



Instructions for Completion of Service Cost Computation Sheet (HDC5 DAAS-732A)

General Instructions:

1. This worksheet will be utilized to develop and revise service budgets during the program year. **The HDC5 Service Cost Computation Sheet (HDC5 DAAS-732A) and HDC5 Labor Distribution Schedule (HDC5 DAAS-732A1) will be submitted with HDC5 Provider Services Summary (HDC5 DAAS-732) as a part of the HDC5 funding package.**
2. Indicate the **Service** to be provided in the appropriate column by editing the 'Name of Service'.

I. Projected Revenues

- A. Indicate the amount of **federal HDC5 funding received through the Division of Aging.**
- B. **Subtotal, other revenues, non-match** reflects resources other than local cash, such as federal or state, Unite Way funds from agencies other than the Division of Aging and Adult Services, grants or other special funding that directly supports the stated services. Other revenues can be itemized by source or stated as a lump sum for each service.
- C. **Subtotal, local in-kind resources**, are goods and services that are provided free of charge that would otherwise have to be purchased; for example: volunteer janitorial services provided by an older adult at an agency location or office space provided by the county. **Consideration for in-kind resources should be conservative so as not to inflate the cost of services.** The value of the volunteer janitor can reflect the hourly wage of a county janitorial worker and the value of the office space can reflect the annual square footage cost for a similar building in the community. Again, be sure to state all in-kind resources as expenses in page 2, section II, Local In-Kind Resources.
- D. **Consumer Contributions projections** should be based primarily on past experience. A reasonable method to estimate this amount is to compute a per unit cost sharing rate for the prior year and multiply that amount by the number of projected units for the stated services, or if the prior year was not typical, cost sharing collected for specific services can be averaged for the past 3 to 5 years.
- E. **Total projected revenues** is the sum of I.A through D.

II. Projected Expenses

Note: Direct administrative costs should be entered in the **Admin. Cost** column. **Do not** allocate these administrative costs to services on the individual budget lines. These administrative costs will be allocated on line **II.H**.

- A. **Staff salaries**, indicate **positions that are allocated to the specified services.** Information for full and part time positions should reflect that which is stated on the Labor Cost Distribution Schedule (HDC5 DAAS-732A1). Wages for Title V workers **are not** included here.

- B. Indicate **fringe benefits** to be paid for staff indicated on line II.A. Fringe benefits may be itemized or computed as a lump for each specified service. FICA must be calculated as a separate line item; Sub-total, Staff salary times .0765%.
- C. **Local in-kind resources, non-match** must be stated if it is included as a part of the cost stated in lines I.C. Appropriate in-kind resources that are stated in section I will be stated here. If the value of volunteer time is included, it should be reasonable in order to avoid inflating service costs. An example is congregate nutrition site volunteer time based on the hourly wage for county school cafeteria workers.
- D. Compute **per diem and mileage reimbursement expenses** in keeping with agency policy and recent experience. **Other travel** cost would take into account, costs such as conference registration and airfares, etc.
- E. **General operating expenses** are costs reasonable and necessary for the delivery of specified services. Examples of these expenses are: 1) equipment depreciation; 2) catered meals/raw food costs; 3) consumable supplies for in-home aides; 4) fuel and maintenance associated with transportation services; 5) training and other costs associated with home health provider certification; and 6) the cost of subcontracts for services such as van service for clients as a part of transportation services or in-the-home workers as a part of in-home aide services.
- F. **Other administrative cost** are indirect administrative expenses which have not been stated as allocated direct administrative costs in the **Admin. Cost** column in lines II.A through F. The agency will maintain either an approved indirect cost plan and/or cost allocation plan to support state administrative cost.
- G. **Total projected expenses prior to administrative cost distribution** is the sum of lines II.A through G for the specified services.
- H. Administrative cost, as stated in the **Admin. Cost** Column, lines II.A through G, are **distributed across specified services**, based upon an allocation plan maintained by the agency. (The formatted HDC5 DAAS-732A form distributes administrative costs by subtracting **Total Proj. Expenses Prior to Admin. Distribution (line II.G)** from **Total Projected Revenues (line I.I)**).
- I. **Total projected expenses after administrative cost distribution** is the sum of specified services cost, lines II.A through G. The sum of services must agree with the projected revenues stated on line I. E.

III. Computation of Rates

A. Computation of Unit Cost Rate

1. **Total expenses** equals line II.I
2. **Total projected units** is a stated figure reflecting the agency's projection of service units to be provided. This applies to unit-producing services only.
3. **Total unit cost rate** reflects **total expenses** (line III.A.1) divided by the number of **total projected units** (line III.A.2). The purpose of this calculation is to indicate the actual total cost of providing a unit of service.

B. Computation of Reimbursement Rate

1. **Total revenues** equals line I.E. Total Revenues will equal **total expenses** stated on line III.A1.
2. **Revenues subject to unit reimbursement** provide the basis for computing the unit reimbursement rate.
3. **Total projected units** (line III.B.2) equals the number of units stated on line III.A.2.
4. **Total reimbursement rate** reflects **revenues subject to unit reimbursement** (line III.B.3) divided by **total projected units** (line III.A.2).

C. **Units reimbursed through HDC5** equals **subtotal, federal revenues** (line I.A) divided by **total reimbursement rate** (line III.B.3).

D. **Units reimbursed through consumer contributions** are the number of units that will have to be provided in addition to those stated on line III.C in order to earn the funding stated on line I.A because the Division of Aging and Adult Services ARMS deducts reported program income from reimbursement paid to providers. These additional units are determined by dividing the **projected client program income** (line I.D) by the **total reimbursement rate** (line III.B.3).

E. **Units reimbursed through remaining revenues** equals the sum of **subtotal, other revenues, non-match** (line I.C) divided by **total reimbursement rate** (line III.B.3)

F. **Total units reimbursed/total projected units** is the sum of lines III. C, D, and E and equals **total projected units** stated on line III.A.2.