**COUNTY OF LOS ANGELES – DEPARTMENT OF PUBLIC HEALTH**

**SUBSTANCE ABUSE PREVENTION AND CONTROL**

 **BUDGET NARRATIVE AND JUSTIFICATION FOR CONTRACTED SERVICES**

**FISCAL YEAR 20XX - 20XX**

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

The Budget Narrative and Justification in addition to the Budget Summary is intended to explain in details the need for each line item in the budget, as well as to show the breakdown of calculations used to arrive at the amount for each line of the budget. You may insert your own format/attachment for the Budget Narrative.

**PART I: BUDGETED DIRECT COSTS**

1. **Salaries/Wages & Employee Benefit (part 1 of MTDC)**
2. Salaries and Wages. List each position with percentage of time employed by Agency and Full Time Equivalent (FTE) allocated to this contract. Also, provide a justification and description of each position (including vacant positions).



**Sample Justification**

**Program Director**

This position directs the overall design and operation of a particular program. Responsible for overseeing the implementation of program activities, coordination with contractors and consultants, development of materials, and conducting meetings.

1. Employee Benefits. List all employment related costs, such as Federal taxes, State taxes, Worker’s Compensation, health insurance, and retirement benefits.



1. **Facility Rent/Lease**

Provide the facility address, total budgeted amount and square footage allocated to the program.

1. **Equipment and/or Other Asset Leases**

Provide justification for the use of each cost item allocated to the program.



1. **Services and Supplies**

Any single item with a unit cost of $5,000 or more is considered a capital expense and is **NOT** allowed.

**4.1 Other Services & Supplies (part 2 of MTDC)**



**Sample Justification**

Utilities include water, trash, electricity, gas for both sites.

Office supplies cost related to the programs. 2,500 pamphlets printed in Spanish advertising the services available for NTP will be kept in stock and distributed to communities, health and mental health clinics (describe how pamphlets are related to the programs).

**4.2 Charges for patient care, tuition remission, scholarships and fellowship, participant support costs.** (charges excluded from MTDC)

 **Sample Budget**



**Sample Justification**

(Explain how the scholarship for John Doe is related to the programs).

**PART II: BUDGETED INDIRECT COSTS**

If your agency has a valid Federally Approved Indirect Cost Rate (ICR), use Option A;

If your agency does not have a valid Federally Approved ICR, use Option B.

**5A. Option A:**

Enter valid Federally Approved ICR into “a1” and attach a copy of valid ICR.

 Enter the base of ICR specified on your Federally Approval Letter to “a2”.

 Indirect Cost (a1 x a2) = 5A is calculated by formula and locked in “a3”.

**5B. Option B:**

 10% default rate is formulated and locked in b1.

 Enter Modified Total Direct Cost (MTDC) = Part 1 of MTDC + Part 2 of MTDC into b2.

 Indirect Cost (b1 x b2) = 5B is calculated by formula and locked in b3.

**TOTAL BUDGETED EXPENSES:**

Use **a+5A** for Total Budgeted Expenses if you use **Option A** above.

 Use **a+5B** for Total Budgeted Expenses if you use **Option B** above.

**PART III: TOTAL INCOME/REVENUE**

Enter amounts for #6-10, Total Income/Revenue should equal to Total Budgeted Expenses.

Note: 1. SAPC Contract Amount may be less than Total Income/Revenue or Total Budgeted Expenses when Client Fees, Private Funding, and Other Revenue are involved.

 2. Total Income/Revenue cannot exceed total Budgeted Expenses for non-Profit organizations.