**Subject: Annual Budgets**

Effective Date: May 16, 2016 Revised from: May 22, 2015

**Policy:** Annually, each Local Agency (LA) is required to submit a budget for the WIC and BFPC program, which are combined into one budget. The budget should include all costs estimated to administer the WIC program.

At least one-sixth (16.7%) of the total WIC allocation must be spent on Nutrition Education. A specified amount must also be spent on Breastfeeding Promotion and Support activities. The Breastfeeding expenditure amount can vary annually and will be provided with contract information.

The State Agency (SA) will review each budget and consult with the LA to resolve any questions. Expenditures for activities beyond the required WIC services may or may not be allowed, depending on the availability of funding.

The LA Budget must be signed and dated by an Authorized Agency Representative and the WIC Coordinator. If an individual is both the Authorized Agency Representative and the WIC Coordinator, please sign both places on the budget form. Examples of an Authorized Agency Representative could be Health Department Director, County Commissioner or an individual that has been deemed appropriate by the agency.

The LA should periodically compare the budget submitted at the beginning of the FFY to the monthly affidavits being submitted during the same time period in order to track the LA's funding allocation. If it appears the LA's actual costs will exceed the allocated funds for the FFY, the LA should contact their State Lead and discuss revising the budget.

Information about budget differences should be retained in order to be used to develop the budget for future years.

Accurate budgeting by the LA should result in an appropriate allocation and thus minimal year-end adjustments to funding allocations will be needed.

**Reference: CFR §246.14**

**Procedure:**

**General Budget Instructions**

A completed WIC/BFPC budget must be submitted annually to the SA, covering the Federal Fiscal Year (FFY) October 1 – September 30. The budget includes the following:

- LA Budget
  - All agencies, whether Parent or Sub-Agencies, should submit a budget for each location that operates with different staff.

- Copies of any sub-contracts (contracted personnel, sub-agency contracts or agreements, clinic site agreements, etc.) Sub-contracts should be renewed each year.
- Cost Allocation Plan should be provided to the SA only for agencies claiming indirect costs.
- Approval letter from KDHE, Division of Fiscal and Performance Management for those LA's claiming indirect expenditures
- Clinic Availability Information (see end of policy)

A budget form is available on the Kansas WIC website under Forms/Administrative Materials section called "WIC Local Agency Budget" and select the appropriate FFY form. This form is a template that contains formulas that will assist in reducing errors in calculations.

The following information should be completed on the LA Budget:

- Sections
  - I Employee Services
    - WIC
    - BFPC (if applicable)
  - II Consultant and Contractual Services
  - III Agency Operations and Program Supplies
  - IV Indirect Costs (if applicable)
  - V Additional Information & Signatures

The following policies should be reviewed prior to completing the appropriate WIC Budget form. The policies will provide guidance on Allowable Costs ADM: 02.03.01, Unallowable Costs ADM: 02.03.02 and Time and Effort Reporting ADM: 02.03.03.

**Completing the Local Agency Budget Spreadsheet**

**BUDGET HEADING**

1. Indicate whether the budget is an initial or a revised submission and check the appropriate box. If the budget is revised, indicate the date of the revision.

2. Provide Agency name and address.

3. Provide the Taxpayer ID number.

4. Provide DUNS Number. This is a nine digit number provided by Dun & Bradstreet. If the LA does not have a DUNS number, the LA should register for a number by going to Dun & Bradstreet's website at https://eupdate.dnb.com/requestoptions.asp .

5. Provide an estimated monthly participation number for the budget year.
   - *(Refer to Worksheet A on the Budget Excel form. It provides an example and a chart to help estimate the monthly participation number. The chart contains formulas that automatically calculates and will place the figures on actual budget form.)*

The following instructions provide details on how to obtain the Caseload Management Report using the Client Services application in KWIC.

- Click on Reports
- Scroll down to Participation Report
- Select the report titled Caseload Management Report
- Select the Clinic and Start date/Run date
- Click on generate report. Generate the report for a twelve month time period.
- Begin by taking the "Total Participation" number from the report
- Add up twelve months of reports and divide the total number by twelve to get an average.

6. Provide the WIC Coordinators name, phone number and email address.

**SECTION I – EMPLOYEE SERVICES**

Instructions for this section apply to WIC and the BFPC program and are reported separately within this section. Refer to WIC Local Agency Budget spreadsheet.

- (*Refer to Worksheet B on the Budget Excel form. It provides an example and a chart to help figure FTE along with WIC% and BFPC %. The chart contains formulas that automatically calculates and will place the figures on actual budget form.)*

a) List each person's name and position title to be funded either in whole or in part with either WIC or BFPC (if applicable) funds. If the position is vacant list it as such with the title for that vacant position. For example: vacant, RN.

b) Calculate and list each employee's total annual salary (based on actuals) in the Annual Salary column. Annual salary is the total salary paid to the employee, regardless of work activity. All anticipated pay increases during the FFY should be included.

c) List the Full Time Equivalent (FTE) for each employee. An FTE of 1 indicates a "full-time employee" based on a 40 hour work week. This should reflect the total time the employee works for the health department and not just WIC. Do not enter as a percent.

If you are not using Worksheet B, here are instructions on how to determine the FTE along with the WIC% and BFPC %.

FTE examples:

- If an employee works 40 hours a week for the health department, then enter a 1 in the FTE column.

- If the employee works half time for the health department, then .5 (20 divided by 40) would be entered into the FTE column.

- If an employee works 15 hours per week for the health department, then .375 (15 divided by 40) would be entered into the FTE column.

d) List the percent of time for each employee in the % column. This should be the percentage of time that the employee works for WIC or the BFPC program.

<u>% examples:</u>
Just as a reminder the chart on Worksheet B of the Budget form can automatically figure the percent's if the chart is used.

- If a full time health department employee(1 FTE) only works 15 hours per week for WIC, then .375 (37.5% = 15 divided by 40) would be entered in to the WIC % column.

- If a health department employee works 100% for WIC, then enter 100 (100%) in the WIC % column.

- If a full time health department employee works 35 hours per week for WIC and 5 hours for the BFPC program, then .875 (87.5% = 35 divided by 40) would be entered in the WIC % column in the WIC section and .125 (12.5% = 5 divided by 40) would be entered in the BFPC % column in the BFPC section.

- If a health department employee works 50% for WIC, then insert .50 into the WIC % column.

- If a health department employee only works 20 hours per week and of those 20 hours, works 5 hours for WIC, then .25 (25% = 5 divided by 20) would be entered in to the WIC % WIC column.

- If a health department employee only works 7 hours per week for the BFPC program and does not do anything else for health department, then .175 (7 divided by 40) would be entered into the FTE column and 100 would be entered into the BFPC % column in the BFPC section.

e) Include fringe benefits appropriate to each staff member. Fringe benefits should be separated out for:
- KPERS
- FICA
- Health Insurance
- Workers Compensation
- Unemployment
- Other (specify) – any other type of fringe benefit not listed. Change the word "Other" on the Budget form to reflect the actual fringe benefit name.

Fringe benefits can be figured one of two ways.

- A percentage can be placed in the % line. If you use this method, the spreadsheet will automatically calculate the dollar amounts for the percent you entered.
  - **Just as a reminder – if you have both FT and PT employees it will figure a % based on the overall total, which may not be correct, especially if PT employees may not be eligible for all of the fringe benefits.**
  - **BFPC's may not be eligible for all fringe benefits, so leave the % zero or key in appropriate dollar amounts.**
- Instead of using a percentage you can key in the dollar amounts into the total column.
  - Most commonly done for health insurance since it is not the same % for each person listed on the budget.
- Check with your County Clerk or Fiscal Dept. to ensure the correct percent of fringes is being charged. The percent can change from one year to the next.

**SECTION II – CONSULTANT and CONTRACTUAL SERVICES**

Itemize consulting and contracted services. List the specific individual (i.e. contracted RD) or vendor, service provided.

For an individual:

1) List each person's name and position title to be funded either in whole or in part with WIC funds. For example: Jane Doe, RD.

2) List each person's total salary cost in the Annual Salary column. Include any anticipated pay increases during the FFY.

3) List RD Mileage under this section.

For vendors or service providers:

1) List each vendor or service provider to be funded either in whole or in part with WIC funds.

2) List each vendor's total cost for the FFY in the Annual Salary column.

**SECTION III – DIRECT COSTS FOR AGENCY OPERATIONS and PROGRAM SUPPLIES**

Be sure to refer back to your affidavits to ensure all current/future expenses are accounted for in the upcoming FFY budget.

a) Employee Training Expenditures – are defined as meals, lodging, registration fees for WIC meetings (KS WIC Conference, NWA, WAC, etc.) or other approved training events.

- When an employee attends a meeting or training their salary or hourly rate does **not** get included with their travel on this line item, but is placed in Section I of the budget.

b) Mileage – for travel to and from WIC clinic sites, meetings and vendors.

- The rate charged per mile for mileage reimbursement cannot exceed the current approved Kansas reimbursement rate. Refer to Department of Administration's website for mileage rates. http://www.da.ks.gov/ar/muniserv/#MileageRates . Subject to change each January.

c) Advertising – for vacant positions or advertising for WIC services.

d) Supplies - are defined as expendable, disposable articles.
Supplies are defined as:

a. Medical Supplies - such as capillary tubes, microcuvettes, lancets, gloves, etc.

b. Office supplies such as: stationery, envelopes, pens and staplers, etc.

c. Educational Supplies such as: nutrition education and breastfeeding supplies could be posters, pamphlets, AV materials, group session materials, breastfeeding aids, etc.

d. Computer software such as: renewal for Norton Antivirus or purchasing new Microsoft Office – Business Edition.

e) Equipment under $500 – items with a useful life of more than one year and costing less than $500. See Policy ADM 02.03.05 Equipment Purchasing.

**NOTE:** The SA will no longer supply software to LA's. LA's should purchase Microsoft Office – Business Edition and Norton Antivirus as needed through local retail outlets or online.

f) Equipment costing $500 or more - for those items with a useful life of more than one year and costing more than $500 requires prior written approval from the SA lead. Specify on a separate sheet of paper what the item is and how it will be used.

(See Policy ADM 02.03.05 Equipment Purchasing or ADM 12.00.00 Capital Expenditures over $5,000

g) Repairs/Servicing – repairs to equipment.

h) Communications (Telephone, FAX, Internet, cellular phones) - costs are defined as equipment, monthly service costs or toll free numbers. This category must be prorated to other programs as applicable or by cost allocation plan.

i) Postage – used to mail out letters, notices or other items.

j) Printing - costs are defined as those items produced for use in WIC projects for client services, nutrition education, breastfeeding, outreach and administration.

k) Space Usage – defined as prorated costs of clinic and office space utilized by WIC staff and clients. As appropriate, LA must provide space usage allocation calculations with the WIC budget.

l) Rent – costs for charges directly to the LA for use of a building to operate the WIC Program. Generally for LA's that travel to different locations to provide WIC services, and are charged a rental fee for use of the location.

m) Utilities – defined as allocated costs of clinic and office space utilized by WIC staff and clients.

n) Other - List all other costs not included in the line items above. List each item separately on the budget form. This includes, but not limited to expenses for:
   - Recruitment
   - Audit
   - Cleaning
   - Insurance (liability, auto)
   - Gas (cannot claim mileage if gas costs being submitted)
   - Airfare for out of State trainings or conferences
   - Subscriptions
   - outreach/marketing and professional development

This does not include certification or registration fees to maintain individual registration status (R.D.) with the Commission on Dietetic Registration or ADA membership fees; these are unallowable costs.

**SECTION IV - INDIRECT COSTS (if applicable)**
*(If your agency does not claim indirects, change the formula (#DIV/0!) in the "Total" column to zero on the WIC Local Agency Budget spreadsheet for both WIC and the BFPC program.)*

a) An agency must treat each item of cost consistently as a direct or indirect cost. A cost may not be assigned to a program as a direct cost if any other cost under the same circumstance has been charged to a program as an allocated or indirect cost. For example, if Mary Smith, Accountant, is included in other non-WIC program budgets in the indirect category, she cannot be included in Section I of the Employee Services (direct cost) of the WIC budget. Instead, she would be included in the indirect category for the WIC Program.

b) Include a copy of the indirect cost allocation plan and the approval letter received from the Division of Fiscal and Performance Management at KDHE with the budget information submitted for the current contract period. If the LA has not received a new approval rate, then the LA should submit the approval letter to the SA once they receive the new letter.

c) The maximum indirect rate allowed on the budget will be the current rate in effect for KDHE.

d) A copy of any cost allocation plan must be retained at the LA and made available for program monitoring and audit purposes.

## SECTION V – ADDITIONAL INFORMATION & SIGNATURES

*(Refer to Worksheet C on the Budget Excel form. It provides an example and a chart to help figure the Estimated Reimbursement amount. The chart contains formulas that automatically calculates and will place the figures on actual budget form.)*

Estimated Reimbursement:
Determine the total estimated dollar amount to be submitted for reimbursements during the current FFY for WIC and BFPC. **Do not use the LA WIC Contracted Allocation.**

If you are not using Worksheet C, here are instructions on how to determine the estimated reimbursement amount.

- Add up your LA's affidavits of expenditures actual reimbursement amounts for the current FFY from October to March. Be sure to separate out the reimbursements for WIC and BFPC.
- Take the total for the six month time period for each program and times each program by 2, which will give you an estimated reimbursement amount for the current FFY.
- Include any anticipated increases for salaries or for supplies etc. for the remaining months of the current FFY.
- Place the overall total in the estimated reimbursement amount on the bottom of page 2 within Section V for each program.

If the total of the newly created FFY Budget is 5% greater than the total Estimated Reimbursement for the current FFY, then the LA must provide justification for the increase on a separate sheet of paper.

Signatures:
Signatures required - The LA Budget must be signed and dated by an Authorized Agency Representative and the WIC Coordinator. If an individual is both the Authorized Agency Representative and the WIC Coordinator, please sign both places on the budget form. **Typed names are not representative of a signature.**

**Additional training funds** - refer to policy ADM: 11.02.00 "Financial Support for Local Agency On Going Training" and attach the appropriate form.

**Computer purchases** are no longer part of the budget process and are handled through policy ADM: 07.05.00 "KWIC Equipment Purchase, Warranty or Repair". Submit the appropriate form to your State Lead Contact.

**Clinic Availability Information Instructions**

On a separate sheet of paper, list each WIC clinic site within the LA (parent and sub-agencies).

For each site include:

1. Location
2. Street Address
3. Type (i.e. health department, community center, church)
4. Normal Health Department office hours
5. WIC specific days and hours. Specify what WIC services are available on those days.
6. Do you foresee the estimated participation levels for the specific clinic sites to increase or decrease throughout the next fiscal year? If so, why do you believe the level will increase or decrease?
7. Days and hours RD is available at each clinic site