



**Montgomery County Government
Department of Health and Human Services**

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Budget Modification Policy

1.0 Purpose of the Policy

To establish Department of Health and Human Services (DHHS) policy on contract budget modifications for cost reimbursement contracts.

2.0 Definitions

Term	Definition
2.1 Compliance Team (CT)	Provides a central point for coordination and responsibility for activities that promote accountability, integrity, and efficient use of public resources with DHHS; ensures adherence to county, state, and federal laws; provides technical support to staff and vendors on contract compliance and other technical issues on internal controls; and coordinates external audits and audit responses.
2.2 Contract Action Request (CAR)	Request submitted electronically that requires approval of service area authority for all contract actions. Form indicates funding source, reasons for the contract action, and service area approval for accounting codes and available funds.
2.3 Contract Management Team (CMT)	Responsible for the majority of DHHS's procurement actions supports and trains contract monitors, works with program staff and Office of procurement, and oversees all aspects of the contract process from solicitation to recommending contract award as well as overseeing the term of the contract.
2.4 Chief Operating Officer (COO)	Responsible for oversight of DHHS's central operations including human resources, fiscal, compliance, budget, facilities, and technology services.
2.4.1 Contract Budget	Typically consists of salary, fringe, direct operating, indirect costs, and capital outlay.
2.5 Contract Monitor (CM)	Responsible for overseeing that Contractors are complying with the terms and conditions of their contract.

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Term	Definition
2.6 Cost Reimbursement Contract	A contract under which a contractor is reimbursed for costs that are allowable under the provisions of the contract and a fee, if any, per Montgomery County Procurement Regulation 2.4.29.
2.7 Direct Operating Costs	Costs that are directly applicable to a project or activity such as supplies, telephone, rent, utilities, staff development, etc.
2.8 Fiscal Team (FT)	Responsible for overseeing the financial transactions of DHHS and ensuring strong financial management and accountability. Duties include processing all contract payments, client benefits and receipts for several DHHS programs, recording revenues, fee collections and medical billing, managing federal claiming for Medicaid and Social Services programs, overseeing P-cards, and performing fiscal year end closing activities.
2.9 Fiscal Year	Period settling of accounts of a company or organization which is normally a twelve (12) month period to provide the company's or organization's financial position for tax purposes. Fiscal year is a departure from a calendar year which extends through a January to December time period. For Montgomery County, the fiscal year period is July 1, 20xx to June 30, 20XX.
2.10 Fringe Costs	A collection of various employer remunerations provided to employees such as health insurance, employer's share of FICA, Medicare tax, disability insurance, etc.
2.11 Indirect Costs	Costs that are directly applicable to more than one project or activity. The precise cost cannot be easily traced to a project or activity.
2.12 Provider	Vendor who has entered a contract with Montgomery County, MD to provide services as defined in the contract's scope of work.

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3.0 Policy

3.1 General policies

- 3.1.1 This policy applies only to cost reimbursement contracts.
- 3.1.2 Providers must receive written approval of any budget changes prior to implementation.
- 3.1.3 The provider must provide the following documentation to the contract monitor to request a contract budget modification:
 - 3.1.3.1 Budget Modification Review Form denoting:
 - a. Vendor Name
 - b. Contract Number
 - c. Date Contract Monitor signed the revised contract budget
 - d. Date Compliance Team received the request – (Recorded by the Compliance Team Manager)
 - e. Date Signed by Contract Management Team Manager (Recorded post review recommendation by the Compliance Team Manager)
 - 3.1.3.2 Current Approved Contract Budget
 - a. Must be signed, dated, and approved by the Vendor and the Contract Monitor
 - 3.1.3.3 Proposed Contract Budget
 - a. Must be signed, dated, and approved by the Vendor and the Contract Monitor
 - b. Detailed justification for each line-item modification change
 - c. Justification for changes must adequately illustrate the need for a line-item modification. This data should be noted in the “Justification” sections of both the Detailed and Summary Tabs of Exhibit B.
 - i. The information submitted must be reasonable and fall within the contract’s original scope of work.
 - ii. In addition, supplementary data such as emails or memos may also be submitted to further support the modification request.

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- d. Any budget modification request submitted that reflects a change in the scope of work will be rejected and not recommended for approval, as scope of work modifications require an amendment to the contract.
- 3.1.3.4 Contract Action Request (CAR) – Submitted electronically for CMT use only.
- 3.1.3.5 Vendor Exhibit B in Excel format
 - a. Details of proposed changes from current to new contract budget.
 - b. Vendor will input data in the Budget Details Tab of the spreadsheet and data reflected in the Summary Tab will populate automatically.
 - c. Clients must utilize the most recent template created by the Compliance Team.

Incomplete Budget Modification Request Packages will be returned, and processing will be delayed until all data referenced above is received.

- 3.1.4 All expenses included in the contract budget must be reasonable and must align with the scope of work defined in the contract.
- 3.1.5 Every contract is expected to be a fair and equitable agreement between DHHS and a Provider regardless of the number or type of other contracts that may exist between DHHS and the Provider.
- 3.1.6 Contract budget expenditures must be in compliance with DHHS's Allowable Cost Policy.
- 3.1.7 Budget modifications that change a contract's scope
 - 3.1.7.1 DHHS reserves the right to not approve any contract resources from operating expenses to personnel costs modification if the budget modification changes the contract's scope of services and unreasonably moves.
 - 3.1.7.2 If the contract monitor approves a budget modification that requires a scope of services change, the contract monitor is to notify CMT. CMT will prepare a contract amendment that would require approval by the Office of Procurement and Office of County Attorney.



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3.1.7.3 After the budget modification has been approved by DHHS's COO, contract monitor will provide the Provider a copy of the approved, revised contract budget and the contract amendment if appropriate.

3.1.8 Number and timing of budget modifications

3.1.8.1 The Provider will be allowed to make **three budget modifications** per fiscal year. Budget modifications that result from the Compliance Team's annual or other review of indirect and fringe cost information will not be counted by DHHS in the number of the allowable budget modifications per year. Also, budget modifications due to inflationary adjustments will not be counted as part of the three budget modifications.

3.1.8.2 Approval by the DHHS COO for indirect and fringe Rates occur one time each fiscal year, NICRA or County Calculated.

3.1.8.3 Request for budget modification review should be submitted to the Compliance Team (CT) from the Contract Management Team (CMT), via the portal used for Contract Action Requests. Modification requests for regular fiscal year cycle contracts that expire on June 30th should be received by the Compliance Team no later than April 15th of that same fiscal year. Off-cycle requests should be received by the Compliance Team no later than 2 ½ months prior to the contract expiration date. For example, if the contract expires on December 31st the budget modification request should be received no later than October 15th.

3.1.8.4 The contract monitor must date stamp the budget modification information when received by the contract monitor.

3.1.8.5 DHHS's goal is to approve all acceptable budget modifications within **thirty (30)** days of the contract monitor receiving them.

3.1.8.6 The effective date of the budget modification is the first day of the month when final approval occurs in DHHS. The effective date is the first day of the month when the contract monitors or DHHS COO approves the budget modification depending on whose authority is required to approve. Back dated budget modifications are not allowed, unless approved by DHHS COO.



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3.1.8.7 Contract budgets must be rounded to two (2) decimal places. If Provider is rounding salary or fringe calculations, the Provider is to supply an explanation for the calculations in the Section A - Salary and Fringe Benefits of the budget. Explanations are to be supplied when the contract salary amount does not total annual salary times full time equivalent (FTE) equals contract salary. If indirect cost calculation is rounded, then, Provider must make a footnote explaining the calculations under the Budget Summary Section. Contract budgets should be reviewed by the Provider's fiscal staff where possible to ensure proper computations and adequate explanations for the calculations are furnished.

3.1.8.8 If more than half of the vendor's insurance costs incurred are applicable to DHHS's cost reimbursement contract, then DHHS will pay 15% of the insurance premium on the insurance line item. The insurance line item being paid cannot be added to the indirect cost pool and should not adversely affect the scope of work. Insurance line items cannot be reallocated once approved.

3.1.8.9 Insurance referenced in 3.1.8.8 is General liability insurance. Any other form of business insurance will require approval.

3.1.9 Authority to approve budget modification

3.1.9.1 The percentage or dollar amount of the budget modification change is determined by **each individual line item in the budget** and **not** the aggregate line item of salary, fringe, direct operating, and capital outlay according to the Office of the County Attorney.

3.1.9.2 Most budget changes for salary and indirect and fringe costs will require CMT and DHHS COO's approval. See Section 3.2 Fringe Rate and Indirect Rate and Section 3.3 Salary Costs for details.

3.1.9.3 Budget modification, regardless of the percentage of the line-item amount or the amount transferred, between salary and direct operating expenses require approval by DHHS COO unless there is an exception as outlined in Section 3.3.

3.1.9.4 Budget changes for direct operating costs require sole approval by the contract monitor unless there is a scope of service modification.

3.1.9.5 When the contract monitor is the sole approver of the budget modification, the contract monitor must supply CMT with a copy of the approved budget modification for CMT's records. CMT's records represent a portion of the County's official contract record.

3.1.10 The contract monitor must provide a copy of the approved or disapproved budget modification to the Provider. If contract monitor disapproves the budget modification, CM must notify the provider of disapproval reasons.



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3.2 Fringe Rate and Indirect Rate

3.2.1 Fringe and indirect rates are approved by the DHHS COO **one time during the fiscal year**. Provider may **not** change the indirect and fringe rates for the remainder of the contract term, which in most cases is a 12-month period if the **DHHS COO has approved** the rates. Allowance is given to providers and sub vendors based on verifiable State and Federal mandates.

3.3 Salary Costs

3.3.1 The contract monitor may approve a salary line-item change that is less than 10% of the contract budget line item or the change amount is \$1,000 or less in total for the line item, whichever is greater. All budget modifications for reallocating salary expenses are due to the compliance team by April 15. See 3.1.9.1 for line-item definition.

EXAMPLE A: Change in salary line item within 10% or less of the line amount or \$1,000 or less, whichever is more

Position	Annual Salary	FTE	Original Expenses to the Contract	Revised Expenses to the Contract	Increase due to Budget Modification	Comment
Social Worker I	\$40,000	25%	\$10,000	\$10,400	\$400	Change is less than \$1,000
Social Worker I	\$60,000	100%	\$60,000	\$66,000	\$6,000	10% change in salary line item

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In both scenarios, **contract monitor may approve** the budget modification for salaries.

- 3.3.2 The contract monitor must approve the budget modification by signing and dating the revised budget form. Also contract monitor is to give a copy of the revised budget to CMT for their records and the Provider.
- 3.3.3 If a Provider requests a change to any line item in the Salaries section of the contract budget that are **more than 10% of a line item or greater than \$1,000 whichever is higher**, the changes must be reviewed by DHHS Compliance and approved by the DHHS COO prior to implementation.

**Example B: Change in salary line item in excess of 10% of the line amount
or more than \$1,000, whichever is higher.**

Position	Annual Salary	Original FTE	Revised FTE	Original Expenses to the Contract	Revised Expenses to the Contract	Increase due to Budget Modification	Type of Change
Case Coordinator	\$40,000	50%	57.5%	\$20,000	\$23,000	\$3,900	10% of line item is \$2,000 . Change requires a budget modification approval from CMT & DHHS COO since the amount of the change is greater than \$1,000 and



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							greater than 10% of the line-item change
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- 3.3.4 There may be situations where multiple positions with the **same job title** may be bundled into one contract budget line item. For example, the Provider has four (4) social workers to perform the scope of services for the contract. Each social worker may have a slightly different salary. One social worker leaves the employment of the organization. Provider must replace the social worker position with a new employee. The newly hired social worker's salary may be slightly lower than the individual who had previously occupied the position. The job title must remain the same for the old and for the new employee. See Appendix C and C-1 for a Sample Budget and Supplemental Information.

Example C-1 Example of a Budget Line with Bundled Positions

Position	Incumbent	Annual Salary	FTE	Expenses to the Contract
Social Worker I	See Attached 4 workers	\$210,000	2.0 (each position works .5 FTEs)	\$105,000

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- 3.3.5 If a Provider adopts such a budget strategy, then the Provider is required to prepare an aggregate and supplemental budget document. See **Appendix D** as an example.
- 3.3.6 The Provider does **not** need to request a budget modification in such a situation unless the overall salary line item for the position exceeds the aggregate line-item budget. See **Appendix D**.
- 3.3.7 Another salary exception that **only requires the** contract monitor's approval is when the Provider substitutes a position for a consultant due to time constraints in hiring for the position.
 - 3.3.7.1 The consultant must meet all the requirements of the employee's position. For example, if a social worker is required to have a clinical license, LCSW-C, the consultant must possess the same qualifications as required of the Provider's former employee.
 - 3.3.7.2 The Provider must supply the contract monitor with the consultant's contract with the Provider and the documentation of the consultant's qualifications such as a resume, diploma, and/or license.
 - 3.3.7.3 The Provider's contract with the consultant must state the scope of services, hourly rates, number of hours devoted to the particular contract and the contract period.
- 3.3.8 It is critical that the Provider consult IRS guidelines or their legal counsel on employee versus independent contractor determination to ensure compliance with Federal and State laws. (IRS Publication 1779).
- 3.3.9 All transfers of budget cost between salary and direct operating expenses must be approved by CMT and DHHS COO unless an exception is listed in this section.

3.4 Direct Operating Costs

- 3.4.1 Contract monitor may **approve any reallocation among all line items for direct operating expenses** regardless of the revised amount unless such change involves a scope of services. All budget modifications solely for reallocating direct operating expenses is due to the Compliance by April 15.



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3.4.2 Contract monitors may question the Provider on the direct operating, changes if the contract monitor views the revisions as inappropriate or unjustifiable.

4.0 Procedures – CMT & DHHS COO Approval

- 4.1.1 Provider is to prepare and provide a signed, revised contract budget for approval by the contract monitor as well as a copy of their approved, latest contract budget.
- 4.1.2 Provider is to provide a written justification for all changes by preparing a spreadsheet for each line item by illustrating the original contract budget and the changes to the contract budget. Provider is to include a written explanation for the budget changes. See **Appendix B - Budget Modification Form**.
- 4.1.3 Contract monitor is to review the revised contract budget and determine if changes affect the scope of services in the contract.
- 4.1.4 Contract monitor must consult with CMT if the contract monitor determines that the revisions affect the scope of services in the contract.
- 4.1.5 Contract monitor approves budget modifications for direct operating expenses and certain salary revision exceptions as noted in the above section.
- 4.1.6 Contract monitor prepares an electronic contract action request (CAR) and forwards it with the contract budget modification, current budget, and documentation to their respective service area's approval process.
- 4.1.7 Service area approves the budget modification and forwards it to CMT for its review.
- 4.1.8 CMT reviews the budget modification and determines if there is a contract scope of services change.
- 4.1.9 If CMT determines that a scope of services change is warranted, CMT will consult with contract monitor whether to proceed with a contract amendment
- 4.1.10 If CMT determines that a scope of services change is not warranted, CMT forwards the budget modification to CT for a recommendation for approval.



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- 4.1.11 CT reviews the attached information and then recommends approval or disapproval and sends the information to CMT outlining the reasons for recommending approval or disapproval.
- 4.1.12 CMT sends the budget modification to the DHHS COO for approval.
- 4.1.13 DHHS COO approves or disapproves the budget modification.
- 4.1.14 DHHS COO sends the budget modification to CMT.
- 4.1.15 CMT sends a copy of the budget modification to contract monitor and to CT.
- 4.1.16 Contract Monitor sends the approved or the disapproved budget modification to the Provider along with reasons for disapproval.

4.2 Procedures – Contract Monitor Sole Approval

- 4.2.1 Provider is to prepare and provide a signed, revised contract budget for approval by the contract monitor.
- 4.2.2 Provider is to provide a written justification for all changes by preparing a spreadsheet for each line item by illustrating the original contract budget and the changes to the contract budget Provider is to include a written explanation for the budget changes. **See Appendix B – Budget Modification Form.**
- 4.2.3 Contract monitor is to review the revised contract budget and determine if changes affect the scope of services in the contract.
- 4.2.4. Contract monitor must consult with CMT if the contract monitor determines that the revisions affect the scope of services in the contract.
- 4.2.5 Contract monitor approves budget modifications for direct operating expenses and certain salary revision exceptions as noted above.
- 4.2.6 Contract monitor signs the revised contract budget and sends copies to Provider and CMT for their records.

5.0 Responsibilities



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5.1.1 DHHS COO:

5.1.1.a Ensure compliance with this policy.

5.1.1.b Approve or disapprove budget modifications.

5.1.2 Provider: prepare budget modification by using the format in **Appendix B** **without modification to the formulas and** send the required documentation as outlined in section 3.1.2 to support the budget modification to the contract monitor.

5.1.3 Contract Monitor:

5.1.3.1 Review budget modification to determine whether the changes are in aligned with the Scope of Services.

5.1.3.2 Verify that all required documentation is submitted, if not, request needed documents from vendor.

5.1.3.3 Contract Monitor is to send approval or disapproval to Provider.

5.1.4 CMT: review the budget modification to determine if the Scope of Services is altered by the budget changes and the adequacy of the budget modification documentation.

5.1.5 CT: review the budget modifications to determine if the changes are adequately documented, are reasonable and mathematically accurate.

6.0. Scope

6.0.1 This policy applies to all DHHS cost reimbursement contracts.

7.0 References

Appendix A - Contract Budget

Appendix B - Budget Modification Form

Appendix C - Example of a Contract Budget with Aggregate Positions

Appendix C-1 Supplemental Budget Information for Aggregate Positions salary line item



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Montgomery County Procurement Regulations and Montgomery County, MD Code
Chapter 11B

[http://www.aml@al.com/nxtlgateway.dll/Maryland/montgom/partilocalawsordinancesresolutionsetc/chapter11bcontractsandprocurementnote?f=templates\\$fn=default.htm\\$3.0\\$vid=aml@al:montgomeryco-md-mc\\$anc](http://www.aml@al.com/nxtlgateway.dll/Maryland/montgom/partilocalawsordinancesresolutionsetc/chapter11bcontractsandprocurementnote?f=templates$fn=default.htm$3.0$vid=aml@al:montgomeryco-md-mc$anc)

MCDHHS Allowable Cost Policy

Responsibilities

Position or Office	Responsibilities
DHHS COO	Ensure compliance with this policy. Approve or disapprove budget modifications.
Provider	Prepare budget modification by using the format in Appendix B without modification to the formulas and send the required documentation as outlined in section 3.1.2 to support the budget modification to the contract monitor.
Contract Monitor	Review budget modification to determine whether the changes are in aligned with the Scope of Services. Verify that all <u>required</u> documentation is submitted, if not, request needed documents from vendor. Contract Monitor is to send approval or disapproval to Provider.
CMT	Review the budget modification to determine if the Scope of Services is altered by the budget changes and the adequacy of the budget modification documentation.
CT	Review the budget modifications to determine if the changes are adequately entered, are reasonable and mathematically accurate.

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Procedure

Person	Actions
Eki Oyegun-Ighile	Submit a request to initiate, revise or retire a DHHS Policy
GRC	Research to see if there is already another policy or County Administrative Procedure that addresses the concept Approve concepts to be developed into policy.
	The development approval of Service Area or program specific procedures are the responsibility of the Service Chief. Where specific to a service area, the Chief is the “Director” for purposes of these procedures.
DHHS Director or designee	Executive Sponsor, Owner and Author designated for development of a Departmental Policy
Executive Sponsor	The Executive Sponsor or designee will draft policy with input from Subject Matter Experts and other stakeholders/staff as needed
Author	Policy will be drafted utilizing Departmental template, meeting style guidelines and ADA requirements
	Service Chiefs will notify the Executive Sponsor of any potential conflicts with or need to be exempt from a department wide policy.
GRCC	Provides guidance on policy and procedure development.
OWNER	Executive Sponsor or designee submits draft policy, Training analysis to GRCC for initial approval
GRCC	Policy is reviewed according to review checklist: format, understandability, and equity. When GRCC approves policy, it is released as an interim policy (which means it is good for 6 months)
Office of County Attorney	Provides Legal Review when there is a question of conflict with existing County obligations or regulatory requirements. After a draft policy has been developed, a copy will be submitted to the OCA for review for legal sufficiency, usually before review and comments by affected Managers, unless the attorney requests otherwise.
Office of Labor Relations	If there is anything that constitutes a significant work change for staff, then the policy must be submitted to the Office of Labor Relations for review as required by Montgomery County Administrative procedure 1-17

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DHHS Director or designee	Must approve department level policies and procedures.
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Compliance and Monitoring

Periodic review and monitoring of Contract Monitor's processes.

Exceptions and Waivers

[If there are circumstances under which the policy may be waived or exceptions granted, outline the process and criteria for seeking exceptions.]

Related Documents

- I. Montgomery County Procurement Regulations and Montgomery County, MD Code Chapter 11B
- II. MCDHHS Allowable Cost Policy

Contacts (required)

Eki Oyegun-Ighile	240-777-1345	Eki.Oyegun-Ighile@montgomerycountymd.gov
Mark Hodge	240-777-1568	Mark.Hodge@montgomerycountymd.gov

DOCUMENT APPROVALS

[Minimum required approvals for all Policy/Procedure documents are Owner, Policies and Procedures Representative, and Final Approver. To obtain these approvals, the following steps should be considered:

- The Author sends the document to GRC for initial review and formatting approval. Any recommendations will be returned to the author for consideration and/or correction.

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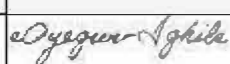


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- The Author makes corrections, if any, and submits the document to their service area's internal review system. Approvals are flexible except that the Owner, GRC, and Final Approver are required.
- The Author obtains the Owner approval and any other internal approvals within their service area and then sends the document back to GRC for final review and approval.
- If there are no additional corrections, the GRC assigns a document ID#, signs the document and obtains the approval of the Final Approver. Upon final approval, the document is returned to the author for processing.
- When completed, the document is sent to the GRC for inclusion in the Department's online policy repository

Role	Position	Name of Approver		Date Approved
Author	Compliance Team Manager	Eki Oyegun-Ighile		06/25/2025
Office of Chief Operating Officer	Service Area Administrator	Mark Hodge		7/1/2025
Policies and Procedures Department	Policy and Operational Risk Manager	Joy Royes		
Final Approver	Director of Dept. of Health and Human Services	Dr. James Bridgers		7/3/2025

History (required)

Revision History

[Complete the table below with "Revision History" information. All changes must be listed chronologically in the format below, including all edits and reviews. Note when the policy name or number changes. Note if a revision date is exclusively for the policy section or the procedure section.]

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If this policy/procedure is a Revision B or later, in addition to a summary of changes listed in the “Change Location” column, use the MS Word Highlight (yellow) command to highlight the changes within the document. Don’t use any other color.

To satisfy ISO requirements, changes should be highlighted or notated as follows:

- When words or sentences are changed, highlight the new words or sentences.
- If an entire section is changed, highlight the section heading, or sub heading as appropriate.
- For deletions, describe the deletion in the “Change Location” column. Don’t forget to add the corresponding section numbers.]

0.1	10/28/2014	Susan Cymek	ALL	First draft of the document
0.2	3/28/2025	Eki Oyegun-Ighile	3.1.7.1	Change number of budget modifications allowed per fiscal year that requires COO’s approval
			3.2.1	Allowance for providers and sub vendors that are subject to verifiable State and Federal mandates.

* The date listed in the first line of the Revision History table; is the date the document received its final approval. Hereafter, the date becomes the revision date, displayed as the Effective Date on the first page header information.

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Supersedes: 2014 Budget Modification Policy



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APPENDICES

Appendix A – Contract Budget

DHHS Contract Budget

Vendor/Organization Name: _____
Address: _____
City, State, Zip: _____
Code: Contact: _____
Person: _____
Phone/Fax/E-Mail: _____
Contract Number: _____
Service Area: _____

BUDGET SUMMARY

Category	FY 2024 Budget Contract Expenses
A. Salary Expenses	\$0.00
Fringe Benefits (% of salary expenses)	\$0.00
Total Personnel (Salary + Fringe)	\$0.00
B. Direct (Operating) Expenses	\$0.00
C. Capital Expenses	\$0.00
Subtotal of Contract Expenses:	\$0.00
Indirect/Administration (% of Subtotal of Contract Expenses)	
Contract SAVING	\$0.00
Total Contract Budget	

BUDGET DETAIL

A. Salary Expenses and Fringe Benefits

Position	Incumbent	Annual Salary	Full Time equivalent (FTE), this contract	Expenses to this Contract	Fringe Benefit Rate	Fringe Benefits	Justification for Position
Total Salary Expenses				\$ -	Total Fringe	\$ -	

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B. Direct (Operating) Expenses

Expense Category	Cost	Justification of Costs
Consulting (if more than one consultant, list each one on a separate line)		
Staff Development		
Travel		
Rent		
Utilities		
Maintenance		
Telephone Bill		
Other Communications		
Equipment (up to \$5,000)*		
Supplies		
Insurance		
Postage		
Printing		
Other Expenses (list)		
	\$ -	
Total Direct Expenses	\$ -	

C. Capital Expenses, if applicable (greater than \$5,000)*

Description	Cost	Justification of Costs
	\$ -	
	\$ -	
	\$ -	
Total Capital Expenses	\$ -	

Approved by: (for the Vendor)

Signature _____ Date _____

Name (please print): _____

Title: _____

Approved by: (Monitor, for the Dept. of Health and Human Services)

Signature _____ Date _____

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Appendix B – Budget Modification Form (Exhibit B)

EXHIBIT B

Vendor/Organization Name:	
Address:	
City, State, Zip Code:	
Contact Person:	
Phone/Fax/Email:	
Contract Number:	
Service Area	

BUDGET SUMMARY

Category	FY 2023 Original Budget		FY 2023 Revised Budget		Difference	Justification
	Input Applicable% in this column	Contract Expenses (Original Budget)	Input Applicable% in this column	Contract Expenses (Revised Budget)		
A. Salary Expense		\$0.00		\$0.00	\$0.00	
Fringe Benefits (15.29 % of salary expense)	15.29000000%	\$0.00	15.29000000%	\$0.00	\$0.00	
Total Personnel (Salary + Fringe)		\$0.00		\$0.00	\$0.00	
B. Direct Operating Expenses		\$0.00		\$0.00	\$0.00	
C. Capital Expenses		\$0.00		\$0.00	\$0.00	
Subtotal of Contract Expenses		\$0.00		\$0.00	\$0.00	
Indirect/Administration (15.00 % of Subtotal of Contract Expenses)	15.00000000%	\$0.00	15.00000000%	\$0.00	\$0.00	
TOTAL CONTRACT BUDGET:		\$0.00		\$0.00	\$0.00	

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Appendix C – Example of Contract Budget with Aggregate Positions

DHHS Contract Budget

Vendor Organization Name:	XYX Recreation, Inc.
Address:	200 Coleville Road
City, State, Zip Code:	Silver Spring MD 20901
Contact Person:	Mary Smith
Phone/Fax/E-Mail:	301/587-6700 x 566 / 301/587-1234
Contract Number:	116077
Service Area:	HHS - Children, Youth and Families

BUDGET SUMMARY

Category	FY 2015 Budget Contract Expenses
A. Salary Expenses	\$776,644.00
Fringe Benefits (25.2% of salary expenses)	\$195,714.00
Total Personnel (Salary+ Fringe)	\$972,358.00
B. Direct (Operating) Expenses	\$89,963.00
C. Capital Expenses	\$0.00
Subtotal of Contract Expenses	\$1,062,321.00
Indirect/Administration (13.65% of Subtotal of Contract Expenses)	\$145,007.00
Total Contract Budget:	\$1,207,328.00

BUDGET DETAIL

A. Salary Expenses and Fringe Benefits

Position	Incumbent	Annual Salary	Full Time equivalent (FTE) h is	Expenses to this Contract	Fringe Benefit Rate	Fringe Benefits	Justification for Position
Site Coordinator	Group (see details)	\$36,400.00	4.85	\$ 176,541	0.2520	\$ 44,488	Manages office, staff schedule, develops programming, 4 FT SC at BAES, MKPC, NHE-OV and RT 2 PT at GC and SSL, only 4 hrs at EMS
Case Manager	Group (see details)	\$35,749.00	4.75	\$ 169,807	0.2520	\$ 42,791	Works closely with families to help them with benefits and community resources. Ensures all clients apply for medical benefits, 4 FT CM at BAES, MK-PC, NHE-OV and RT 2 PT at GC and SSL. EMS clients are referred to the elementary school CMs.
Community Service Aid	John Gooder	\$22,388.00	0.75	\$ 16,791	0.2520	\$ 4,231	Assists case manager in providing social service assistance to clients, 25hrs.
Mental Health Therapist	Raymond Play	\$30,123.00	7.40	\$ 222,907	0.2520	\$ 56,173	Provide full range of clinical services to students & their families, FT @ NHE-OV, BAES, RT, MK-PC and SSL 2 PT at EMS and 1 PT at GC
SC/CM Supervisor	Marie Doe	\$37,978.00	0.88	\$ 33,421	0.2520	\$ 8,422	Assistant director supervise SC and CM and this position assists with admin. Duties (lower salary due to unpaid maternity leave). Current salary 0.87 of \$50,000.
Mental Health Supervisor	Susie Fun	\$60,616.00	0.50	\$ 30,308	0.2520	\$ 7,638	Provides supervision of MH therapists and interns
Clinical Services Director	Jane Game	\$75,000.00	0.75	\$ 56,251	0.2520	\$ 14,175	Oversees all aspects of the contract, attends team meetings.
Executive Director	Ann Goodtime	\$82,020.00	0.10	\$ 8,202	0.2520	\$ 2,087	Oversee overall roll IT team
Business Director	Sarah Winnin	\$52,000.00	0.5	\$ 26,000	0.2520	\$ 6,552	Prenares invoices oversees allocations verifies purchases
HR Coordinator	Jake Time	\$38,439.00	0.374	\$ 14,382	0.2520	\$ 3,624	Handles human resources processes back IT found checks
Accounting Clerk	Marv Count	\$36,087.00	0.5	\$ 18,034	0.2520	\$ 4,545	Process check requests vendor payments timesheets and payroll
Outcome Coordinator	Harv Performance	\$40,000.00	0.1	\$ 4,000	0.2520	\$ 1,008	Handles roll IT team evaluation monthly reports
		Total Salary Expenses	\$ 776,644.00	Total Fringe	\$ 195,714.29		

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B. Direct (Operating) Expenses

Expense Category	Cost	Justification of Costs
Consulting (if more than one consultant, list each one on a separate line)	\$ 10,000.00	Psychology to evaluate 100 children at \$100 per evaluation
Consulting - Social Worker	\$ 13,963.00	Approximately 186 hours of working with families in need at \$75 per hour
Staff Development	\$ 3,000.00	Two staff trainers on child development costing \$2500 each. See attached breakdown for details on facility and cost of trainer.
Travel	\$ 3,000.00	Staff expenses at \$3000 based on prior years actual costs
Rent	\$ 24,000.00	Lease agreement of \$1200 a month
Utilities	\$ 3,000.00	Approximately \$400 per month based on prior's year usage
Maintenance	\$ 3,000.00	Based on maintenance prior years' expenditures
Telephone	\$ 3,000.00	Based on maintenance prior years' expenditures of \$400 per month
Other Communications	\$ -	
Equipment (up to \$5,000)	\$ 5,000.00	Purchase of 5 computers (\$800 each) and software costing (\$200 each).
	\$ -	
	\$ 3,000.00	Office Supplies for all staff
Insurance	\$ -	
Postage	\$ 1,000.00	Expense for three program mailings per year
Printing	\$ 2,000.00	Brochures for program outreach
Other Expenses (list)	\$ -	
Activity Supplies	\$ 8,000.00	Art and craft supplies for children's program based on prior's expenditures
Total Direct Expenses	\$ 89,963.00	

C. Capital Expenses (greater than \$5,000)*

Description	Cost	Justification of Costs
	\$ -	
	\$ -	
	\$ -	
Total Capital Expenses	\$ -	

Approved by: (for the Vendor)

Signature _____ Date _____
Name (please print): _____
Title: _____

Approved by: (Monitor, for the Dept of Health and Human Services)

Signature _____ Date _____
Name (please print): _____
Title: _____

*Equipment includes items up to \$5,000. Items greater than \$5,000 are capital expenses.

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Appendix C-1 – Example of Contract Budget with Aggregate Positions

	Role in this contract	Name	Site	Hours per Week	Position Title	Annual Salary	FTE	Expenses to this contract	Total Expenses to this contract for aggregate positions
1	Director	Ann Goodtime		4	Director	\$ 82,020.00	0.10	\$ 8,202.00	
2	Business Director	Sarah WinninQ		20	Business Director	\$ 52,000.00	0.50	\$ 26,000.00	
3	HR Coordinator	Jake Time		10	HR Coordinator	\$ 38,459.00	0.37	\$ 14,382.00	
4	Accounting Clerk	Mary Count		17.5	Accounting Clerk	\$ 36,067.00	0.44	\$ 18,034.00	
5	Outcome	Harry Performance		4	Outcome Coordinator	\$ 40,000.00	0.10	\$ 4,000.00	
6	CM/SC Supervision	Marie Doe		17.5	Assistant Director	\$ 37,978.00	0.88	\$ 35,421.00	
7	Mental Health Supervision	Susie Fun		20	Clinical Supervisor	\$ 60,616.00	0.50	\$ 30,308.00	
8	Clinical Services Director	Jane Game		30	Clinical Services Director	\$ 75,000.00	0.75	\$ 56,251.00	
9	Site Coordination	Cathy Dodge	Yellow	40	Site Coordinator	\$ 40,508.00	1.00	\$ 40,508.00	
10		Veronica Merry	Pink	10	Site Coordinator/Case Manager	\$ 17,042.00	0.25	\$ 8,521.00	
11		Scott Fan	Purple	4	Site Coordinator	\$ 42,637.00	0.10	\$ 4,263.00	
12		John Smith	Orange	40	Site Coordinator	\$ 36,538.38	1.00	\$ 36,538.38	
13		Zoe Dimas	Green	40	Site Coordinator	\$ 36,538.38	1.00	\$ 36,538.38	\$ 176,541
14		Dimas Plav	Blue	40	Site Coordinator	\$ 33,773.00	1.00	\$ 33,773.00	
15		Alex First	Red	20	Site Coordinator/Case Manager	\$ 36,000.00	0.50	\$ 18,000.00	
16	Case Management	Tim Tim	Yellow	40	Case Manager	\$ 36,233.14	1.00	\$ 36,233.14	
17		Jeanette Case	Pink	10	Site Coordinator/Case Manager	\$ 17,044.00	0.25	\$ 8,522.00	
18		Case Worker	Purple	40	Case Manager	\$ 37,277.25	1.00	\$ 37,277.25	
19		Jim Handy	Orange	40	Case Manager	\$ 35,341.00	1.00	\$ 35,341.00	\$ 169,807
20		Joy Second	Green	40	Case Manager	\$ 36,054.79	1.00	\$ 36,054.79	
21		Loan Livelv	Blue	20	Site Coordinator/Case Manager	\$ 36,000.00	0.50	\$ 18,000.00	
22	Community Service Aid	John Gooder		30	Community Services Aid	\$ 22,388.00	0.75	\$ 16,791.00	
23	Mental Health Therapists	Sigmund Freud	Yellow	40	Mental Health Therapist I	\$ 42,637.14	1.00	\$ 29,846.00	
24		Hoe Hooov	Pink	24	Mental Health Therapist I	\$ 31,163.00	0.60	\$ 21,814.10	
25		Ruth Mystic	Purple	36	Mental Health Therapist I	\$ 41,185.71	0.90	\$ 28,830.00	
26		Adriene Addy	Orange	40	Mental Health Therapist II	\$ 43,457.14	1.00	\$ 30,420.00	
27		Cathy Peace	Green	20	Mental Health Therapist III	\$ 30,308.00	0.50	\$ 21,215.60	\$ 222,907
28		Phil Therapist	Blue	40	Mental Health Therapist II	\$ 42,724.29	1.00	\$ 29,907.00	
29		Patti Calm	Red	40	Mental Health Therapist II	\$ 43,505.71	1.00	\$ 30,454.00	
30				40	Mental Health Therapist II	\$ 43,457.14	1.00	\$ 30,420.00	
								\$ 776,643.64	

- Expenses to this contract total

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