COUNTY OF LOS ANGELES – DEPARTMENT OF PUBLIC HEALTH

SUBSTANCE ABUSE PREVENTION AND CONTROL

BUDGET NARRATIVE AND JUSTIFICATION FOR CAPACITY BUILDING

FISCAL YEAR 2018-19

Contracted Agency Legal Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The budget narrative and justification explain in more detail the need for each line item in the budget summary, as well as show the **breakdown of calculations** used to arrive at the amount in each line of the budget.

1. **Salaries & Employee Benefit**
	1. Salaries/Wages. Provide a justification and description of each position (including vacant positions). Relate each position specifically to program objectives. **Sample Justification**

**Project Manager – [Name]**

This position directs the overall design and operation of the project; responsible for overseeing the implementation of project activities, coordination with contractors and consultants, development of materials, conducting meetings, this incumbent will spend 50% of her time conducting all program objectives.

1. Employee benefits. List all employment related costs, such as FICA, workers compensation, health insurance, and retirement benefits.

 If fringe benefits are not computed by using a percent of total salaries, provide a breakdown of how the computation is done.



1. **Facility Rent/Lease**

Facility Rent/Lease expenses are not allowed.

1. **Equipment Lease**

Provide justification for the use of each item and relate it to specific program objectives. List equipment having a useful life of more than 3 year and having an acquisition cost of $5,000 or more per item. Each item should be itemized and include a full justification and a dealer or manufacturer quote, if available. Provide objective-related justification for all equipment items. The source for determining the budget price for each unit of equipment should be included in the justification.



1. **Services and Supplies**
2. Supplies. Show the basis for computation. Include the cost of office, printing, maintenance, internet, insurance, postage, telephone, utilities, computers, and other misc. supplies. Provide detail on any specific item, which represents a significant portion of the proposed amount.**Sample justification**

Healthcare language interpretation training for two bilingual staff (Spanish and Tagalog). Windows 10 required software upgrade and Topaz® SignatureGem® LCD; Model: T-LBK462-HSB-R signature pads will be purchased for patient electronic signatures..

1. Consultant/Subcontractor. This category is appropriate when hiring an individual to give professional advice or services for a fee but is not an employee of the company Provide a description of the product or services to be provided (such as training, writing, policy, etc.) by the consultant and an estimate of or detailing of exact cost. Indicate the applicant’s formal written procurement policy unless asked to follow a different policy. Include: a) Consultant fees ( for each consultant enter the name, service, hourly or daily fee, and estimated time on the project) and b) Consultant expenses (list all expenses to be paid from the grant to the individual consultant in addition to their fees, such as travel, meals, lodging, etc.). Provide detailed justification and explanation for each subcontractor’s expense and list each line item for subcontractor’s expenses. If your subcontractor/consultant has not yet been identified, provide a detailed justification and explanation for the anticipated costs for subcontractor/consultant services.



**Sample Justification:** Consultant will assist organization by providing technological expertise in navigating, installing and accessing software licensing and upgrades, work with SAPC to ensure proper installation of signature pads, and support staff in transitioning to Windows 10 and use of signature pads.

1. Travel. Provide a narrative justification describing the travel staff will perform.

State the purpose of the trip and itemize the estimated travel costs to show the number of trips required, the destinations, and the number of people traveling. If per diem/lodging is to be paid, indicate number of days and the amount for each day’s per diem and the number of nights and the amount of each night’s lodging. The per diem rates may not exceed Los Angeles County established reimbursement rate for the budget period. Calculations of other special transportation costs (such as charges for use of applicant-owned vehicles or vehicle rental costs) should also be shown.

1. **Repairs & Maintenance**

Provider detail explanation and calculation on each expense for maintaining an asset’s life or current condition.



**Sample Justification**: Repurposing of the existing unused reception desk into two intake areas. This includes the combined cost for hiring a contractor to create interior walls, design confidential work space, install workstations for two intake staff, and purchase materials and furniture.

1. **Administrative Overhead**

Administrative overhead are those costs such as accounting, rent, and supervisor salaries, insurance, taxes, general office expenses, etc. These costs are incurred by multiple modalities, and cannot be assigned to a specific cost center.

When calculating administrative overhead, please choose one of the following two options:

Option I: For provider with valid approved Indirect Cost Rate (ICR), multiply the valid approved ICR by total direct costs excluding capital expenditures and provide ICR approval letter.

Option II: For provider without valid approved ICR, use 10% of MTDC (Modified Total Direct Cost). MTDC including DIRECT salary, employee benefits, material, supply and travel.