

INSTRUCTIONS TO COMPLETE EXHIBIT B-1: FUNDED PROGRAM BUDGET

I. OVERVIEW

The Exhibit B-1 document is a multifaceted instrument that is designed to be used for planning, management and monitoring of financial resources that have been apportioned to cover the cost of program services as described in your contract. Specific budgetary and financial outcomes to be accomplished through the use of this document are as follows:

1. Detail plan quantifying needs of staffing, services & supplies, units of service required to financially represent the program described in the Exhibit A for the period of the contract.
2. Basis for determining the cost of services either by line item budget or cost per unit of service.
3. Basis for assessing the efficient use of budgetary resources and determining acceptable Billable Staff Hours, as appropriate.

II. MAJOR COMPONENTS

A. “Detail Budget” Tab

This worksheet is separated into two major sections down the worksheet: “Total Program Budget” and “Alameda Co. Purchase.” The purpose of each is as follows:

1. The “Total Program Budget” section represents the total budgeted expenditure, revenue and units of service allocated to each approved program budget column. This section of the budget should represent the total cost of operating each program regardless of how much Alameda County is purchasing of each program.
2. The “Alameda Co. Purchase” section reflects the budgeted expenditure and revenue based on the number of units of service purchased by Alameda County. This section determines the prorated cost to Alameda County for the portion of the total program Alameda County is purchasing.

In addition to these two sections, the “Detail Budget” includes four major sections across the worksheet. The purpose of each is as follows:

- The “Master Contract” section represents all the programs included in an agency’s master contract funding.
- The “Admin” section includes the total administrative cost of the agency. The purpose of this section is to identify administrative expenses that should be allocated to the cost of each program budget included in either the Master Contract section along with your “Other” column and to determine if these costs are allocated equitably between all programs that your agency is operating.
- The “Other” section includes the balance of an agency’s budget not included in the agency’s Master program budgets or Administrative as appropriate. The purpose of this section is to ensure that administrative costs are allocated equitably between all the programs your agency is operating.
- The “Total” section is a grand total of an agency’s budget. The purpose of this section is to provide the County with information to determine the size of an agency.

B. “Measure A” Tab

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The purpose of the Measure A worksheet is to identify the specific items and/or services that will be purchased with Measure A funds, if applicable. Providers are offered two choices on how Measure A funds are allocated:

1. Measure A funds can be included in any program in your budget, except for EPSDT, CalWORKs, or MHSA programs. Expenses included in the program budget must be Medi-Cal eligible.
2. Measure A funds can be used for capital purchase or other non Medi-Cal allowable purchases.

Contractors **must** designate on this Measure A worksheet how the Measure A funds will be allocated to each program or to which capital (or other non Medi-Cal eligible) items. As in the past, Measure A funds are the last dollars spent and at cost report settlement, any unspent Measure A must be returned to the County. Providers will not be allowed to retain any unspent Measure A funds, so it is imperative for the Measure A funding to be budgeted in programs or on purchases that will be spent in the current fiscal year.

Remember to include the full allocation of the Measure A funds on this worksheet and also include the full amount in the “Detail Budget” worksheet.

C. “Composite Agency Budget” Tab

This worksheet represents the agency’s entire revenue budget by source of funds and expenditure budget by Salaries & Benefits and Services & Supplies. The purpose of this worksheet is to identify the agency’s federal and state dollars in order to assist the County and the provider in determining the type of audit that is required for each agency. When completing this form, Salaries & Benefits and Services & Supplies only need to be reported in total at the bottom of the form. All revenues need to be reported by each revenue source. If your agency’s budget is totally supported by revenues reported on this form, the revenue total should equal the total Salaries & Benefits and Services & Supplies. If your budget is supported by other funds, i.e., agency reserves, the totals will not equal.’

D. “Expenses Detail” Tabs

This worksheet is required to further explain certain line items that are included in the agency’s Operating Expenses.

E. “Billable Staff Hours % Calculation” Worksheet

This worksheet is required for Outpatient programs only. The purpose is to calculate the percentage of billable hours that each program has budgeted. When completing this form, list all the classifications and the FTE’s for each classification that provide direct services (as indicated by an “x” on Column “C” on the “Detail Budget” worksheet). The FTE may be different from the budget, as the FTE on the Billable Staff Hours worksheet should not include admin or supervisory duties. Also, the FTE needs to be adjusted for programs that do not operate year-

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round because the “available staff hour” calculation is based on a full year (e.g., a school program that operates ten months of the year may have one FTE on the budget but on the Billable Staff Hours worksheet, the FTE should be shown as .83 (10 months/12 months * 1 FTE). The worksheet will calculate the total FTE’s providing direct services and will also calculate total available staff hours based on 1779 hours per FTE. Then enter the total program units of services budgeted from the “Detail Budget” worksheet. The worksheet will calculate the percentage of billable staff hours in each program.

III. GENERAL INFORMATION

- When completing the budget, use the form enclosed in the email as this budget form is specific to your agency. **Please do not use last year’s form.**
- Your budget form may have one or more sections hidden or your agency may not be required to complete all elements, as all areas do not apply to all agencies. Some information provided in these instructions may also not apply to all agencies.
- Always use whole numbers or dollars when completing any of the budget forms. The only exception to this is the FTE (Full Time Equivalent) column, as this information is entered in fractions.
- The authorized funding level for your agency is indicated on the attached file titled “*Your Agency Name* – Allocation XX/XX” which was also included with your allocation letter. The budget you submit **must** be within your agency’s capped allocation amount and can only include approved programs. Any change in location/sites **must** be approved in writing by BHCS and incorporated into the contract prior to the change being implemented. Any new or expanded services would require prior approval of the Alameda County Board of Supervisors.
- Each program site (including school sites) must have a separate program budget column and Reporting Unit (RU) number; the only exceptions to this would be satellite sites.
- If more than one modality of service is provided at a particular site, then a separate program budget column and RU must be used for each modality. For example, agencies that have a day treatment program and are approved to provide medication support services should complete two separate program budget columns (one for the day treatment program and one for the medication support services program).
- Programs serving both adults and children must reflect costs for each population and modality of service in separate program budget columns. For example, if one program serves all ages, there should be two columns on the budget, appropriately labeled “Adult” and “Children,” and separate RU numbers should be set up to distinguish between children and adult clients.
- Children and youth day treatment programs need to identify the time and cost of a “psychiatrist” and/or other medical personnel who provide psychiatric evaluation or medication monitoring. This would be shown in either the “Salaries and Wages” section (if the staff is an employee of the agency) or if a contracted position is used for these purposes, this must be identified on the

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“Operating Expenses Detail” worksheet and included in the “Professional & Specialized Services” line item in the “Operating Expenses” section of the budget.

- **MIA Financial Rewards** funding may be used for client care use only. These expenses should be included in the Client Supportive Expenditures section.
- For **CalWORKs** programs, your budget amount should match the program allocation covering just your services. For programs that have Engagement, Initial Reporting and Follow-Up fees, these would be excluded from your budget (fees are paid on top of your program costs and are not part of the rate calculation). Since the fees are not included in the budget, the “Total Master Contract” column amount would not agree with the Contract Maximum (as this does include the fees). Please also note that the contract rates are predetermined and will not be based on budget CPU rates.
- If you experience any difficulty in using the document, please contact your Fiscal Liaison.

IV. INSTRUCTIONS FOR COMPLETING “DETAIL BUDGET”

A. PROGRAM COLUMNS

Before inputting your agency’s budget data, verify the following:

- All programs included in your funding allocation are identified by a designated column in the “Detail Budget.”
- All programs are identified with the appropriate Modalities:
 - **Residential**
 - **Day Treatment** (half-day intensive, full-day rehab, etc.)
 - **Outpatient** (includes Mental Health Services, Medication Support, Crisis Intervention, Case Management)
 - **Outreach**
- All programs are identified with the appropriate Reporting Unit number.

If any corrections need to be made, contact your Fiscal Liaison immediately.

B. TOTAL PROGRAM BUDGET

For each program, complete the following information. This is the Total Program Budget, so it should reflect the budgeted cost, revenue and units of service for each program included in your agency’s funding allocation. (The Alameda Co. Purchase section of the form will capture the portion of each program that Alameda County is purchasing.)

1. Salaries and Wages

This section is used to provide budget information for employee salaries, wages and benefits including number of Full Time Equivalents (FTE), classifications, annualized salaries, direct service classifications and benefit amounts.

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- List all positions relevant to the programs reflected in the budget; staff may be grouped by classification.
- Direct Services Column - For each position, indicate those staff who provide direct services to clients (i.e., billable services such as providing counseling, evaluations, case management, medication support, crisis intervention, etc) by inputting an “x” under the Direct Services column.
- Annualized Salary Column - List the annualized salary for each classification. This salary should reflect the annualized cost of the classification based on a 40-hour work week. Salary information is needed in this manner in order for BHCS to make comparisons across like programs and analyze the Billable Staff Hours.
- FTE Columns - Provide the Full Time Equivalent (FTE) applicable to each classification for each program. Enter the amount of time each position will be working in each program using a 40-hour week as base. (Examples: (a) If a person works 20 hours a week in a program, this would be 0.50 FTE; (b) If a person works a total of 20 hours a week but is projected to work in two programs for 10 hours each, then each program would be 0.25 FTE; (c) If a person works a total of 35 hours per week, this is .88 FTE). Please be sure that the percentage of FTE listed is an accurate reflection of the amount of time that will actually be spent working in that program because auditors will expect documentation of how this was determined and may examine time sheets, patient records, etc.
- Amount Column - List the budgeted amount for each classification based on the FTE’s in the applicable program columns. Enter Employee Benefit amounts on the line so designated.

2. Client Supportive Expenditures

This section only applies to Full Service Partnership (FSP) and Service Team programs and should be used for budgeting the cost of direct supportive expenditures to clients, family members, and caregivers. These expenses include housing and related operating expenses (such as insurance, repairs, utilities, etc.), items necessary for daily living (such as food, clothing, hygiene, etc.), travel, transportation, respite services for caregivers and employment and education supports.

- Use the line items designated on the form to input budget amounts. Space has been provided for any additional expenditure accounts you may need to add, but try to use the standard categories as much as possible.

If this section is not included in your agency’s Exhibit B-1 form and your agency has a program that qualifies, please contact your fiscal liaison.

3. Operating Expenses

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This section should be used for budgeting all operating costs associated with providing services to clients.

- Use the line items designated on the form to input budget amounts. Space has been provided for any additional expenditure accounts you may need to add, but try to use the standard categories as much as possible.
- Some line items listed on the budget form may **not** be allowable Medi-Cal expenses, but may be allowable by the County for certain types of programs (e.g., residential). Equipment, Food and Recreation for clients would be examples of expenses that may not be Medi-cal reimbursable for certain programs and should not be included in the Operating Expenses section of the budget. Some of these items could be allowed by BHCS in either the Measure A – Non Medi-Cal Eligible Expenses budget or under Client Supportive Services.
 - Capital expenditures for equipment, buildings or improvements to land, buildings or equipment are unallowable by Medi-Cal as direct costs. These costs must be depreciated over the useful life of the equipment/building/improvement.
 - Capital item is defined by Medi-Cal as an article of nonexpendable, tangible, personal property having a useful life of two or more years and an acquisition cost of \$500 or more per unit.
 - Capital improvement is defined by Medi-Cal as an improvement to land, building or equipment over \$500 which materially increases the value or useful life of said item.
 - Acquisition cost is defined by Medi-Cal as the net unit price of an item of equipment, including the cost of any modification, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.
- If budget amounts are included in the “Miscellaneous” or “Professional & Specialized Services” line items or any line item in the Client Supportive Expenditure section on your Detail Budget, complete the appropriate “Expenses Detail” form for each line item(s). Itemize and describe expenses included in that line item. If any other line items need additional explanation, complete the “Expenses Detail (blank)” form for that line item.
- For all expense categories, please be realistic with your budget estimates and be sure that you have adequate documentation to support these budgeted amounts and that they are associated with this particular program. Auditors will expect documentation of how these costs were allocated.

4. Administrative Cost

The “Admin” column is a means for determining an equitable distribution of administrative costs between all programs included in the budget. There are several acceptable methods of allocating Administrative Cost on these budget worksheets. The following are three examples:

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- Include all Administrative Cost within each program's budget. In this case, the Admin Column and Admin Row should be left blank. There is no need to allocate the Administrative Cost.
- Allocate Administrative Cost based on Total Gross Operating Costs (including both Salaries & Benefits and Operating Expenses). First, enter the total Administrative Cost in the Admin column; there is one cell for the total of Salaries and Wages and one cell for the total of Operating Expenses. Next, calculate the percentage of Total Admin over Total Agency Costs (Salaries and Operating Expenses excluding Admin) and multiply this percentage by the Total Costs for each program and "Other" column (excluding Admin) to arrive at the Admin amounts to be included on the Admin Row. You may want to add this formula to the Admin Row cells in the program and "Other" columns to ensure that you have allocated all the costs in an equitable manner. It is not necessary to enter an amount on the Admin Row in the Admin Column, as we have already inserted a formula that will automatically deduct the amount that you have distributed to all the other columns (ensuring that the Admin Row total will always be zero). To check to see that all of the Admin costs shown in the Admin Column have been distributed on the Admin Row, you must ensure that the Gross Cost line in the Admin Column also comes to zero.
- Allocate Administrative Cost based on indirect cost methodology, e.g., step down. First, enter the total Administrative Cost in the Admin column; there is one cell for the total of Salaries and Wages and one cell for the total of Operating Expenses. Next, enter the amount of Administrative Cost that is allocated to each program budget and "Other" column on the Admin Row. It is not necessary to enter an amount on the Admin Row in the Admin Column, as we have already inserted a formula that will automatically deduct the amount that you have distributed to all the other columns (ensuring that the Admin Row total will always be zero). To check to see that all of the Admin costs shown in the Admin Column have been distributed on the Admin Row, you must ensure that the Gross Cost line in the Admin Column also comes to zero.

Regardless of the methodology your agency uses to allocate your agency's administrative cost, it is critical that your agency maintain supporting documentation and rationale of the methodology used in case of an audit.

5. Other

The "Other" column should include all other budgeted funds not included the mental health programs or administrative columns. This is required to determine if administrative costs have been equitably distributed between all programs included in the budget. Enter **only** the total amount of your agency's budget less what has been already identified in each of the program budget columns; there is one cell for the total of Salaries and Wages and one cell for the total of Operating Expenses.

6. Revenue

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The Revenue section reflects how much revenue the agency will earn in an effort to offset the cost of each program.

Include all revenues (**other than that received from BHCS for this contract**) that your agency anticipates receiving during the fiscal year and list by type in the applicable program or “Other” column. The Net Cost line should not exceed your allocation. The following are examples of the types of revenues that should be included:

- Third Party Revenues, i.e., Medicare, insurance, private pay, share of cost
- Grants
- Other Contracts
- Other State or federal funding

Providers of Medi-Cal programs are required under federal regulation to bill for Medicare (if Medicare certified), insurance and share of cost prior to the service being billed to Medi-Cal. All third-party revenues collected by providers associated with services reimbursed through this contract should be reported to BHCS as an offset to the provider’s monthly invoices. So, in preparing budgets, providers should estimate the amount of this type of revenue to be included in the budget.

7. Units

The first Units section (under the “Net Cost” line) indicates the number of services to be provided by the agency for the overall program and is used to calculate the cost per unit of service. The form will calculate the CPU automatically based on the Gross Costs (without Client Supportive Expenditures or CalWORKs fees) and units entered. There are two Gross Cost lines on the Exhibit B – “Gross Costs (without Client Supportive Expenditures or CalWORKs fees) determines the gross cost of treatment services which is used to calculate the cost per unit and the “Gross Cost” line indicates all the costs included in the budget.

Input the total units of service for each program budget as follows:

- Residential and Day Treatment services: Input days on the “Total Hours/Days” line.
- Outreach services: Input staff-service hours on the “Total Hours/Days” line.
- Outpatient services: The rates for outpatient services are calculated by service function using a weighted cost formula based on the SMA. Input direct staff hours on the “Total Hours” line for each of the following major Service Functions:
 - Case Management
 - Mental Health Services
 - Medication Support
 - Crisis Intervention
 - Outreach & Engagement
 - Client Support

C. COUNTY PURCHASE

The purpose of this section is to identify the units of service being purchased by Alameda County as described in the Exhibit A of the contract and establish the cost of those services.

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1. Units

Input units to be purchased by Alameda County BHCS for each designated program. These units of service should represent all the services Alameda County is planning to purchase, so it is critical that each program budget include units for each service type to be offered by that program. The County Purchase units should be equal to or less than the service units included in the total overall program section. The worksheet will then calculate the total dollar amount of your agency's program that Alameda County is purchasing.

2. Revenue

List any revenue (**other than that received from BHCS for this contract**) that is associated with the services to be purchased by BHCS, i.e., third-party revenues received from insurance or directly from clients. The form will automatically calculate the gross cost and then subtract these revenues to reflect the net cost.

3. Net Cost

The "Net Cost" line in the County Purchase section is the contracted amount for each program and **must** not exceed the authorized funding level for your program(s) as indicated on the allocation sheet.