed cost allocation plan is a helpful tool to arrive at your full cost.

2. **Be Aware of Shared Expenses** – Many costs incurred by a nonprofit may stem from one bill, but actually are incurred in support of multiple purposes. For example, you may only write one rent check, but part of that payment is for the space your program operates in, some may be for space your other programs utilize, and the rest may be for your non-program space (such as your administrative offices). You will notice as you complete the Budget section of this RFP/RFQ that many expenses appear in multiple budget areas, as this reflects the reality of running a nonprofit. Be sure to think about any costs that are shared throughout your agency, and be certain to include the appropriate ones in your budget.

3. **Get Input from Others** – It can be difficult to get a handle on every penny that comes in and out of an organization. That is especially true in larger organizations where budgeting can be decentralized. Be sure to talk to other people in your agency to see if the budget you are preparing reflects all of the activity that can be reasonably linked to the program.

4. **Be Specific** – We expect that as you complete the Budget section you will provide clear, itemized detail for all of your expenses. Most budget categories have multiple items within them. Be sure to use this level of detail so we can get the best possible understanding of how you intend to use any grant funds.

5. **Provide Details in Numbers and Words** – It is sometimes difficult to get a full budget picture just from a list of numbers. We therefore have included a narrative section under each category, called Budget Justification and Calculations. Use this section to explain how you developed your budget, what specific items you expect to purchase, what your fringe rates are, etc. The more detail you can provide the better our understanding will be.

6. **Using "Other"** – Each budget category has several pre-populated options to choose from, which represent the most common expenses incurred by a nonprofit. However, not all budgets are the same, and we have provided an "Other" option if you feel one of your expenses does not fit into an existing category. Before placing an expense under "Other," be sure you have reviewed all of the existing categories and determined that it is not better held elsewhere.

In this section you will list all staff members of your agency that will be working directly on the program. Do not include subcontractors, interns, or volunteers.

Please make a separate entry for each individual. If your agency has five staff members assigned to the program, your Adult Staff budget will have five entries. Each employee should be classified into one of the following roles:

- Executive/Senior Leadership
- Program Manager
- Direct Service Provider
- Support Staff

For each staff member please provide the following information:

- **Title** – The working title used by the employee.
- **Hourly Wage** – The amount per hour the employee is expected to earn on July 1, 2018. For employees on salary please convert their salary to an hourly wage by dividing their annual salary by the total number of hours worked per year. For example, a full-time employee earning an annual salary of $50,000 would have an equivalent hourly wage of $24.04 ($50,000 / 40 hours per week / 52 weeks per year).

- **Total Yearly Hours on Program** – The total number of hours per year the employee works on the program. For example, if the employee works 10 hours per week on the program, the total yearly hours would be 10 hours/week × 52 weeks = 520 hours.

- **Total Program Cost** – This amount is calculated automatically by taking the hourly wage multiplied by the total yearly hours on program. For example, an employee earning $25 per hour that will work 1,040 hours on the program will incur a total program cost of $26,000.

- **DCYF Request** – The amount of the total program cost for which you are seeking support through this RFP/RFQ. In some cases, this request will be the same as the total program cost, but in others it may be a portion of the total cost, with the rest being supported through other resources.

You will need to add a new line for each individual staff member working on the program, even if all of their information is the same. Also, please enter all program staff, even if you are not requesting DCYF support for their wages. In these cases the amount entered under "DCYF Request" will be $0.00.

The Youth Staff section is structured similarly to Adult Staff, and serves the same purpose of recording the wage expenses involved with your agency's employment of youth. The core differences between the two are that this section is only for your youth staff, and that it allows multiple employees to be entered in a single line.

The information entered into this section can be clustered around youth that share the exact same employment profile. All of those staff can be entered on one line. Youth working under different titles, wages, or hours should not be combined together. In those cases, create new lines for each set of youth staff.

You are asked to enter the following:

- **Title/Position** – The title the youth staff hold in your program, or the name of their position (ex. Intern).
- **# of Positions** – The number of youth that work under this title.
- **Hourly Wage** - The amount per hour the youth employee is expected to earn on July 1, 2018. If necessary, convert monthly or annual salaries to an hourly rate using the technique described above.
- **# Hours/Week** – The number of hours per week the youth will work. In situations where this number varies over the course of the year, calculate the average and enter that number here. For example, if your youth staff work 10 hours per week for 20 weeks of the year, but 15 hours per week for five weeks of the year, the average is 11 hours per week (275 total hours worked / 25 total weeks worked).

- **# Weeks/Year** – The total number of weeks per year the youth will work. In the previous example, this would be 25 weeks.

- **Total Program Cost** - This amount is calculated automatically, as the hourly wage multiplied by the number of hours per week and the number of weeks per year. For example, a youth employee earning $15 per hour that will work 10 hours per week for 13 weeks will incur a total program cost of $1,950.

- **DCYF Request** - The amount of the total program cost for which you are seeking support through this RFP/RFQ. In some cases, this request will be the same as the total program cost, but in others it may be a portion of the total cost, with the rest being supported through other resources.

Fringe benefits are expenses directly related to staff employment. In this section you will enter the total amount for each fringe expense over the course of a year. Use the Budget Justifications and Calculations section to show the rates you are using.

The following fringe benefits should be included in this section:

- **Item**
    - **FICA** – Withholdings for the Federal Insurance Contributions Act federal payroll tax.
    - **Health Benefits** – Expenses for medical, dental, vision, or other health-related benefits.
    - **Retirement Benefits** – Expenses for contributions to employees' retirement programs, such as a 401(k), 403(b), pension, or other similar program.
    - **SUI** – Withholdings for the State Unemployment Insurance payroll tax.
    - **Vacation/Comp Time Payout** – Payments for unused vacation or compensation time to staff that are leaving your organization.
    - **Workers Compensation** – Expenses for the provision of workers compensation coverage for your staff.
- **Total Program Cost** – The amount of fringe benefits expenses for all program staff under the budget item. Unlike the above sections, this is not automatically calculated.
- **DCYF Request** - The amount of the total program cost for which you are seeking support through this RFP/RFQ. In some cases, this request will be the same as the total program cost, but in others it may be a portion of the total cost, with the rest being supported through other resources.

Use a new line item for each fringe benefit expense category. Do not simply enter this as a single line item using your agency's overall fringe rate.

Many nonprofits utilize the services of other organizations or individuals to fulfil their program goals. These are not agency staff, but rather external parties that have special skills, knowledge, or materials that the nonprofit would like to augment its program with. These are subcontractors.

DCYF allows subcontractors to be other nonprofits, for-profit companies, or individuals/sole proprietors. Each such party must operate under a contract or MOU with the funded agency, with this document outlining the services to be provided, amount to be paid for these services, and other pertinent information. Note that all subcontractors are held to the same contractual standards as the main agency.

For each subcontractor to be engaged by the program, you will enter the following (in addition to basic contact information):

- **Total Program Cost** – The total amount the subcontractor will receive. This is not automatically calculated.
- **DCYF Request** - The amount of the total program cost for which you are seeking support through this RFP/RFQ. In some cases, this request will be the same as the total program cost, but in others it may be a portion of the total cost, with the rest being supported through other resources.
- **Services and Activities to be Provided for the Proposed Program** – A narrative description of what the subcontractor will be doing for the program.

For contractors that are not providing services directly in support of the program, see Program Expenses or Administrative for information on where they are best entered into your budget. A general rule of thumb is whether or not the contractor is working directly with youth and exercising supervision of them. If so, they should be entered here as subcontractors. If not (for example, they are providing accounting services to the agency), they should not be listed here.

In this section you will enter all of the materials and supplies that you expect to purchase for use in your program. These items are generally short-lived, requiring purchase each year. Most major purchases expected to last many years (computers, for example), should not be budgeted here, but rather under Program Expenses as equipment.

You are asked to enter the following:

- **Item**
    - **Office Supplies** – Items used by staff in the operation of the program (paper, pens, toner, etc.).
    - **Program Supplies** – Items used as part of the program (art supplies, sports equipment, etc.).
- **Total Program Cost** – The total amount to be spent on materials and supplies. This is not automatically calculated.
- **DCYF Request** - The amount of the total program cost for which you are seeking support through this RFP/RFQ. In some cases, this request will be the same as the total program cost, but in others it may be a portion of the total cost, with the rest being supported through other resources.

Use the Budget Justification and Calculations section to give details on the specific purchases to be made, and their respective costs.

In this section you will enter the core set of non-personnel program expenses. These span a wide variety of uses and needs, but hold a common element in that they are directly incurred for operation of your program. Many of these expenses may be shared by other budget categories, in which case only report the share of costs allocated the program here.

The following information is to be entered in this section:

- **Item**
  - **Communications** – Postage, telephone, mobile phone, and internet expenses.
  - **Equipment** – Durable goods such as computers, printers, furniture, etc.
  - **Fees** – Bank charges and other financial costs directly related to program operations.
  - **Field Trips** – Transportation to the site, admission fees, event tickets, and other expenses directly linked to taking youth on a field trip, such as lodging.
  - **Food** – Meals and snacks provided to youth as well as food provided for special program events held during the year.
  - **Human Resources Costs** – The costs of fingerprinting program staff, advertising job openings for program staff, etc.
  - **Insurance** – Insurance premiums for coverage required in order to operate the program. DCYF requires grantees to hold commercial general liability, automobile and workers compensation coverage.
  - **Maintenance** – Costs associated with maintaining the program building and its office equipment, as well as custodial services for the program area.

- o **Occupancy** – Rent on program space and department-approved accommodations for the recovery of costs incurred in the operation of programs held in an agency's owned space.
- o **Participant Incentives** – Monies or non-cash incentives (such as a gift certificate) provided to youth as a reward for completing a program or achieving a milestone.
- o **Professional Development** – The costs directly associated with program staff attending professional development events directly related to building their capacity, such as a conference. Only registration fees are allowable as a grant expense, not transportation, food, or accommodations.
- o **Special Events** – Costs to hold events such as holiday parties, parent meetings, or year-end celebrations.
- o **Stipends** – Monies paid directly to a participant for engaging in limited periods of work in support of the program or agency. Stipends cannot exceed $599 per youth.
- o **Transportation** – The cost to lease or purchase a vehicle for use by the program, staff transportation, and vehicle maintenance.
- o **Utilities** – The program's share of utilities such as water and electricity.
- **Total Program Cost** – The total amount to be spent on program expenses. This is not automatically calculated.
- **DCYF Request** - The amount of the total program cost for which you are seeking support through this RFP/RFQ. In some cases, this request will be the same as the total program cost, but in others it may be a portion of the total cost, with the rest being supported through other resources.

If your agency engages an external contractor to provide program evaluation services, enter the expense here under "Other." DCYF will allow up to 10% of an award to be allocated to program evaluation.

Administrative costs are those incurred in support of the general operations of your agency, and are therefore differentiated from direct program costs. DCYF maintains a policy that administrative costs, including those of your subcontractors, cannot exceed 15% of the total award.

The information to be entered in this section includes:

- **Item**
  - o **Agency Administrative Fees** – Expenses levied as a standard practice by an organization under which its constituent organizations operate. This charge covers the support services provided by the larger agency and received by its partner organizations. This expense is generally a fixed percentage of grant funds received.
  - o **Audit** – The cost of completing a financial audit or review.
  - o **Communications** – Postage, telephone, mobile phone, and internet expenses.
  - o **Contractors** – Outside parties, either organizations or individuals, who are brought in to provide services in support of the agency. These services may include bookkeeping/accounting, program evaluation, etc.
  - o **Equipment** - Durable goods such as computers, printers, furniture, etc.
  - o **Fees** – Bank charges and other financial costs incurred by the agency.
  - o **Fiscal Sponsorship Fees** – Fees charged by a fiscal sponsor to its sponsored programs to cover the support services it provides. This expense is generally a fixed percentage of grant funds received.

- o **Fringe for Non-Program Staff** – The total amount of fringe benefits incurred by agency staff not working directly on the program.
- o **Human Resources Costs** – The costs of fingerprinting, advertising job openings, etc. for administrative staff.
- o **Insurance** – Insurance premiums for coverage not required in order to operate the program.
- o **Maintenance** – Costs associated with maintaining the administrative offices of a building, non-program office equipment, as well as custodial services for the administrative area.
- o **Materials and Supplies** – The total amount of all materials and supplies purchased for use in general agency operations.
- o **Occupancy** – Rent on administrative space.
- o **Personnel: Executive Staff, Fiscal Staff, and Other Non-Program Staff** – Salaries for employees that do not work directly on the program.
- o **Professional Development** – The costs directly associated with non-program staff attending professional development events directly related building the capacity of the organization, such as a conference. Only registration fees are allowable as a grant expense, not transportation, food, or accommodations.
- o **Tax Preparation** – The fees charged by a tax professional for the preparation and filing of IRS Form 990 and other related documents.
- o **Utilities** - The administrative share of utilities such as water and electricity.
- **Total Program Cost** – The total amount to be spent on administrative expenses. This is not automatically calculated.
- **DCYF Request** - The amount of the total program cost for which you are seeking support through this RFP/RFQ. In some cases, this request will be the same as the total program cost, but in others it may be a portion of the total cost, with the rest being supported through other resources.

Use a new line item for each administrative expense category. Do not simply enter this as a single line item using a percent of your budget, or as a negotiated indirect rate.