

*Welcome to* **THE TRAINING WILL BEGIN SHORTLY**  
**COUNTY BUDGETING AND CONTRACTING FOR COMMUNITY-BASED ORGANIZATIONS**  
*While you're waiting...*

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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.

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4/25   Protective Factor Workshop: Concrete Support in Times of Need	05/03   Child, Family, and Community Well Being Series Learning Forum
4/27   Implementation of Brief Strategic Family Therapy	05/12   Developing a High Performing Team
05/02   Identifying Drug Endangered Children: A Collaborative Approach	06/01   Performance Management

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## Before We Begin...

DURING	DURING	AFTER
 Access the presentation slides now! The link can be found in the chat.	 Review interactive features for today's session. Locate the controls on the toolbar at the bottom of your screen.	 Complete the survey at the end of this webinar to receive your Certificate of Attendance.
 This presentation is being recorded for administrative purposes only and will not be shared.		 A follow-up email will be sent to all participants within two days.

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## County Budgeting and Contracting for Community-Based Organizations

Presenters: Monica Bentley and Robert Manchia

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## Speakers SPOTLIGHT

 <p><b>Monica Bentley, MPA</b> Director of Finance Riverside County</p> <ul style="list-style-type: none"> <li>20+ years of experience managing department budgets, administrative and assistance claims, revenue accounting, contract payments, and asset tracking</li> <li>Her roles have included CFO, Fiscal Manager, Assistant Director of Finance, Senior Administrative Analyst and Accountant</li> </ul>	 <p><b>Robert Manchia</b> Chief Finance Officer San Mateo County</p> <ul style="list-style-type: none"> <li>Oversees the county's budget process, forecasting, and issuance of debt, as well as supporting performance improvement initiatives</li> <li>Previously served in San Mateo's Human Services Agency as Budget Manager and Deputy Director of Finance</li> <li>Serves on various state and county workgroups and teaches at the CSAC Institute</li> </ul>
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RCHSD is not responsible for the creation of content and any views expressed in its materials and programming.

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<p>CBO BUDGETING AND CONTRACTING</p>	<p>Presenters:            Robert Manchia – Chief Finance Officer, San Mateo County            Monica L Bentley – Director of Finance, Riverside County</p> <p>April 20, 2023</p>
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<p>Federal Budget</p>	<p>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.</p>
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<p>Federal Funding</p>	<p>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.</p>
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## 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.

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	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
COUNTY															
STATE															
REALIGNMENT															
FEDERAL															

## Chart of Fiscal Years

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BUDGETS ARE  
MULTI-PURPOSE

- Policy Document
- Financial Plan
- Operations Guide
- Communication Tool
- Not Actual Expenditures

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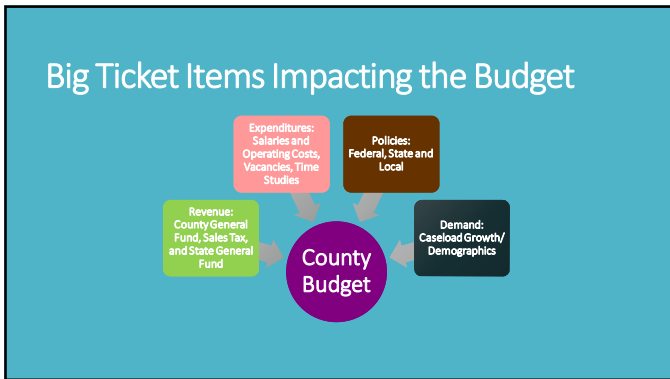
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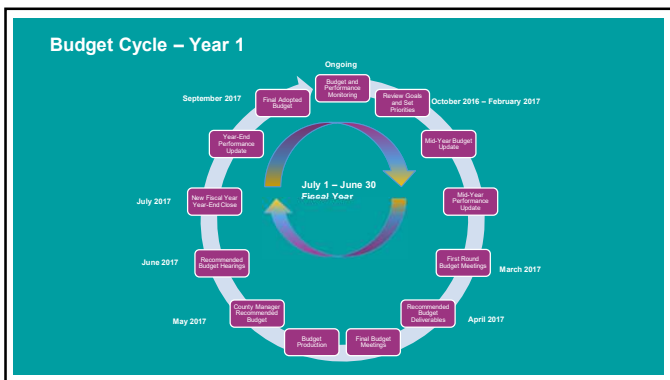
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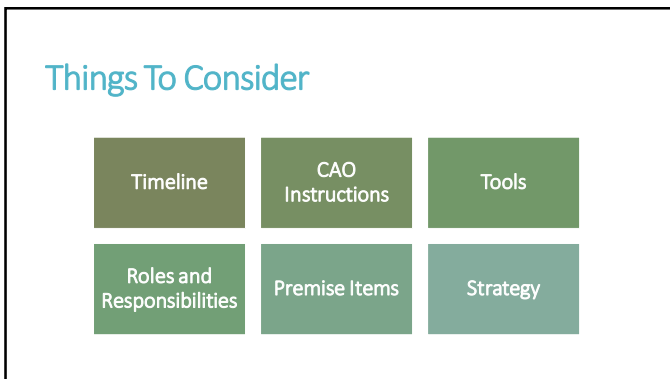
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**Federal Guidelines**

**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."

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**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*

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**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.

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**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)

<p><b>INDIRECT COSTS</b></p> <p>Do not have a direct relationship to the program and are assigned through the use of a formula</p> <p>Assigned to programs they benefit according to the methodology that represents a reasonable and equitable distribution.</p> <p>Materials purchased in bulk are typically handled as indirect costs</p> <p>Personnel services and operating expense equipment (OE&amp;E) for administration are indirect costs</p> <p>Examples of indirect costs are costs for administration and legal units, utilities, and rent</p>	<p><b>DIRECT COSTS</b></p> <p>Can easily be identified to a program; incurred for activities or services that benefit specific projects/programs.</p> <p>Because these activities/services are easily traced to programs, their costs may be charged to programs on an item-by-item basis.</p> <p>Materials required for specific projects are charged as direct costs</p> <p>Examples of direct costs are personnel services for project staff, consultants, travel, and training</p>
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Note: some OE&E costs, e.g., telephone costs, may be direct or indirect costs.

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<p>Human Services Agency (HSA)</p>	<p><u>HSA Administrative Caps Vary</u></p> <ul style="list-style-type: none"> <li>• Administrative caps will depend on the type of service being contracted for and the funding source</li> <li>• Many contracts will be subject to 10% administrative cap based on funding source</li> </ul>
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<p>Behavioral Health and Recovery Services (BHRS)</p>	<p><u>BHRS Administrative Caps Vary</u></p> <ul style="list-style-type: none"> <li>▪ Medi-Cal "Short-Doyle" funded services: full direct service cost are reported</li> <li>▪ Short Doyle has 15% administrative cap</li> <li>▪ Other grants and funding sources have different caps</li> </ul>
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Program FY 2020-21	
HSA Funding for Program	\$ 1,061,239
<b>Line Item</b>	<b>Total Program Budget</b>
Direct Personnel Expense	\$ 614,363
subtotal personnel	\$ 614,363
Operating Expenses	\$ 350,400
subtotal operating expenses	\$ 350,400
<b>SUBTOTAL PERSONNEL and OPERATING EXPENSES</b>	<b>\$ 964,763</b>
Administrative Expense	
Rent	\$ 150,000
Utilities	\$ 25,000
Salaries for Administrative Staff	\$ 75,000
subtotal admin expense	\$ 250,000
<b>Total Expenses</b>	<b>\$ 1,214,763</b>

Example Budget Scenario - BEFORE

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

Example Budget Scenario - AFTER

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### 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

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**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.

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**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.

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**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.

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**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.

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**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.

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