



Covid Health Equity Technical Assistance

Budget Development for Providers of the Maine Department
of Health and Human Services

October 20, 2022

Maine CDC Office of Population Health Equity

Agenda

- Welcome and Introductions
- Budget Development
- State of Maine Finance and Audit Standards
- Technical Assistance





Welcome and Introductions

ME DHHS Team Members

Ian Yaffe, Director

Director, Office of Population Health Equity

Abigail Harper, Program Manager

Office of Population Health Equity

Abdulkerim Said, Program Coordinator

Office of Population Health Equity

Bonnie Childs, Contract Manager

Maine DHHS

Contract-Budgets.dhhs@maine.gov

Support and Technical Assistance Emails

Maine CDC OPHE Support

CDC-OPHE-Support@maine.gov

OPHE Technical Assistance

Maine.Support@pcgus.com

Grantee Technical Assistance Web Page

www.ophepartners.org/

ME CDC OPHE Webpage

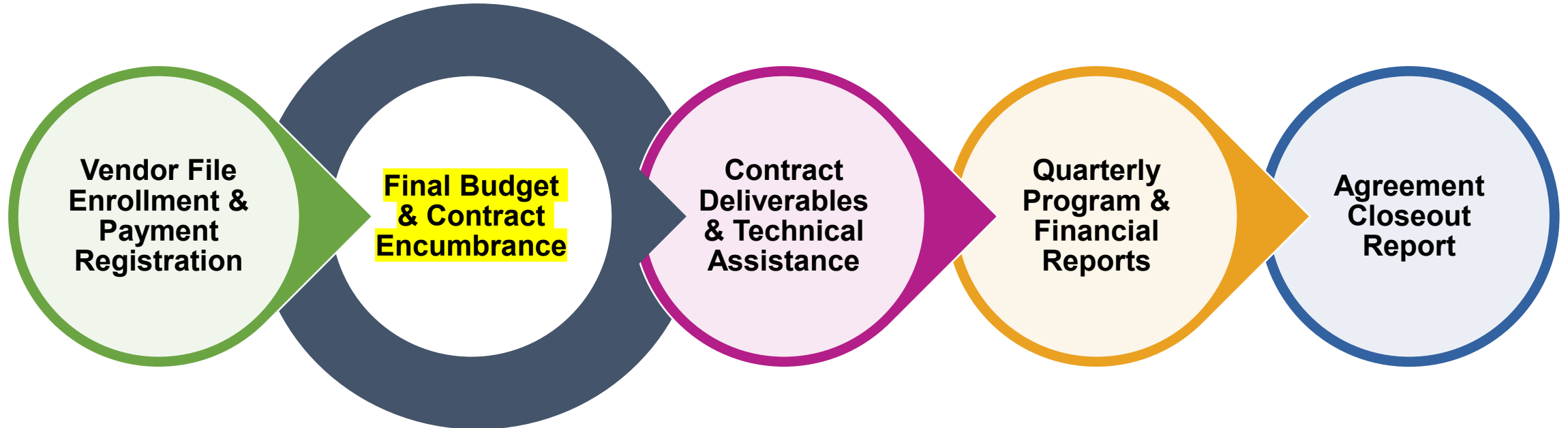
maine.gov/dhhs/mecdc/equity/index.shtml

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Overview of Contract Process






Budget Development

- Providers must submit a final budget (Rider F) to OPHE and the DHHS Division of Contract Management (DCM) **ASAP after allocation letters are received.**
- Email the Excel version to:
 - contract-budgets.dhhs@maine.gov
 - and
 - CDC-OPHE-Support@maine.gov
- After Department review, providers may need to answer questions or make corrections. **Respond timely!**

A provider's budget must be fully reviewed by DHHS before a contract can be encumbered!

Maine Department of Health and Human Services 	AGENCY NAME:		
	PROGRAM NAME:		
	AGREEMENT START DATE:		
	AGREEMENT END DATE:		
	DHHS AGREEMENT#:		
EXPENSE SUMMARY			
COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
EXPENSES	TOTAL PROGRAMS (this agreement)	SERVICE:	SERVICE:
		PROGRAM & FY:	PROGRAM & FY:
PERSONNEL EXPENSES			
SALARIES/WAGES			
FRINGE BENEFITS			
THIRD PARTY IN-KIND (Match Only)			
TOTAL PERSONNEL EXPENSES			
CAPITAL EQUIPMENT PURCHASES			
SUB-RECIPIENT AWARDS			
ALL OTHER EXPENSES			
OCCUPANCY - DEPRECIATION			
OCCUPANCY - INTEREST			
OCCUPANCY - RENT			
UTILITIES/HEAT			
TELEPHONE			

[Visit the DCM web page](#) to locate the current contract version, instructions, and other key documents!



Rider F Components

- Rider F package located in [an Excel workbook](#)
- Providers must **complete additional forms** as needed:
 - Budget Form 2-A Third Party In-Kind Donation
 - Budget Form 4-A Agency Wide Indirect Expense Summary
 - Budget Form 4-B Agency Wide Indirect Personnel Expense Summary
 - Budget Form 5-A Supplemental Detail Information
- Note that additional **required explanatory information**, such as agency capitalization policy, depreciation schedule or sub-recipient list, **should be attached to the submitted package**.

Budget Form 1 Revenue Sources

Budget Forms 2-5 Expenses and Supporting Detail


- Budget Form 2 Expenses
- Budget Form 3 Direct Personnel Expenses
- Budget Form 4 Indirect Allocation Summary
- Budget Form 5 Expense Details

Rider F-1 Pro-Forma

Rider F-2 Agreement Compliance Form

Form 1: Revenue Sources



Maine Department of Health and Human Services 		AGENCY NAME:	
		PROGRAM NAME:	
		AGREEMENT START DATE:	
		AGREEMENT END DATE:	
		DHHS AGREEMENT#:	
		REVENUE SUMM	
LINE	COLUMN 1	COLUMN 2	COLUMN 3
1	REVENUE SOURCES	TOTAL PROGRAMS	SERVICE:
2		(this agreement)	PROGRAM & FY:
3	TO BE COST SHARED List by Donor or Source (Add rows as needed)*		
4	AGREEMENT FEDERAL REVENUE		
5	FEDERAL DHHS AGREEMENT FUNDS		
6	FEDERAL BLOCK GRANT AGREEMENT FUNDS		
7			
8	AGREEMENT STATE REVENUE		
9	STATE DHHS AGREEMENT FUNDS-GF		
10	STATE DHHS AGREEMENT FUNDS-FHM		
11	STATE DHHS AGREEMENT FUNDS-OTHER		
12	RESTRICTED UNITED WAY		
13	RESTRICTED MUNICIPAL/COUNTY		
14	OTHER RESTRICTED INCOME (PROGRAM)		
15			
16	PRIVATE CLIENT FEES (insurance + self pay)		
17	MEDICARE		
18	AGENCY COMMITMENT TO PROGRAM		
19			
20	TOTAL COST SHARED REVENUE		
21	NON COST SHARED (Add rows as needed)*		
22	MAINECARE		
23	OTHER RESTRICTED FEDERAL/STATE		
24	THIRD PARTY IN-KIND		
25	PROGRAM CLIENT FEES		
26	PROGRAM INCOME		

- Form 1 is organized into 2 sections: **To Be Cost Shared and Non-Cost Shared**
- Providers must identify all funding sources included in the **agreement budget**
- List each DHHS funded program component **separately** under the columns labeled “Service” and “Program.”
- **Check the allocation letter** to note how the components should be presented in the budget.

Reference [DHHS Instructions](#) on pages 3-5 for completing Budget Form 1.



Allowable Costs and Activities

- Make sure to only include costs that are [reasonable, necessary, allocable, and allowable](#).
- Providers should ensure expenditures are allowable under the **contract agreement and federal regulations**
- Documents to review for allowable cost guidelines:
 - Provider contract
 - [MAAP guidance](#)
 - [Federal guidance](#)

Guideline	Meaning	Allowable Example
Reasonable	Costs are comparable to costs the agency has incurred for other programs and are similar to costs incurred by other agencies.	Marketing materials for a vaccine event purchased at a fair market rate.
Necessary	Costs are incurred to fulfill the purpose of the award or costs that are vital to sustain the award's operations.	Purchasing software needed for the data collection and accounting as required by the award.
Allowable	Costs are allowed under federal and state regulation (ex. Rider A of contract).	The cost is allowable per OPHE and federal guidance (2 CFR 200 Subpart E).
Allocable	The cost is directly tied to the activities of the award and the cost can be distributed to other beneficiaries.	Payroll expenses for employees working on multiple grants is proportionately shared by funding sources.

Form 2: Expense Summary



EXPENSE SUMMARY			
LINE	COLUMN 1	COLUMN 2	COLUMN 3
1	EXPENSES	TOTAL PROGRAMS (this agreement)	SERVICE:
2			PROGRAM &
3	PERSONNEL EXPENSES		
4	SALARIES/WAGES		
5	FRINGE BENEFITS		
6	THIRD PARTY IN-KIND (Match Only)		
7	TOTAL PERSONNEL EXPENSES		
8	CAPITAL EQUIPMENT PURCHASES		
9	SUB-RECIPIENT AWARDS		
10	ALL OTHER EXPENSES		
11	OCCUPANCY - DEPRECIATION		
12	OCCUPANCY - INTEREST		
13	OCCUPANCY - RENT		
14	UTILITIES/HEAT		
15	TELEPHONE		
16	MAINTENANCE/MINOR REPAIRS		
17	BONDING/INSURANCE		
18	EQUIPMENT RENTAL/LEASE		
19	MATERIALS/SUPPLIES		
20	DEPRECIATION (Non-Occupancy)		
21	FOOD		
22	CLIENT-RELATED TRAVEL		
23	OTHER TRAVEL		
24	CONSULTANTS - DIRECT SERVICE		
25	CONSULTANTS - OTHER		

Form 2 consists of four sections which summarize the detailed information on the remaining expense forms:

- Personnel Expenses (from Budget Form 3)
- Capital Equipment Purchases (from Budget Form 5)
- Sub-recipient Awards (Budget Form 5)
- All other expenses (Budget Form 5)

Reference [DHHS Instructions](#) on pages 6-12 for completing Budget Form 2.

Form 3: Direct Personnel Expenses



A separate Form 3 must be completed for **each service or program on Forms 1 and 2**. Be sure to link the information correctly!

- **Direct Care/Clinical Staff:** Carries caseloads, provides direct services
- **Administrative Staff (Non-Indirect Allocated):** Provides admin support to Direct Care Staff
- **Consultants – Direct Service:** Independent contractors providing a direct services

DIRECT PERSONNEL EXPENSES				
LINE	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
	PERSONNEL EXPENSES			
	POSITION TITLE	CREDENTIAL (eg. MHRT II, LCSW)	TOTAL ANNUAL SALARY	TOTAL # HOURS SPENT ON PROGRAM FOR AGREEMENT PERIOD
1	DIRECT CARE/CLINICAL STAFF			
2				
3				
13				
14	TOTAL FTE			
15	ADMINISTRATIVE STAFF (Non Indirect Allo			
16				
17				
18				
19				
20	TOTAL FTE			
21			TOTALS	
	COLUMN 7		COLUMN 8	
	TOTAL FRINGE BENEFITS			SUMMARY
22	TYPE OF BENEFIT (SPECIFY)	DIRECT EXPENSE	% SALARY	ITEM
23	FICA & MEDICARE TAX		#DIV/0!	TOTAL SALARY
24	UNEMPLOYMENT INSURANCE		#DIV/0!	TOTAL FRINGE
25	WORKERS' COMPENSATION		#DIV/0!	TOTAL
26	HEALTH/DENTAL		#DIV/0!	REMARKS:
27	PENSION		#DIV/0!	
28	OTHER		#DIV/0!	
29	TOTAL FRINGE BENEFIT		#DIV/0!	

Reference [DHHS Instructions](#) on pages 13-15 for completing Budget Form 3.

Forms 4-4B: Indirect Costs Allocation Summaries



Indirect Costs: Expenses that benefit but are not readily tied to a specific grant or project. Ex: Fundraising, technology and IT costs, etc.

Budget Form 4: Does your organization have indirect costs?

- **If no, do not complete the rest** of Form 4, or 4A and 4B.
- If yes, **indicate method and rate.**
 - **If providers use the 10% de minimum rate, or a federally approved rate, skip Forms 4A and 4B.**
- **Form 4A and 4B must be completed before completing the rest of Form 4.**

What method of allocation does your agency use to spread its indirect costs?

- | | | |
|---------------------------------|--------------------------|------------------------|
| a. Simplified Allocation Method | <input type="checkbox"/> | (Circular A-122, D, 2) |
| b. Multiple Allocation Method | <input type="checkbox"/> | (Circular A-122, D, 3) |
| c. Direct Allocation Method | <input type="checkbox"/> | (Circular A-122, D, 4) |
| d. Other _____ | <input type="checkbox"/> | |

Reference [DHHS Instructions](#) on pages 16-18 for completing Budget Forms 4, 4A, and 4B, and consult 2 CFR 200 and Circular A-122 for more information.

Forms 5 & 5A: Expense Details and Supplemental Information



Complete **brief descriptions** for any costs noted on Form 2. Be sure to **provide calculations** where appropriate. Use **Form 5A for additional space**.

EXPENSE DETAILS			
LINE	COLUMN 1 NAME OF LINE ITEM	COLUMN 2 AMOUNT (from Form 2)	COLUMN 3 DETAIL (Use Form 5A if this space is insufficient for required information)
8	CAPITAL EQUIPMENT PURCHASES (provide your agency's capitalization policy)		
9	SUB-RECIPIENT AWARDS (provide detailed list)		
11	OCCUPANCY - DEPRECIATION (provide depreciation schedule)		
12	OCCUPANCY - INTEREST		
13	OCCUPANCY - RENT (provide name of landlord and physical address)		
14	UTILITIES/HEAT		
15	TELEPHONE		

Detail Example: Rent costs of \$6,000 are charged at 50% of total annual rent of 12,000.

Reference [DHHS Instructions](#) on pages 18-19 and instructions for completing Budget Form 2. The amounts on Budget Form 5 must match Budget Form 2!



Rider F-1: Pro-Forma

Determines the expenses allocable to the agreement and identifies the applicable closeout method.

COST SETTLED PRO FORMA					
AGENCY NAME:					
FISCAL YEAR END:					
FUNDING DEPARTMENT:		DHHS			
DHHS AGREEMENT#:					
COMPONENT START DATE:					
COMPONENT END DATE:					
DHHS AGREEMENT AMOUNT IN COMPONENT:					
PROGRAM NAME:					
PART I: AGREEMENT TOTALS					
		REVENUE	EXPENSE	BALANCE	
1	PER AGREEMENT BUDGET				
AGREEMENT ADJUSTMENTS					
2					
3					
4					
5					
6					
7					
8					
9	TOTAL ADJUSTMENTS				
10	TOTALS AVAILABLE FOR COST SHARING				
PART II: AGREEMENT COST SHARING					
		PERCENTAGE	REVENUE	EXPENSE	BALANCE
11	AGREEMENT # (STATE FUNDS)	#DIV/0!			
12	AGREEMENT # (FEDERAL FUNDS)	#DIV/0!			
13	ALL OTHER - UNRESTRICTED	#DIV/0!			
14	ALL OTHER - RESTRICTED (PROGRAM)	#DIV/0!			
15	TOTALS	#DIV/0!			

Rider F-2: Agreement Compliance Form

To be completed by DHHS and outlines the Department's compliance requirements for audits of the agreement.

AGREEMENT COMPLIANCE FORM	
AGENCY NAME:	
PROGRAM NAME:	
AGREEMENT START DATE:	
AGREEMENT END DATE:	
DHHS AGREEMENT#:	
<p>This section identifies compliance requirements that must be considered in audits of agreements between the Department and a Community Agency. Below is a summary of required compliance tests as well as sections within the agreement award relevant to such testing. Failure to comply with any of these areas could lead to material deficiencies.</p>	
<input checked="" type="checkbox"/>	Review the Federal compliance requirements specific to the following CFDA identifiers:
	CFDA # _____ CFDA # _____
	CFDA # _____ CFDA # _____
	and review all the State compliance requirements listed below that apply to Federal Funds.
<input checked="" type="checkbox"/>	Review the State compliance requirements in applicable areas specified below:
<input checked="" type="checkbox"/>	1 INTERNAL CONTROL
<input checked="" type="checkbox"/>	2 STANDARD ADMINISTRATIVE PRACTICES
	a. 2 CFR 200 Subpart D
	b. Department Additions Program Budget
<input checked="" type="checkbox"/>	3 ACTIVITIES ALLOWED OR UNALLOWED Rider A
<input checked="" type="checkbox"/>	4 ALLOWABLE COSTS/COST PRINCIPLES
<input checked="" type="checkbox"/>	2 CFR 200 Subpart E

Reference [DHHS Instructions](#) on pages 19-25 for completing the Rider F1 Pro-Forma.



MAAP: Maine Financial Reporting and Audit Standards

Financial statement and audit requirements are determined by the **annual total of agreement expenditures received from ME DHHS.**

Key Terms

SEDA: Schedule of Expenditures of the Department Agency

IPA: Independent Public Accountant

See [Section 2 of the MAAP guidance](#) for more information

Tier 1 (a) >\$100,000

- No entity-wide statements are required.

Tier 1 (b) \$100-500K

- Must submit an entity-wide **review of financial statements and SEDA** reviewed by an IPA.
- **May opt for Tier 2 rules and reporting.**

Tier 2 Agency + \$500,000

- **Required entity-wide financial audit and compliance audit** of the SEDA
- Audits must be completed by a **qualified IPA.**

Budget Development: Pro Tips



Cost Allocation



1. If charging a portion of rent, telephone, utilities, etc. to this contract, **explain the allocation method** on the Form 5 or 5A.
 - Example: Agency charges 50% of rent & telephone to contract. Explain calculation such as agency has 2,000 total sq.ft. and this program/contract operates out of 1,000 sq. ft.
 - If staff are working on other projects besides this grant, **their time must be allocated** (percentage, using timesheets, etc.)

Staff



2. If using independent consultants, they **cannot also be paid employees of the organization.**
 - Consultants-Direct should be noted on Form 3. Consultants-Other should be on Form 5
3. On Budget Form 3, the **position title** should be listed along **with the first initial and last name** of the incumbent. **If vacant, note TBD.**

Have questions about your budget or whether a cost is allowable? Email CDC-OPHE-Support@maine.gov.

Budget Development: Pro Tips



Expenses



4. On Form 5, double-check that the breakdown with explanatory details of the expenses matches the total expense for that expense line.
5. The Total Agency-Wide Revenue on Form 1 and Total Agency-Wide Expenses on Form 2 **does not tie directly** to the individual contract. This should be the **agency's total budget for all programs/contracts/services/funding sources**. These two items should match.

Sub-Recipient Awards



6. If award is between \$5,000 and \$25,000, a signed **MOU must be provided with a single one-page budget**. If greater than \$25,000, an MOU mirroring **DHHS agreement with full budget forms is required**.

Budget Development: Pro Tips



Autofill



7. When making changes in one tab, the provider must **make the same changes in each tab** because the amounts will not auto calculate from tab to tab.
 - a. For example, if the Consultant Line in Form 5 is updated to \$10,000, the provider will go back to the primary sheet to update the Consultant Line to \$10,000 as well.

Line Numbers



8. Note that the Line numbers referenced in these instructions **are not the Excel row numbers**, but rather **assigned Line numbers in the first Excel Column**.



Technical Assistance and Support

- Live informational webinars
- Individual TA sessions, by request
- Dedicated TA mailbox
- OPHE Provider Handbook
- Maine OPHE Partners Website & Grantee Portal – **coming soon**
 - Array of resources including forms, instructions, tips, and recorded webinars and materials.
 - Topics covered include allowable costs, internal controls, bank reconciliations, receiving payments, and reporting.
 - Regularly check the website for new resources and updates

- ✓ Questions regarding **contracts, payments, or receipt of reports** should be sent to CDC-OPHE-Support@maine.gov
- ✓ Reach out for **technical assistance** and support via email at CDC-OPHE-Support@maine.gov



**Maine CDC Office of
Population Health Equity**