GUIDELINES FOR COMPLETING BUDGETS
NATURALLY OCCURRING RETIREMENT COMMUNITY (NORC) PROGRAM

Funds are to be used solely for the award designated purposes. Budgeted expenditures must be allowable, reasonable and necessary to meet program objectives and must be incurred in the period to which they are applied. Unexpended funds do not carry over from one program period to the subsequent period.

Expenditures which overlap the program period, such as insurance, maintenance contracts, vehicle insurance, etc., must be prorated for the portion of the term that falls within the program period.

Any expenditures which are not solely for the benefit of the NORC program must be prorated. The method used to allocate costs must be reasonable and result in charges that are commensurate with the benefits derived by the NORC program.

Allowable Costs:
Allowable reimbursement costs must meet the following criteria:

- Be necessary and reasonable for proper, efficient operation of the NORC program;
- Be permissible under applicable state and/or federal laws and regulations;
- Conform to limitations or exclusions set forth in these guidelines, as well as laws or regulations or other limitations as to types, amounts or cost of items;
- Be the net amount after applying all applicable credits, such as purchase discounts and adjustments of overpayments; and
- Not be included as a cost in any other program or grant.

Unallowable Costs:
In accordance with NYSOFA policies, certain costs cannot be charged to these grant funds. Examples of non-reimbursable costs include:

- Goods or services for personal use of employees, even if the cost is reported as taxable income to employees;
- Entertainment, including social activities and associated costs, except where specific costs have a programmatic purpose and are authorized in the approved budget (e.g., volunteer recognition and recruitment);
- Gifts, except where specific costs have a programmatic purpose and are authorized in the approved budget (i.e., volunteer incentives/promotional items);
- Alcoholic beverages;
- Out-of-state travel, unless NYSOFA has given prior written approval;
- Interest (including mortgage interest), late charges, fines and penalties (including bank charges for overdraws);
- Bad debts, including losses arising from uncollectable accounts;
- Lobbying (activities with the potential to influence legislation or the election or defeat of any candidate for public office);
- Fundraising, including financial campaigns, endowment drives and solicitation of gifts or bequests;
- Contributions and donations, including cash, property and services, to other not for profits;
- Rent, when the facility is owned by the contractor; and
- Sales tax, if your organization is exempt - e.g., 501 (c).

Also, securities and other deposits for rentals, utilities, phones, etc. cannot be reimbursed, as they should eventually be returned to you and are not expenditures.

**Services Costs and Administrative Costs:** After concluding that a specific cost is allowable, the next step is to categorize the cost as an administrative or services cost, or to split the cost between the two categories.

**Service costs** are costs that can be specifically attributed to your NORC program.

**Examples of Services Costs:**
- Salaries/wages and related benefits of staff who are an integral part of the program;
- Direct materials and supplies;
- Contractors and consultants;
- Travel costs (e.g., meals, lodging, conference fees) directly related to the program;
- Equipment used exclusively for the program;
- Alterations, repairs, and maintenance costs of equipment used exclusively for the program; and
- IT costs and services directly identifiable with the program.

**Administrative costs** are expenditures that cannot easily be associated with service activities but relate to the development and management of your organization.

**Examples of Administrative Costs:**
- Salaries/wages and related benefits of support personnel, clerical staff and administrators;
- Office supplies, postage and photocopying for general use;
- Basic telephone costs;
- Network charges for e-mail and other general purpose software;
- Purchase, repair and maintenance of general purpose equipment; and
- **Please see also:** Maintenance and Operations: Indirect Costs, below.
In recognition of the need to maximize availability of services, NYSOFA requires contractors to expend at least 85 percent of the funding on service costs. NYSOFA is using the definitions of administrative expenses and program expenses specified in 9 NYCRR §6656.3(a) and (i) for this purpose.

Volunteer Expenses: Volunteer expenses may include advertising and outreach, training expenses (e.g., volunteer travel, speaker fees, training materials, refreshments) and volunteer recognition events. Funding for recognition events can include costs such as food, paper goods, decorations and limited entertainment expenses. Such costs should be budgeted under the appropriate category (e.g., travel, other expenses). Funding cannot be used for gifts to volunteers, except for gifts of nominal cost (i.e., $25 or under) made in recognition of their contribution to the organization. Funds can be used to purchase t-shirts, mugs, pens, etc., bearing the organization or program logo or name, or other types of gifts, including gift cards. Reasonably priced awards such as plaques given for exceptional or long-standing service are also fundable. Expenditures of amounts exceeding these guidelines are not reimbursable without prior written permission from NYSOFA.

MWBE/EEO: New York State Executive Law Article 15-A Sections 310 – 318 (Article 15-A) governs requirements for the participation of minority and women owned business enterprises (MWBEs) in New York State contracting. The objective of Article 15-A is to promote equality of economic opportunities for MWBEs by eliminating barriers to their participation in New York State contracting. Also, Governor Cuomo’s Executive Order 162 (EO 162) requires state contractors to disclose data on the gender, race, ethnicity, job title and salary of employees performing work on state contracts. Contracts and procurements subject to Executive Law Article 15-A and Executive Order 162 issued by New York State Agencies and Authorities include provisions identifying these additional requirements. These requirements also apply to subcontractors receiving in excess of $25,000.

Please be mindful of MWBE and EO 162 requirements in your contract as you prepare your budget.

Directions for Completing the Budget

Budget Summary: This is the summation of all projected expenses for the program compiled from the Supplementary Budget sections. Supplementary Budget sections include formulas which total and carry over the amounts chargeable to the Budget Summary. Be sure to provide the name of the NORC program and where indicated, check “YES” if requesting a waiver of any part of the Community Match requirement; otherwise, check “NO”.
Supplementary Budget Sections:
Enter totals in whole dollars.

1) Personnel:
Include compensation of employees for personal service rendered under the contract, during the funding period. Only personnel who are active and necessary contributors to the program should be listed on this schedule.
For each employee, include:

- name and title (In lieu of a name, “To Be Determined” is acceptable for positions to be filled in the foreseeable future.)
- annualized salary (For hourly employees, this is the amount they are paid per year, consisting of the hourly rate x average number of hours worked weekly and then computed annually.)
- total hours worked per week or average for hourly employees
- percent of time spent on the program (note: this may be different than, but cannot be lower than, the percent of time charged to program)
- breakdown of services and administrative costs
- total amount charged to contract.

Board approved or contract negotiated salary increases that occur during the program period are reimbursable. Bonuses or other incentive compensation, as well as payments for unused leave, are not allowable.

2) Fringe Benefits:
Fringe benefits include Social Security/Medicare (FICA), NYS Unemployment Insurance (SUI), NYS Disability Insurance and Workers’ Compensation, as well as pension, vacation, health, life or dental insurance. These benefits are allowable costs if they are granted under established written policies. Fringe benefits must reflect the employer’s share only.

Fringe benefits should be charged for the same staff that are listed in the Personnel section. The percentage of fringe benefits for a staff member cannot be greater than the proportionate amount of staff member’s paid time spent on the grant program, but a lower amount can be allocated. Any exceptions to this method of allocation must be noted and explained.

3) Equipment:

Costing $1,000 or more – These items must have a useful life of one year or more and a purchase price unit cost of $1,000 or more, whether leased or purchased. Transportation and delivery charges are chargeable as part of equipment costs.

Costing less than $1,000 – List these items having a unit cost of less than $1,000 under Miscellaneous Equipment at the bottom of the equipment schedule.
3. **Equipment:** List below items having a unit purchase price of $1,000 or more and useful life of one year or more. For purchased equipment with a unit cost of less than $1,000, list the items and the total for these items under Miscellaneous Equipment.

<table>
<thead>
<tr>
<th>Item and Description</th>
<th>Quantity</th>
<th>P=Purchase L=Lease/Rental</th>
<th>Purchase or Rental Price</th>
<th>Amount Chargeable to Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photocopier lease</td>
<td>2</td>
<td>L</td>
<td>$1,000</td>
<td>2,000</td>
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</tbody>
</table>

**Miscellaneous Equipment - List Items**

- 2 laptops for field use @ $800 each
  
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<tbody>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>$3,600</td>
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4) **Travel:**

Travel expenditures (e.g., personal car mileage, lodging, per diems, etc.) should conform to the rules and regulations for employees of New York State. **NOTE:** Out-of-State travel is not reimbursable without prior authorization ([https://osc.state.ny.us/agencies/travel/part8.htm](https://osc.state.ny.us/agencies/travel/part8.htm)).

Personal Car Mileage reimbursement cannot exceed the current state rate which is determined by the published IRS rate ([https://www.irs.gov/tax-professionals/standard-mileage-rates](https://www.irs.gov/tax-professionals/standard-mileage-rates)).

5) **Maintenance and Operations:**

Expenditures necessary for the maintenance and operations of the buildings and office space should be included.

**Rent/Utilities:** Actual contractor cash expenditures for costs of space rental, utilities, security, necessary maintenance, janitorial services, repair or upkeep of buildings and equipment are allowable. Rental agreements must be submitted for NYSOFA review.

Maintenance & Operations also includes telephone, postage, supplies (which may include office, program and maintenance supplies) and printing/photocopying.

**Supplies:** Items such as copy paper, pens, pencils, folders, etc., should be grouped together and listed under Supplies. Transportation and delivery charges are chargeable as part of supplies costs.
**Printing and photocopying:** Informational and promotional materials for your program (brochures, posters, banners) are acceptable expenses. However, pursuant to the Standard Terms and Conditions of your contract, these items must be consistent with state branding and contain acknowledgment language, e.g.: “This program is supported with State Funding provided through the New York State Office for the Aging.”

6) **Other Expenses:**

This category covers all expenditures that do not fit under other budget categories. These are generally annual or one-time types of costs that can include, but are not limited to:

- Annual financial audit (the audit must be conducted during the program period);
- Liability Insurance (costs must be incurred during the program period);
- Memberships and subscriptions;
- Promotional materials;
- Information technology;
- Language access services;
- Reasonable accommodation items;
- Food (except meals provided by a subcontractor, which should appear in the Subcontractors/Consultants category); and
- Administrative or indirect costs are costs that cannot easily be associated with service activities but relate to the development and management of the organization. These costs are allowable if the grantee is using an indirect cost rate based on financial documentation that has been preapproved by NYSOFA or another governmental agency (e.g., DHHS). The use of a federally approved de minimis rate is not acceptable.

**Caution:** Any cost included in an indirect cost rate cannot also be budgeted as a specific line item expense. If your Executive Director’s salary is part of your indirect cost pool, the Executive Director’s salary cannot also be included under Personnel.

Indirect cost rates must be approved in advance by NYSOFA. If a grantee organization utilizes a federally approved indirect cost rate that is based on financial data, then submission of a copy of the authorization or rate approval from the appropriate Federal agency (e.g., DHHS) is usually sufficient documentation for NYSOFA.

If a grantee organization does not have a federally approved indirect cost rate, they can submit an indirect cost rate request to NYSOFA for approval. As part of the request, the grantee must submit documentation used to determine the rate. The most recent audited financial statements must be used as part of this documentation. A breakdown of all expenses by category as well as a comparison of the total direct costs and the total indirect costs must also be provided (the Statement of Functional Expenses from your organization’s most recent audited financial statements). The indirect cost rate...
requested should be calculated by dividing the total indirect costs by the total direct costs. Costs that are not allowable as direct costs (e.g., building depreciation, interest, fines, penalties, contributions) are not allowable as indirect costs, and must be excluded from the rate calculation.

Once the required documentation has been submitted, an indirect cost rate will be approved by NYSOFA for use by the grantee. However, please remember that NYSOFA requires contractors to expend at least 85 percent of the funding on service costs. This may limit the percentage of indirect costs that may be charged to state funds to a percentage that is less than the grantee’s approved indirect cost rate.

Indirect cost rates must be determined as a percentage of the direct costs. The indirect costs will be calculated by first determining the total reimbursable direct costs and then multiplying these costs by the approved rate. To be reimbursed by our office, the allocation of indirect costs must also be documented by either payment or journal transfer.

7) Subcontractors/Consultants

Contractual or consultant services include any costs that have a formal or informal agreement or contract.

For each contract, include the provider, a description of the services to be provided, the rate/unit and number of units, if applicable, the amount paid to the organization and the total dollar amount.

For any Subcontractor or consultant paid more than $5,000, a subcontractor budget must be completed and submitted, unless payment will be based on a unit rate.

Applicants must obtain agreements and/or contracts for all consultants or contractors and must submit these prior to reimbursement. An agreement or contract should include a brief description of services to be provided, the period covered, the cost basis (hourly rate, flat rate) and be signed by both parties.

Caution: Where an employer-employee relationship exists between the applicant and program personnel, such personnel should not be budgeted as consultants. The existence of an employer-employee relationship is determined by the degree of control exercised by the employer. An employer usually trains an employee, directs the employee’s work and has a continuing work relationship with the employee. An independent consultant is a self-employed individual who is not supervised by the applicant. An independent consultant decides when, where and how the work is to be performed in accordance with general descriptions provided in written agreements. Individuals must not be classified as consultants for avoiding payment of fringe benefits. If later the Internal Revenue Service or the Department of Labor determines that an
individual you hired as a consultant is an employee, your organization is solely responsible for any retroactive fringe benefit payments and/or penalties that may be assessed.

**In-kind match** consists of services that are donated to the grantee agency by a third party. In-kind match must not only be reflected in the Subcontractors/Consultants category, but also in the Matching Funds section of the budget. Only services are allowed as in-kind match.

For each business or individual contributing services, include the provider, a description of the services to be provided, the rate/unit and number of units, the amount paid to the organization, if any, the amount used as match and the total dollar amount. The value of unpaid services provided by volunteers may be used to meet, but cannot exceed, the community match required (50% of the total 25% matching funds requirement). The services provided must be necessary to meet program objectives. The hourly rate for these services must be consistent with those paid for similar services. Documentation for the hourly rate determination for any volunteers may be requested by NYSOF. See: the NORC Policy for Matching Funds Requirements.

8) **Total Budget**

This is the sum of all the budget categories (sections 1 – 7).

9) **Program Income**

List the total amounts anticipated for participant contributions, participant fees and other income and total. Total these amounts to calculate the total program income and list the amount of the total program income that will be used as matching funds.

10) **Net Budget**

This is the total budget expenditures less any program income not used as match.

11) **Matching Funds**

The match requirement is 25% of state funds received. In addition, at least fifty percent (50%) of the total matching funds must be community match: contributions by the housing development governing body or other owners or managers and residents of the apartment buildings and housing complexes for Classic NORC programs, or the geographical area in which the project is proposed for Neighborhood NORC programs.

List the sources of matching funds and the amount from each source. You must submit a Memorandum of Understanding for each source of matching funds in excess of $1,000, unless you submit a subcontractor/consultant agreement reflecting the pledge of matching funds from that source.
Programs may request that NYSOFA waive part of the 50% community matching funds required; however, the total matching funds requirement must still be met from other allowable sources.

NOTE: All required match needs to be reflected in this section. The following amounts, if any, must be carried over from previous sections:

- **Subcontractors/Consultants** – Subcontractors/Consultants providing in-kind
- **Program Income** – Program income used as match

12) **State Funds Requested**

This is the total budget expenditures less program income not used as match and less matching funds.