

FISCAL PROFILE AND BUDGETING INSTRUCTIONS

A. Preparation of Proposed Budget Information for Overall Agency Operations

These instructions provide social service districts (districts) with the required accounting procedures, definitions of expenditure categories, reporting guidelines for personnel services (PS), other than personnel services (OTPS), and a required fiscal reporting form for homeless shelter budgets. The information contained herein will assist you in completing the required fiscal forms that will be used to propose/adjust a program/facility negotiated rate.

After one year's budget has been approved in SMS, the "last approved" column will automatically update and once the current year budget is entered, the differences/comparisons will automatically populate as well.

Districts must ensure that shelters' budgets and costs comply with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards Uniform Guidance. Uniform Guidance must be followed when shelters serve and seek reimbursement, regardless of who is providing the services (either district staff or contractor staff). If districts choose to engage contractors to provide services, they are reminded that they need to ensure that the costs for which they are seeking reimbursement comply with the provisions of Uniform Guidance as well as Temporary Assistance policy and regulations. More information is contained in section D of the *Fiscal Profile*.

B. General Accounting Procedures

1. The Modified Accrual Basis for Accounting is required.
2. Once the accounting methodology for the allocation of indirect expenditures has been established, any changes by programs/facilities will require prior approval by OTDA.
3. Replacement and acquisition of plant, furnishings, equipment, and vehicles should be distinguished as minor or major items. Minor items, which may be expensed, are defined as items costing less than \$1,500, and should be reported in the appropriate OTPS category. Items costing \$1,500 or more are to be capitalized, with the resultant depreciation expense reported in the Depreciation section.
4. The straight-line method of calculating use charges (depreciation) on owned plant, furnishings, equipment and vehicles is generally required. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life, the straight-line method of depreciation must be used.
5. In conformance with the State's full financial disclosure practice, each emergency shelter is required to report all allowable operating expenditures and revenue even if the other programs are not related to the facility shelter program, with certain exceptions. However, grant funded expenditures (private or public) cannot be included in the shelter per diem cost, and must be reported in the Revenue section.

6. Leasehold improvements are to be amortized over the life of the lease or the life of the improvements, whichever is shorter. Renewal options are to be included as the life of the lease when amortizing leasehold improvements. The amortization schedule will be based on the life of the original lease plus the option period, or the life of the improvement, whichever is shorter. Leasehold improvements must be amortized over a period of at least 60 months.

C. Expenditure Categories and Procedures

Please complete each portion of the Annual Budget that is applicable to your shelter. For any section(s) that do not apply, you can enter zero (0), or leave it blank. The following describes the specific categories in which budgeted costs should be grouped for reporting purposes. All gross expenditures shall be reported by program. Only allowable expenditures should be included in the budget. Examples of non-allowable expenditures are listed in Section D of the *Fiscal Profile*.

Please adhere to the following steps to create a budget in SMS. Only current year budget data may be entered into SMS. Information for last year's budget will populate automatically if there is an approved budget in SMS; otherwise, it will be blank. Attachments should only be included in the corresponding section.

The budget includes the following sections. Please remember to save your work using the button in the lower right corner of the page. Please begin by entering the budget year under Workflow Actions:

1. **Financial Information Details:** Included in this section are the effective date, term of contract, start-up percentage, capacity, occupancy rate, contract number, and whether the shelter is operating for the entire fiscal year.

The occupancy rate will be reviewed by OTDA to determine whether it is reasonable. The minimum occupancy rate established by 92-ADM-46 and in agreements with certain districts is superseded by this directive, but in all other respects such agreements and 92-ADM-46 are still in effect.

2. **Budget Overview:** This section will populate automatically based upon entries in other sections. Total funding is automatically calculated as gross costs (operating expenses plus additional costs) net of revenue. The per diem rate is calculated based upon shelter capacity, automatically applying the occupancy rate.
3. **Personnel Services (PS):** Included in the section are Administration, Social Work, Child Care, Recreation, Case Management, Security, Maintenance, Motor Vehicle Operator, Kitchen, and Fringe Benefits. If there is any revenue that is related to a particular expenditure, please enter that revenue in the Budget Not Funded Through LDSS section. An example of this would be grant funding that supports a specific staff position. The following describes the specific categories in which budgeted costs should be grouped within PS for reporting purposes. All gross expenditures

shall be reported by program. Only allowable expenditures should be included in the budget. More information on non-allowable expenditures is included in Section D of the *Fiscal Profile*.

Projected costs will be evaluated by OTDA based upon facility size and similar programs in comparable geographic areas, as well as increases over prior year budgets.

Type in the category from the below list and list the associated title of all budgeted positions within the specific category. The categories of expenditures are as follows:

- a. **Administration:** Include in this category personnel costs associated with the administration and management of the program/facility. This category is for employees whose work is located at the shelter location. Any position that does not physically work at the shelter should be moved to the administrative overhead category. Work performed in this category includes, but need not be limited to: total administration of the facility; management of personnel; background checks and fingerprinting; data processing; reception and secretarial; accounting and bookkeeping, and supervision of this functional category. Allowable administrative costs are a maximum of 15% of total allowable program/facility costs, excluding rent and debt service payments.
- b. **Social Work:** Include in this category personnel costs associated with the preliminary needs determinations and assessments of families/individuals; development of treatment goals and objectives; and provision of counseling. Costs for the provision of medical services which either can be provided only by, or under the direct supervision of, a medical professional or are reimbursable under Medicaid, are not permitted and should not be included.
- c. **Child Care and Recreation:** Include in these categories personnel costs associated with the supervision of the activities of children in care and recreational needs of families. Costs to operate a NYS licensed day care program are not to be included. The regulations for family shelters allow for a suitable adult resident to be counted as staff for the purpose of supervised child care ratios. These staffing patterns, including the adult residents are mandated. However, the guidelines for reimbursement will provide agencies with funds only for the child care workers in relation to the number of children listed on the chart that follows. Include in these categories all persons whose primary function is to provide child care and recreational needs of children and families.

Allowable staffing patterns, including adult resident staff, for child care activities:

Infant (0-2 years)

Facilities are expected to employ, and will be eligible for reimbursement of, 1 child care worker for every 4 children in this age group.

Pre-School (3-5 Years)

Facilities are expected to employ, and will be eligible for reimbursement of, 1 child care worker for every 8 children in this age group.

School Age (6-16 years)

Facilities are expected to employ, and will be eligible for reimbursement of, 1 recreation worker for every 15-20 children in this age group.

The allowable supervisor ratio is 1 to every 8 reimbursable employees.

- d. **Case Management:** Include in this category personnel costs associated with the daily care of the residents and assistance in accessing services and obtaining permanent housing, including staff whose primary function is to provide direct care and supervision of the families/individuals in the facility; assist families/individuals in applying for and obtaining income entitlements, public benefit programs, mental health and social services, and job training; and finding and obtaining permanent housing.
- e. **Security:** Include in this category all staff whose primary function is to provide security for families/individuals, 24 hours/7 days a week. Work performed in this area includes, but need not be limited to, family monitors and attendants.
- f. **Maintenance:** Include in this category all staff whose primary function is the maintenance and repair of the buildings and grounds. Work performed in this area includes, but need not be limited to: building maintenance, housekeeping, cleaning, painting, and porter duties.
- g. **Motor Vehicle Operator (MVO):** Include in this category all staff whose primary function is to provide transportation for clients.
- h. **Kitchen:** Include in this category all staff whose primary function is to provide food for clients. Work performed in this area includes, but need not be limited to cooks and other kitchen assistants.

For each item of PS expenditure, the following information must be entered:

- i. **FTE's:** The number of full-time equivalents (FTEs), per position. For example: 40 hours per week per person = 1.0 FTE.
- j. **Salary:** Total salary paid for one FTE in each position.
- k. **Total:** Automatically calculates the total PS cost by line, by multiplying the number of FTE's by Annual Salary:
- l. **Variance:** Automatically calculates the \$ variance and % variance from the previously approved budget.

- m. Justification:** Justification must be included for any item that increases or decreases by 10% or \$10,000 compared to the previous fiscal year's approved budget. If there is a previously approved budget in SMS, the system will prompt you to add a justification for all lines that require it.

Total Fringe Benefits must be entered and should include the following:

- n. Social Security:** Include employer portion of FICA taxes;
- o. Insurances:** Include employer cost of health, disability and dental insurance, as applicable;
- p. Pension and retirement:** Include employer costs of employee retirement benefit plans; and
- q. Workers' Compensation, Unemployment Insurance, NYS Disability.**

Fringe Benefits as a percent of PS subtotal will be automatically calculated.

- 4. Other than Personnel Services (OTPS):** Included in this section are Office Equipment, Client Supplies/Furniture, Client Transportation, Utilities, Office Expenses, Professional Services, Maintenance/Repair, Mechanical Systems Contracts, Food, Contracted Security, and Vehicle Expenses. Please enter figures in the current budget column for each line. If there is any revenue that is related to a particular expenditure, please enter that revenue in the Budget Not Funded Through LDSS section.

- a. Office Equipment:** Include in this category the acquisition cost, freight, delivery and installation charge of minor equipment. Minor equipment is defined as equipment costing less than \$1,500. Individual items costing \$1,500 or more are to be capitalized, with the resultant depreciation expense reported in the Depreciation section. This category is restricted to items that are necessary for the operation of the facility.
- b. Client Supplies/Furniture:** Include in this category the consumable supplies, including freight and delivery charges, for blankets, sheets, bedding, household and kitchen items, beds, dressers, and similar items costing less than \$1,500. Items costing \$1,500 or more are to be capitalized, with the resultant depreciation expense reported in the Depreciation section.
- c. Client Transportation:** Include in this category all costs incurred by client while engaged in facility business in connection with training or housing/employment search, including car fare, taxi fare, gasoline, tolls and parking charges.
- d. Utilities:** Include in this category the cost of telephone, electricity, oil/gas and water/sewer, provided these costs are not included in costs reported for rent.

- e. **Office Expenses:** Include in this category the cost of consumable office supplies, computer supplies and software for preparation of payroll. Other administrative cost such as insurance, recruitment, staff training and transportation are allowable.
- f. **Professional Services:** Include in this category the cost of establishing and maintaining accounting and other information systems required for the management of the shelter program, as well as the cost of independent accountants required for certified audits, attorneys, and computer consultants. Detailed information on any consulting services must be reported in the Consultant Project Information section.
- g. **Maintenance/Repair:** Include in this category costs incurred for necessary maintenance, repair, or upkeep of property, offices, and stationary or movable equipment, which keeps the property and equipment in an efficient operating condition. These costs are allowable to the extent that they are not otherwise included in rental or other charges for space. Please note that costs for maintenance and repairs must not include any capital costs which add to the permanent value of the property or appreciably prolong the property's intended life.
- h. **Mechanical System Contracts:** Include in this category costs incurred for services rendered by independent contractors, including payments for contracted boiler and generator system maintenance, fire detection, elevator maintenance and repair, and extermination contracts. Detailed information on any independent contractor services must be reported in the Consultant Project Information section.
- i. **Food:** Include in this category payments for the cost of food purchased for use and consumption by clients, including infant formula and delivery of food purchases.
- j. **Contracted Security:** Include in this category costs incurred for services rendered by independent contractors for the reasonable security needs of clients, staff and physical plant, including security cameras. Detailed information on any independent contractor services must be reported in the Consultant Project Information section.
- k. **Vehicle Expenses:** Include in this category all costs incurred while engaged in facility business in connection with the care of families/individuals, including payments for vehicle rental/lease, insurance, gasoline and vehicle maintenance and repair.

For each category of OTPS expenditure, variance will be automatically calculated. A justification must be included for any item that increases or decreases by 10% or \$10,000 compared to the previous fiscal year's approved budget. If there is a

previously approved budget in SMS, the system will prompt you to add a justification for all lines that require it.

5. **Administrative Overhead:** Include in this category charges to the program/facility receiving supportive services from sponsoring provider if applicable (administrative services, finance, human resources, technical consultants, etc.). Costs must be identified separately on the Administrative Overhead report and may not be paid for by other funding sources. The maximum allowable percentage is 10% of the Total PS & OTPS, and the amounts and/or allowable percentage of expenditures may be further limited by the district and/or OTDA. Please note: While the SMS system will allow entry of more than 10%, only the amount equaling 10% or less will be displayed in the Budget Overview table and the corresponding reports, and will be used for the calculation of the per diem rate.
6. **Debt Service:** Debt Service on refinanced facility capital costs that have been specifically pre-approved by OTDA may be permitted. Allowable mortgage costs in lieu of rent must be entered in the Debt Service section.
7. **Depreciation:** All replacement and acquisition of equipment, furnishings, vehicles and property individually costing more than \$1,500 must be capitalized, with the resultant depreciation expense reported in the Depreciation section.

The straight-line method of calculating use charges (depreciation) on owned plant, furnishing, equipment and vehicles is generally required. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life, the straight-line method of depreciation must be used.

A use charge (depreciation expense) relating to the use of currently owned plant, leasehold improvement, equipment, furniture and vehicle is an allowable expense in the computation of a reimbursement rate. The basis for such charges shall be actual (historical) cost. In the event that the historical cost of the facility cannot be adequately determined, an appraisal value shall be the basis for the depreciation. Such appraisal shall be conducted by an appraiser approved by OTDA and pursuant to a method approved by OTDA. The straight-line method of computing depreciation on owned plant, equipment, furnishings and vehicles will be required. Allowable useful lives for capital items are as follows:

Plant/Renovation: 25 years

Equipment/Furnishings: 5 to 15 years

Vehicles: 3 to 5 years

Leasehold Improvement: 5 to 15 years, or the duration of the lease agreement

- 8. Start-Up Costs:** Start-up costs incurred by a new program/facility prior to its operational starting date, may be reimbursable, but only upon prior approval by OTDA. For purposes of the shelter program, the operational starting date will be calculated as 45 days from the date the operational plan is submitted to OTDA. Since certain staff members are required to be employed prior to the opening of the shelter, their salaries and certain OTPS costs will be allowed 90 days prior to the shelter's operational starting date.

Start-up costs include, but need not be limited to: salaries, utilities, insurance, rent, employee training, repairs and maintenance, loan servicing fees and interest payments and any other allowable costs incident to the start-up period. However, any costs that are properly identifiable as construction or major renovation costs are capitalized and must be excluded from start-up costs.

Limitations on allowable start-up costs are as follows:

Administrative: 90 days prior to operational starting date; Utilities - 90 days prior to operational starting date;

Rent: 90 days prior to operational starting date;

Building Security: 90 days prior to operational starting date; and

All other Salaried Positions: 30 days prior to operational starting date.

New programs/facilities must enter all eligible costs in the Start-Up section. For budgets submitted to OTDA after the effective date of this ADM, the full value of these costs will be included in the per diem calculation in the first budget. Single adult shelters in New York City shall not include start-up on shelter budgets submitted to OTDA.

- 9. New Needs Request:** Facilities may experience a change in operations from the previous year that necessitates increased staffing or new OTPS expenses. Such change may be in response to identified regulatory deficiencies or be necessary for unique services for a specific population. Generally, such program modifications should include a dedicated funding source. All such requests should include a detailed description, justification and funding source.
- 10. Consultant Project Information:** Consultant contact and project information is required for every consultant contract where reimbursement is sought for within the Mechanical Systems, Contracted Security and Professional Services categories.
- 11. Rent:** Rental costs for property are allowable if the costs are reasonable when compared to similar facilities of like type, life expectancy, condition, and value in the area. Please enter the current rent and, if needed, the justification.

12. **Revenue:** All revenue received by the Agency/Provider that is not paid based upon the established shelter per diem rate and care days must be detailed. If there is any revenue that is related to a particular expenditure, that must be entered in the Budget Not Funded Through LDSS section in PS or OTPS. All other revenue must be entered in the Revenue section.
13. **Attachments:** Please attach all necessary documents that apply to this facility, including a copy of the Insurance Detail Form.
14. **Certification/Attestations:** There are two attestations for shelter providers/districts: First, providers must certify that they maintain proper insurance coverage for the facility and if applicable, agency vehicles. Second, providers (or a district on their behalf) must attest that the operational plan component, which in this case is the financial information, is true, correct, and complete to the best of their knowledge.

D. Uniform Grant Guidance and Non-allowable expenditures

Shelter costs must comply with the requirements outlined in the Federal Uniform Guidance. OTDA requires the Uniform Guidance requirements to be applied to all Federal and State funding for shelters. Below is some information regarding Uniform Guidance. The information contained here is not complete but provides a broad overview of what is required under Uniform Guidance.

A shelter provider that expends \$750,000 or more per year in Federal awards must have a single or program-specific audit conducted for that year.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal or State awards:

- Be necessary and reasonable
- Conform to any limitations or exclusions set forth as to types or amount of cost items.
- Be consistent with policies and procedures.
- Be accorded consistent treatment -- a cost may not be assigned to a Federal or State award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal or State award as an indirect cost.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other program in either the current or a prior period.
- Be adequately documented.

1. Personal Services

Time & Effort Documentation	2 §CFR.430(i)	<p>Charges to Federal or State awards must be based on records that accurately reflect the work performed. These records must:</p> <ul style="list-style-type: none"> • Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. • Reasonably reflect the total activity for which the employee is compensated, not exceeding 100% of compensated activities. • Documentation records should be adjusted in a timely manner if there are significant changes in the employee's work activity. • Comply with established accounting policies and practices.
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2. Other Costs

Contributions and donations	2 CFR §200.434	Never allowed, no matter how good or worthy the cause.
Conferences	2 CFR §200.432	<p>Conference is defined as a meeting, retreat, seminar, workshop, or event for the purpose of disseminating technical information and is reasonable for successful performance under the Federal or State award.</p> <p>Allowable costs include rental of facilities, speaker fees, meals, and refreshments, and transportation, unless restricted by the Federal and State award.</p>
Entertainment	2 CFR §200.438	Entertainment, diversion, and social activities are ONLY allowed when the entertainment has a programmatic purpose and is authorized in the approved budget for the Federal or State award.
General Costs of Government	2 CFR §200.444	Salaries and other expenses of the chief executive of a local government or local governmental body are unallowable.

Materials and Supplies Costs (includes costs of computing devices)	2 CFR §200.453	Computing devices include laptops, computers, handheld devices, tablets, and smart phones. Individually, these do not meet the threshold for capital equipment, and are thus subject to the less burdensome administrative requirements of supplies.
Travel	CFR §200.474	Travel costs are the expenses for transportation, lodging, and related items incurred by employees who are in travel status on official business. <ul style="list-style-type: none"> • May be charged on actual, per diem, or mileage basis (or a combination). • Travel costs must be reasonable and consistent with the written travel reimbursement policies. • Must retain documentation that an individual's travel costs charged to the Federal or State award are necessary for the performance of the program.

Further examples of costs that should NOT be included in PS or OTPS are listed below:

1. **Capital Construction Costs:** Improvements to capital assets that materially increase the assets' value or useful life. Examples of such improvements include activities that go beyond the arresting of deterioration or maintenance of capital assets (e.g., adding a new wing to a shelter; replacing a conventional roof with a slate roof, etc.).
2. **Child Care:** If an agency is operating or proposes to operate a NYS licensed day care program, do not include any of these child care expenses in the shelter program cost center.
3. **Entertainment Costs:** Entertainment costs without programmatic purpose and without prior budgetary approval.
4. **Fines and Penalties:** Costs resulting from violations of, or failure by the program/facility to comply with, federal, state, and/or local laws and regulations.
5. **Fund Raising Costs:** Costs of organized fund raising, including financial campaigns, endowment drives, or solicitation of gifts and bequests, done to raise capital or obtain contributions.
6. **Goodwill:** Goodwill or the stated value of a business in excess of its book value.
7. **Investment Management:** Costs of investment counsel and staff, and similar expenses incurred solely to enhance income from investments.
8. **Personal Costs:** All personal expenses, including but not limited to personal travel expenses, laundry charges, beverage charges, gift cards/certificates to staff and

vendors, flowers or parties for departing staff, holiday parties, repairs on a personal vehicle, rental expenses for personal apartments.

9. Profits and Losses on Investments: Profits or losses on the sale or exchange of investments will not be considered either an offset to expenses or an allowable cost.

Districts shall not claim payments made to a shelter provider that are associated with a client that is not in receipt of Temporary Assistance, or any other costs that are unallowable under the Uniform Guidance.