

Part Two: W-2 and Related Programs Plan

Section Three: Budget

1. BUDGET RESPONSE ITEMS

This Section of the W-2 and Related Programs Plan addresses the RFS Agency's budget during the two-year contract period.

1.1 Budgets

Summary:

Contract allocations are established for each geographic area based on caseload information and available funding. See Appendix A of these Re-contracting Instructions for the preliminary allocations by geographic area. Final allocations will be made available after passage of the Biennial Budget for 2009-2011.

The W-2 and Related Contracts will be reimbursement-based up to the contract amount. The W-2 Contract Agency must specify its budgeted costs. Total costs must not exceed the amount identified as the Base Allocation for the geographic area in Appendix A of these instructions.

The allocation stipulations for the 2010-11 W-2 and Related Programs Contract are contained in Appendix A of these instructions.

Budget Stipulations: The following Budget Stipulations are provided to emphasize the rigorous oversight of expenditures the Department will provide in the following areas:

- **Advertising/Promotional Costs:** Advertising costs are not allowable except for notifications related to the administration of the program such as for requests for proposals, recruitment purposes or legal notices.
Expenditures for promotional activities will be limited to activities directed to participant awareness of your agency's specific programs, location, notification of Job Fairs and other efforts related to participant access to the services of your program. Other promotional activities of the agency will not be allowable. Expenditures for allowable advertising activities and/or promotional activities will be limited to a capped amount. The Department will establish the capped amount and notify the agency of such on or before October 28, 2009.
- **Legal Services Costs:** Private agencies may only procure and incur legal costs on a billable hourly basis. Costs for a legal retainer agreement in which funds are paid for the availability of a lawyer will not be allowed. Expenditures for allowable legal costs will be limited to a capped amount. The Department will establish the capped amount and notify the agency of such on or before October 28, 2009.

- **Rent:** Rent costs must be at or below fair market value for the area of location.
- **Telecommunications Costs:** Costs for telecommunications, including ongoing operations costs and one-time installation or procurement costs will be controlled. Expenditures for allowable telecommunications will be limited to a capped amount. The Department will establish the capped amount and notify the agency of such on or before October 28, 2009.

W-2 Contract Agencies will be required to report expenditures in each of the above areas on a monthly basis, except for rent.

While these instructions request RFS Agencies to submit proposed budgets for these areas at this time, the Department reserves the right to require W-2 Contract Agencies to make adjustments in their actual budgets so that costs for these and other areas are within the Department's policies.

Response Items:

- a) Submit a two (2) year budget for the 2010-11 contract period, including separate detailed W-2 program budgets for administration, services and benefits broken out by reporting item. See the Base Contract Budget Form (Form 2).
- b) Submit a two (2) year W-2 budget for the following expense items. Describe what is included in each one. Approval of these proposed costs will be separate from approval of a contract, and is required prior to the expenditure of funds.
 - 1) Advertising/Promotional costs
 - 2) Telecommunication costs
 - On-going operations costs such as monthly phone service
 - One-time costs such as installing a new phone system
 - 3) Legal services
 - 4) Rent
- c) If space is rented, identify the square footage rented, the cost per square foot and its use. For each site, identify how much space and related office costs are allocated to the W-2 Program and what methodology is used to allocate the costs. Indicate if cost per square foot is all inclusive (utilities, maintenance services) or if paying separate for any of those. In addition, identify if any of the space is rented from a related party.