



LPHA BUDGET/FISCAL TRAINING FOR PHEP AND CRI CONTRACTS - FREQUENTLY ASKED QUESTIONS

JANUARY 2024

1. When will budgets be due?

Budget packets will include the new due date when sent out via email.

2. How is the Personnel budget determined?

- a. Personnel to be paid from PHEP/CRI are listed in the narrative section of the budget form by name and position and the rate per hour, with a breakdown of percentages for the total cost by capability.
- b. It is not necessary to list capability percentages by person.
- c. Fringes are also listed by name, position, and rate per hour. Fringes are for compensation in addition to regular salaries and wages, such as vacation, sick leave, family leave, insurance, etc.
- d. The narrative information supports the budget dollar amount entered in the Personnel Services and Fringe categories.

3. How is FTE calculated?

- a. This is accomplished by using the number of hours for a full-time employee. Generally, this is 2,080 but some organizations may use a different number.
- b. Determine the number of hours for each person working on PHEP or CRI, as applicable, and divide by the base of 2,080.
- c. If you have a part-time position, the FTE will be reflected as a percentage of a full-time position. For example, if the employee is working 800 hours on PHEP activities, and nothing else within the LPHA, the FTE on the budget would be .38 (rounded) based on 2,080 hours.

4. What are the requirements for PHEP and CRI travel budgets?

- a. Reimbursement is limited to CONUS, or the rates set by LPHA policy, whichever is lower.
- b. For situations which would require expenses over the CONUS rate, notify preparedness@health.mo.gov for approval in writing prior to incurring the expense.
- c. Only employees paid from PHEP or CRI may be included in the travel budget.
- d. When submitting invoices later with travel costs, include a comment identifying who traveled.
- e. Conference registration costs go into the "Other" category, not "Travel".

5. What types of costs go under the “Equipment” category?

- a. Equipment under this category has a useful life of more than 1 year and has a unit cost of \$5,000 or more. Track all equipment according to LPHA standard procedures (tagging, inventory, etc.).

6. Can the planned PHEP and/or CRI work be subcontracted out?

Subcontracts cannot account for more than 50% of the total contract. Per state statute 34.046 RSMo, the LPHA must provide the majority of the work in achieving work plan objectives/ deliverables related to product and services provided by governmental agencies.

7. Is apparel allowable in the PHEP or CRI contract?

Any apparel for response purposes must be generic/not assigned to specific staff and kept for emergency response use. Examples may include rain ponchos (one size fits all) or a selection of rubber boots in various sizes that are available for use in response activities.

8. How is the Indirect budget calculated?

- a. Federal agencies recognize that indirect rate development is cumbersome, especially for smaller agencies, so the use of the de minimis rate (10% of modified total direct costs - MTDC) is allowed in lieu of completing an indirect rate plan.
- b. MTDC excludes costs such as capital purchases and limits subaward amounts to \$25,000 for calculation purposes.
- c. Indirect is calculated based on the direct cost total.
 - i. Does your LPHA have a federally negotiated rate?
 - 1. If yes, enter the dollar amount requested in the box at the bottom of the section. There is space under the negotiated rate indirect amount to describe how the indirect costs were calculated.
 - 2. If the answer is “no”, then the maximum allowed is 10% of modified total direct costs.
 - ii. If your LPHA does not have a negotiated rate, you may use a calculated rate or the 10% modified total direct cost (de minimis).
- d. Budget forms and invoicing tools will be set up to reflect how indirect has been calculated in prior years. If changes are needed, send notification to preparedness@health.mo.gov for assistance.
- e. Be aware that if the de minimis rate is used on one federally funded contract, it must be used consistently to prevent double-dipping. For example, part of an accountant’s salary and fringe is included as a direct charge to a contract with federal funds. The remainder of the salary is covered by the de minimis rate. This would be considered inconsistent treatment of costs.
- f. Keep in mind that reallocations later may impact the indirect budget amount. For example, increasing the equipment budget category means the indirect is less because equipment is excluded from the calculation.
- g. Another example of a change that would impact indirect is when your rate is based on personal services and fringe, and those budget categories are decreased. A correlating decrease in indirect will occur.

9. What if I need to change the indirect rate?

- a. Federally negotiated rates may be changed for your contract only if you receive a new federally negotiated rate.
- b. Provide the new Indirect Agreement for our files by sending it to monitoring@health.mo.gov.
- c. The new rate agreement must be received in order to process invoices using the new rate and may require an amendment.
- d. De minimis or other indirect rates (not federally negotiated) may only be changed at the beginning of the contract prior to payment of any invoices. A contract amendment is required to reflect the new rate not to exceed 10% MTDC.

10. When should invoices be submitted?

Please submit invoices the month after expenditures are incurred, or based on the submission deadlines as noted in the contract.

- a. This allows for time to:
 - i. follow up on any questions prior to the end of the contract period,
 - ii. identifying early where reallocations may be needed as well as potential contract amendments, and
 - iii. timely submission of required federal reports by DHSS.
- b. It is important not to wait until the end of the contract period, because budget and expenditure levels are monitored throughout the year. It is better to be proactive and address early the need for any adjustments, corrections, and amendments.
- c. Make sure to use the correct contract number when filling out the DH-38.
- d. If you have a saved template, remember to update the contract number accordingly.

11. What is submitted with the DH-38 (invoice)?

- a. Submit the DH-38 and the Excel Invoice tool as separate documents. Don't merge them into one file.
- b. DH-38's must be signed by LPHA authorized personnel.
- c. If the invoice tool reflects a negative balance in one or more categories, either a reallocation or budget amendment is necessary. A negative balance indicates a category has been overspent.

12. How are reallocations managed?

- a. When reallocating funds, submit the reallocation form to Preparedness@health.mo.gov so our records can be updated.
- b. If changes are needed to the budget, send a notification explaining the change to Preparedness@health.mo.gov. This ensures our records match when reviewing invoicing tools submitted with invoices.
- c. If cumulative changes exceed the 10% threshold, or impact the indirect category, then you will receive a reallocation form or a budget form to explain the changes.
- d. Written contract amendments may need to be prepared, which can take up to 120 days to process. Please let us know promptly if it appears you will exceed the 10% threshold.

13. If a budget line item shows a negative balance, can budget adjustments be submitted at the time of the DH-38 and Invoicing tool an adjustment to move \$ from one area to another? Or do we have to submit the adjustment and wait for approval before we can submit the invoice.

The reallocation forms are emailed for completion when needed.

14. What are the requirements for retaining supporting documentation?

Source documentation must be maintained for audit purposes. Federal requirements are 3 years from final expenditure report submission or resolution of all litigation, claim, or audit started before the 3-year expiration.

- a. Some contracts may require a longer retention period.
- b. If your policy for document retention period is longer, continue to follow that policy.
- c. Records must be made available to the federal awarding agency, Inspectors General, Comptroller General of the United States, pass-through entity (DHSS), or any of their authorized representatives.
- d. Electronic records that cannot be altered are acceptable.

15. What is supplanting?

- a. Federal funds must not supplant (replace) other funds currently utilized for activities, i.e., the local funds cannot be shifted to other activities simply because of the receipt of federal funds for the same objectives/activities.
- b. For example, an organization has an existing program for temporary shelters. The organization receives a grant to fund this same activity and moves current funding to another purpose. In this case, the organization has supplanted the local funding with federal funds. This is an unallowable use of federal funding.

16. Where can I find information for invoices that have been paid?

The Vendor Services Portal

(<https://vendorservices.mo.gov/vendorservices/Portal/default.aspx>)

is a resource that includes all payments from the State of Missouri.

- a. Access is restricted by user ID and password.
- b. Information contained in the portal includes the payment details such as check or EFT number, date paid, invoice number and amount.
- c. Information can be exported to Excel or into a text file.
- d. The state Office of Administration – Division of Accounting maintains the vendor portal. Any questions about logging in to the portal should be directed to (573)751-2971.
- e. Check with your financial office or governing body to verify if an account has already been established.

17. What is the Subrecipient Annual Financial Report?

- a. Federal regulations require certification of expenditures using the exact wording as included on the subrecipient annual financial report.
- b. The authorized signer (such as the Administrator, CFO, or other designated person) is certifying the expenditures are proper and in accordance with the terms and conditions.
- c. The form must be submitted annually and with the final invoice.
- d. If a contract is less than 12 months in duration, the form is due with the final invoice.
- e. Submit the completed and signed form to Preparedness@health.mo.gov.

18. When are Tangible Personal Property Reports (SF-428) due? What if there is nothing to report?

- a. Per contract requirements and federal regulations, tangible personal property reports are due each year by June 30, to include any items purchased with preparedness funds with a value of \$5,000 or more.
- b. Data to report include identifying information, such as serial or model number, acquisition date, and condition.
- c. Reports are due even if there is nothing to report. Simply include a notation on the form.
- d. You may attach a computer printout if your system contains the required data.
- e. Submit the reports to Preparedness@health.mo.gov.

19. When is the Inventory Listing due? What if there is nothing to report?

- a. Examples of what to report are listed. Computers, laptops, etc. This form is required even if no items were purchased during the year. Indicate “nothing to report” on the form if that is the case.
- b. Submit the form to Preparedness@health.mo.gov so we can mark your reporting as complete.
- c. If your internal tracking provides reports, such as a fixed asset software, Excel, or other tools, you may submit in that format rather than the template.

Additional questions? Please email questions or requests for clarification to Preparedness@health.mo.gov.