

Welcome to

**COUNTY BUDGETING AND
CONTRACTING FOR COMMUNITY-
BASED ORGANIZATIONS**

THE TRAINING WILL BEGIN SHORTLY

While you're waiting...



Icebreaker Question (answer in the chat)

What's one thing that is going well this week?



Survey & Certificate of Completion

Available following the training.

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WITH US!**



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Hi, We're CalTrin!

Who we are

- The California Training Institute
- Funded by the State of California, Dept. of Social Services, Office of Child Abuse Prevention (OCAP) to provide training to FRCs and CAPCs
- We support child abuse prevention in California through professional development and extended learning.

What we offer

- Live webinars & small group training
- Virtual, self-paced courses
- Job aids & other resources



This training was made possible with funding from the California Department of Social Services, Office of Child Abuse Prevention. Any opinions, findings, conclusions, and/or recommendations expressed are those of the CEBC /CalTrin and do not necessarily reflect the views of the California Department of Social Services.

UPCOMING TRAININGS

mark your calendars!

Visit caltrin.org to view and register for upcoming webinars or workshops



4/25 | Protective Factor Workshop:
Concrete Support in Times of Need



4/27 | Implementation of Brief Strategic Family
Therapy



05/02 | Identifying Drug Endangered Children: A
Collaborative Approach



05/03 | Child, Family, and Community Well Being Series
Learning Forum



05/12 | Developing a High Performing Team



06/01 | Performance Management

Before We Begin...

DURING



Access the presentation slides now! The link can be found in the chat.



This presentation is being recorded for administrative purposes only and will not be shared.

DURING



Review interactive features for today's session. Locate the controls on the toolbar at the bottom of your screen.

AFTER



Complete the survey at the end of this webinar to receive your Certificate of Attendance.



A follow-up email will be sent to all participants within two days.



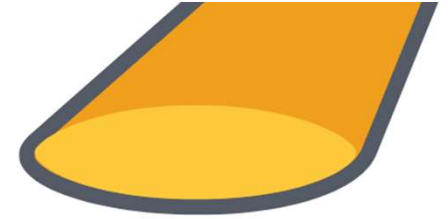
County Budgeting and Contracting for Community-Based Organizations

Presenters: Monica Bentley and Robert Manchia





Speakers SPOTLIGHT



Monica Bentley, MPA
Director of Finance
Riverside County

- 20+ years of experience managing department budgets, administrative and assistance claims, revenue accounting, contract payments, and asset tracking
- Her roles have included CFO, Fiscal Manager, Assistant Director of Finance, Senior Administrative Analyst and Accountant



Robert Manchia
Chief Finance Officer
San Mateo County

- Oversees the county's budget process, forecasting, and issuance of debt, as well as supporting performance improvement initiatives
- Previously served in San Mateo's Human Services Agency as Budget Manager and Deputy Director of Finance
- Serves on various state and county workgroups and teaches at the CSAC Institute

CBO
BUDGETING
AND
CONTRACTING

Presenters:

Robert Manchia – Chief Finance
Officer, San Mateo County

Monica L Bentley – Director of
Finance, Riverside County

April 20, 2023

Federal Budget

Federal fiscal year is October 1-Sept 30

The majority of our mandated program funding begins at the federal level.

Federal program regulations describe the funding parameters that are to be used for each federal funding source.

Federal Funding

The Federal budget delineates how much each state will receive.

Federal funds require a match.

Match is usually required to be non-Fed.

Federal funding is usually open ended.

State General Funding

State fiscal year is July 1- June 30

The State budget delineates how much State General funds will be available

State General Fund is used to draw down Federal dollars.

There are also State only programs.

Allocations letters inform counties on how much they will receive.

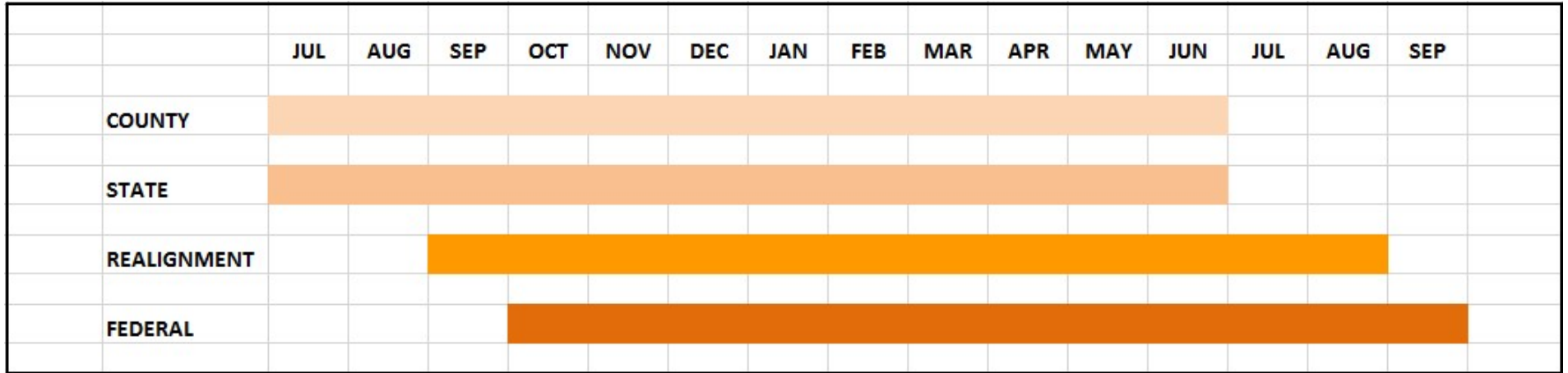


Chart of Fiscal Years



BUDGETS ARE MULTI-PURPOSE

Policy Document

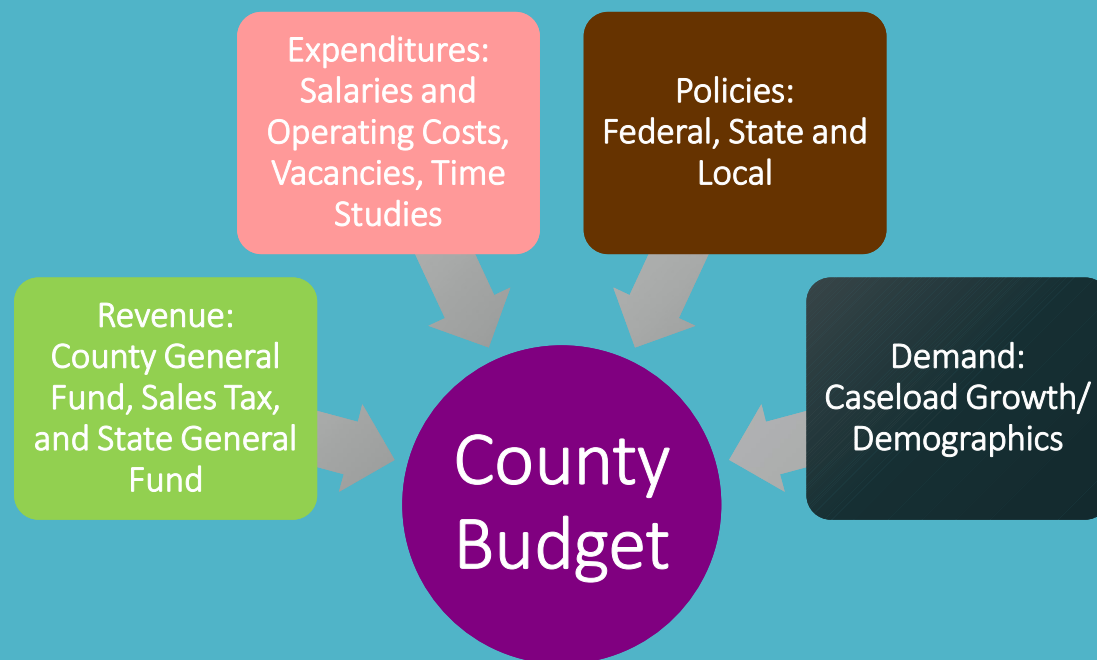
Financial Plan

Operations Guide

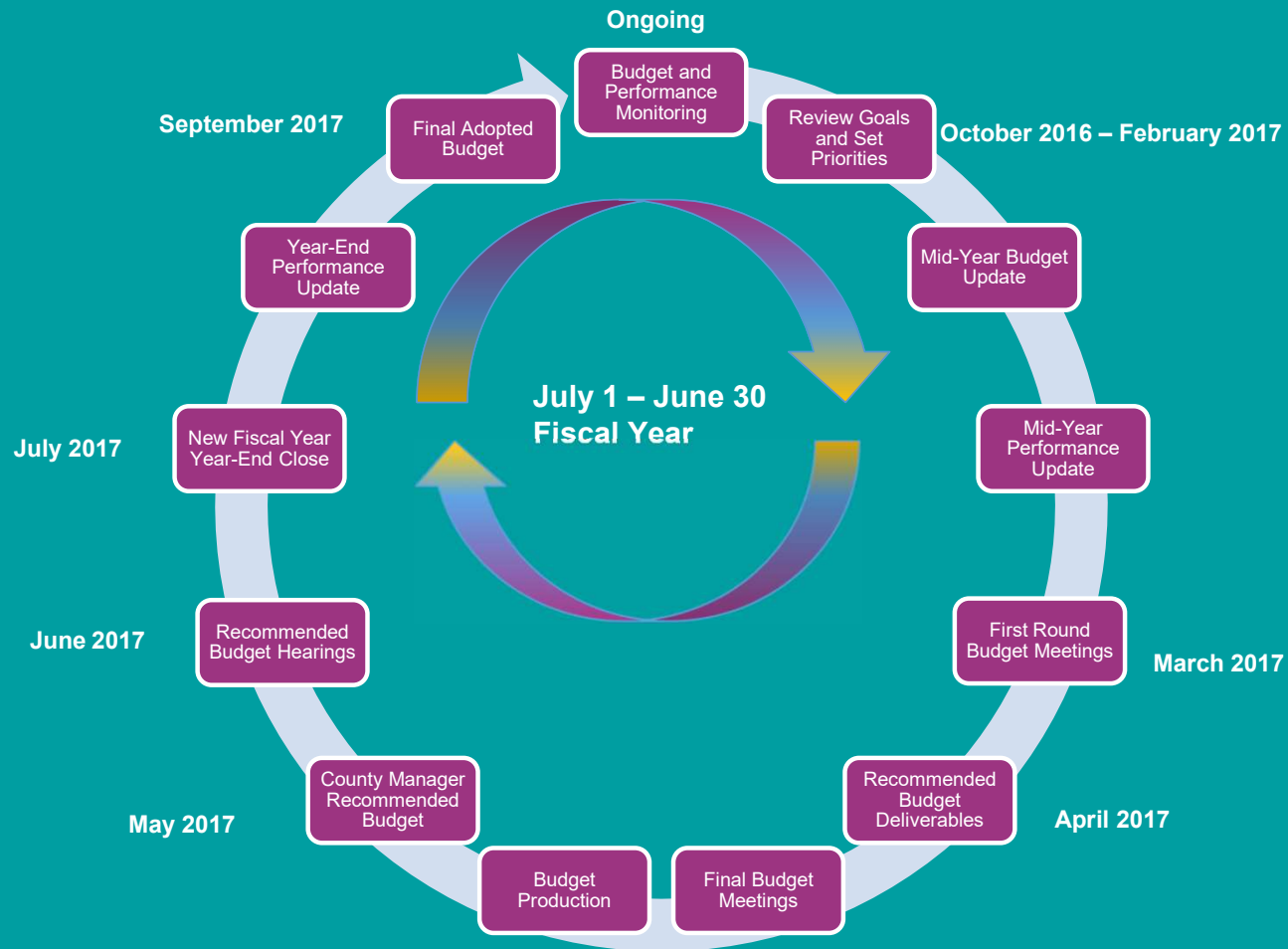
Communication Tool

Not Actual Expenditures

Big Ticket Items Impacting the Budget



Budget Cycle – Year 1



Things To Consider

Timeline

CAO
Instructions

Tools

Roles and
Responsibilities

Premise Items

Strategy

Federal Guidelines

Federal US Office of Management and Budget

OMB. 2CFR 200.414 - Indirect (F&A) Costs:

"(f) In addition to the procedures outlined in the appendices in paragraph (e) of this section, any non-Federal entity that has never received a negotiated indirect cost rate, except for those non-Federal entities described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph (d)(1)(B) may elect to charge a de minimis rate of) 10% of modified total direct costs (MTDC) which may be used indefinitely. As described in §200.403 Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time."

Always refer to the specific funding source

FOR EXAMPLE:

Direct open ended funding sources – generally have a 10% indirect cost cap

i.e. Title 4E, Title 20, Title 19

Block grants – indirect cost cap can vary

i.e. TANF

State Guidelines

State agencies have been assigned indirect cost rates by the Federal government based on submitted cost rate proposals and/or cost allocation plans.

State agencies have been granted authority by the Federal government to review and approve rates for the award of State dollars to non-federal entities.

Direct Costs vs. Indirect Costs

Source: California Department of General Services State Administrative Manual (SAM)

[https://www.dgsapps.dgs.ca.gov/documents/sam/SamPrint/new/sam_master/sam_master_File/chap9200/Chap9200\(print\).pdf](https://www.dgsapps.dgs.ca.gov/documents/sam/SamPrint/new/sam_master/sam_master_File/chap9200/Chap9200(print).pdf)

INDIRECT COSTS

Do not have a direct relationship to the program and are assigned through the use of a formula

Assigned to programs they benefit according to the methodology that represents a reasonable and equitable distribution.

Materials purchased in bulk are typically handled as indirect costs

Personnel services and operating expense equipment (OE&E) for administration are indirect costs

Examples of indirect costs are costs for administration and legal units, utilities, and rent

DIRECT COSTS

Can easily be identified to a program; incurred for activities or services that benefit specific projects/programs.

Because these activities/services are easily traced to programs, their costs may be charged to programs on an item-by-item basis.

Materials required for specific projects are charged as direct costs

Examples of direct costs are personnel services for project staff, consultants, travel, and training

Note: some OE&E costs, e.g., telephone costs, may be direct or indirect costs.

Human
Services Agency
(HSA)

HSA Administrative Caps Vary

- Administrative caps will depend on the type of service being contracted for and the funding source
- Many contracts will be subject to 10% administrative cap based on funding source

Behavioral Health and Recovery Services (BHRS)

BHRS Administrative Caps Vary

- Medi-Cal "Short-Doyle" funded services: full direct service cost are reported
- Short Doyle has 15% administrative cap
- Other grants and funding sources have different caps

Program FY 2020-21		
HSA Funding for Program		\$ 1,061,239
Line Item		Total Program Budget
Direct Personnel Expense		\$ 614,363
subtotal personnel		\$ 614,363
Operating Expenses		\$ 350,400
subtotal operating expenses		\$ 350,400
SUBTOTAL PERSONNEL and OPERATING EXPENSES		\$ 964,763
Administrative Expense		
Rent		\$ 150,000
Utilities		\$ 25,000
Salaries for Administrative Staff		\$ 75,000
subtotal admin expense		\$ 250,000
Total Expenses		\$ 1,214,763

Example Budget Scenario - BEFORE

Program FY 2020-21		
HSA Funding for Program		\$ 1,061,239
Line Item		Total Program Budget
Direct Personnel Expense		\$ 614,363
subtotal personnel		\$ 614,363
Operating Expenses		\$ 350,400
subtotal operating expenses		\$ 350,400
SUBTOTAL PERSONNEL and OPERATING EXPENSES		\$ 964,763
Administrative Expense		
Rent		\$ 26,476
Utilities		\$ 20,000
Salaries for Administrative Staff		\$ 50,000
subtotal admin expense		\$ 96,476
Total Expenses		\$ 1,061,239

Example Budget Scenario - AFTER

Hypothetical Proportionate Share

Example approach:

Human Resources Services cost \$10,000 annually for an agency and the agency has ten contracts

Costs should be proportionately allocated to the ten contracts based on contract scope and/or award amount

What is a “Single” audit

A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs.

Prior to 1984, each federal grantmaking agency was required to carry out its own audit which was inefficient because of the difference format or requirements by each federal agency.

Single Audit Act, which Congress passed in 1984, requires most governmental recipients of federal assistance (e.g., state and local governments) to have organization-wide financial and compliance audits on an annual basis.

What is a single audit report ?

A single audit report (SAR) is an organization-wide financial statement and federal awards' audit of a non-federal entity that expends \$750,000 or more in federal funds in one year.

The SAR is to be used by federal agencies to makes sure a non-federal grant recipient is spending federal money according to expectations – money spent on allowable activities and the reasonableness of allowable cost.

When is Single Audit required?

Any non-federal entity, that **expended** federal awards (all programs) in excess \$750,000 in a fiscal year or a calendar year, is required by law (Single Audit Act) to have a single audit performed, which includes an audit of both the financial statements and the federal awards. (OMB 2 CFR 200.501).

Note: Some federal awards are exempted from the Single Audit Act, if the exemption is indicated on the term of the awards.

Under provisions of the Single Audit Act, counties are required to have a countywide Single Audit to meet the federal audit requirements for the federal awards that are administered or expended by County Departments or Agencies.

Single Audit - Objectives

The objectives of the single audit are

1. to report on the organization's internal control; AND
2. to provide an opinion on the organization's compliance with federal requirements.

Common Q & A

Q: Delinquent Single Audit – Not submitting the report after 9 month of the fiscal year ended.

A. Federal Agency's actions: Draw-down restriction, Suspending Reimbursable draw-down, Withholding a percentage of federal funds, Suspending federal funds, Termination of grant.

Q: Request for an extension for submission of Single Audit.

A. The Office of Management and Budget (OMB) has the sole authority to grant single audit extensions; however, OMB will only grant extensions under special circumstances such as when there is a Presidential declared disaster affecting the non-Federal entity.

Thanks for joining us!

WHAT'S NEXT?

- Survey and certificate in the chat now
- Follow-up email with resources within two days
- Watch your inbox for the next issue of CalTrin Connect



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