

## General Guide for CSBG Discretionary Budget Preparation

Use this guide to assist with completing the following CSBG Discretionary Contract Budget Forms:

- CSD 627 - Budget Summary
- CSD 627A - Personnel Costs
- CSD 627B - Non Personnel Costs
- CSD 627C - Budget Narrative

### Administrative Costs

Administrative costs consist of expenses directly related to the administration of the CSBG discretionary contract, such as executive director functions, accounting, budgeting, personnel and legal services.

### Program Costs

Program costs relate directly to the operation of the CSBG discretionary program services or activities intended to achieve the program goal(s). Direct program costs include items such as salaries and benefits of program staff, equipment, training, conferences and subcontractor services needed to meet the CSBG discretionary program goal(s).

### CSBG Discretionary Contract Budget (627)

Each summary line item on the CSBG Contract Budget Summary (627) for Administrative costs (Section 10) and Program costs (Section 20) must match the totals listed on the Personnel Costs (627A), Non Personnel Costs (627B) forms.

### CSBG Discretionary Budget Support – Personnel Costs (627A)

#### Salaries and Wages

Include all costs for permanent or temporary staff supporting the CSBG discretionary contract, including regular and overtime pay. Administrative positions may include executive director, accounting, personnel, or positions that directly relate to management of the CSBG discretionary contract. Program positions may include program staff and managers or positions directly related to the CSBG discretionary contract program services or activities.

#### Fringe Benefits

Include costs in accordance with approved payroll benefit programs. This includes retirement/pension plans and various other forms of insurances related to employee compensation such as disability, life, health and unemployment, workers' compensation, disability insurance, sick leave and accrued vacation.

### CSBG Discretionary Budget Support –Non Personnel Cost (627B)

#### Operating Expenses

Include the costs directly related to carrying the CSBG discretionary contract activities such as (but not limited to) building rent/lease, utilities, office supplies, consumable supplies, printing, phone, internet, staff training, membership dues, postage, and in-state travel costs.

Note: Consumable supplies are defined as any article costing less than \$5,000 per unit and have a useful life of less than one year such as printer toner, paper goods, cleaning supplies, etc.

#### Equipment

Equipment is defined as nonexpendable, tangible personal property having a unit cost exceeding \$5,000 and a useful life of more than one year (i.e., vehicle, printer).

Note: The listed equipment items must comply with the applicable procurement policies and procedures refer to CSD Program Notice (CPN) Administrative A-12-01.

#### Out of State Travel

Out of state travel must include expenses incurred specifically to carry out the CSBG discretionary contract. Travel costs are the expenses for transportation, lodging, subsistence and related items incurred by staff traveling on official business for the agency.

#### Contract/Consultant Services (Administrative Cost Only)

Agreement with a contractor to perform services such as payroll, auditor, consultant, legal services, janitorial, or landscape services to support the CSBG discretionary contract. A consultant is a professional or subject matter expert who advises the organization on strategies (i.e., strategic planning, board recruitment, staff training) to fulfill its administrative functions related to the CSBG discretionary contract.

#### Subcontractor/Consultant Services (Program Cost Only)

Agreement with a subcontractor to perform part or all of the program services or activities directly related to meeting the CSBG discretionary contract program goals. A consultant is a professional or subject matter expert who provides a specific program related service or activity (i.e., train clients on income management) to meet the CSBG discretionary contract program goals.

#### Other Costs

Include costs that do not fit in the above line items such as indirect costs, and costs directly benefitting the client such as food and housing vouchers, blankets, clothing, etc. Note: The indirect cost rate is defined as the dollar value of the negotiated federal rate and the entire amount can be claimed as long as it is not reimbursed by another funding source. A copy of the approval letter from the cognizant agency, which includes the date of the approval and amount of rate, must be submitted with the budget.

### **Unallowable costs**

Unallowable costs include, but are not limited to:

- Alcoholic Beverages
- Bad debts, including any related collection and legal costs
- Charitable contributions and donations by the organization to others
- Contingency reserves
- Entertainment costs, unless associated with employee morale or meetings related to a specific cost objective
- Fines and penalties resulting from violations by the organization or employees of Federal, State and Local laws and regulations
- Fund-raising costs incurred solely to raise capital or obtain contributions
- Goods and services for personal use of employees

- Idle facilities, unless necessary due to fluctuations in workload
- Insurance of lives of trustees, officers or employees when the organization is a beneficiary
- Lobbying costs as identified in OMB circular A-122

## **Budget Narrative (627C)**

The budget narrative is a detailed written description which supports each projected budget line item reported in 627A and 627B. The budget narrative is required and must be submitted with the budget.