



Cost Reimbursement Budget Instructions

Revised 03.2026

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Introduction

These instructions are designed to help you prepare and submit your proposed budget to Behavioral Health System Baltimore, Inc. (BHSB) via BHSB's Contract Management System (CMS), an online contract database.

Please read all instructions carefully prior to inputting any information into the system.

You will need the following to prepare your budget:

1. Your Letter of Award from BHSB
2. Your Attachment A from BHSB
3. If applicable, a copy of your Negotiated Indirect Cost Rate Agreement (NICRA) to be uploaded in the Budget section of CMS
4. Other Sources of Funding listing to be uploaded in the Budget section of CMS

Indirect Rate Update – effective FY'26 for Providers without a NICRA, the indirect rate cap is 15% of Modified Total Direct Costs (MTDC) instead of 10%. Please refer to page 15 for more detail.

Overview

Providers who have received a Letter of Award from Behavioral Health System Baltimore, Inc. (BHSB) must submit budget application for funding through CMS. BHSB budgets must be submitted at the level of funding stated in your Letter of Award.

The budget forms are designed to capture the total program budget, including all sources of funding that support the same program/service funded by BHSB grant, and to ensure that the grant funds are the payer of last resort for services where more than one funding source is available. The Maryland Department of Health (MDH) human services funding system generally does not cover the full cost of the system and it operates under the condition that MDH monies are spent last and recovered first. **If your program is partially funded with the grant from BHSB and your Letter of Award identifies the funder of that grant as Behavioral Health Administration (BHA), you must include in your budget application other income supporting the services funded in this application.**

Fee Collections Funds:

If your agency's program/services are supported by fee collections such as **third party income, Medicare, Medicaid, client fees or interest, donations etc.**, expenditures for the BHSB budget should include costs supported by BHSB and by these fee collections and subsequently include

estimated fee collections in the **“Fee Collections”** line item which will offset total costs to arrive at the BHSB funded award. Do not include fee collections in the Other / Matching \$ section of the budget.

Other Grants/Matching Funds:

If your agency receives **non-BHSB grant funding** for the same program/services as funded by this application, such as other state, federal awards or other grants and awards or if this grant requires matching dollars, you must separately identify these costs that these grant funding is supporting by completing **Other / Matching \$** section.

Required upload:

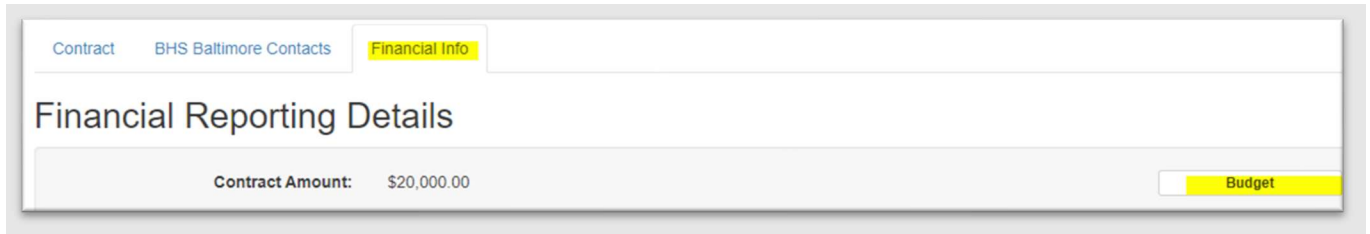
Please disclose all the sources of funds (fee collections, match funds, fundraising etc.) supporting your agency’s program/services by completing the “Source of Funding” page in Excel. This Excel form can be found on BHSB’s Website under For Providers, Forms for Providers, Budget Forms, Cost Reimbursement Contract-Sources of Funding or in CMS by clicking on the green CMS Support button. **Once completed, submit it together with the completed budget by uploading it to CMS under Supporting Documentation TAB as an attachment to the budget.**

The screenshot shows a web-based budget management interface. At the top, there are four buttons: "Add New Line Item", "Add Supporting Documentation", "Print Budget", and "Print Notes". Below these is a horizontal navigation bar with several tabs: "Personnel", "Fringe Benefits", "Consultants", "Equipment", "Operations", "Indirect", "Fee Collections", and "Supporting Documentation". The "Supporting Documentation" tab is highlighted in yellow. Below the navigation bar, there are two summary lines: "BHS Baltimore Personnel Total: \$0.00" and "Other / Matching Personnel Total: \$0.00". At the bottom, there are two input fields: "Items" and "Personnel Category Notes".

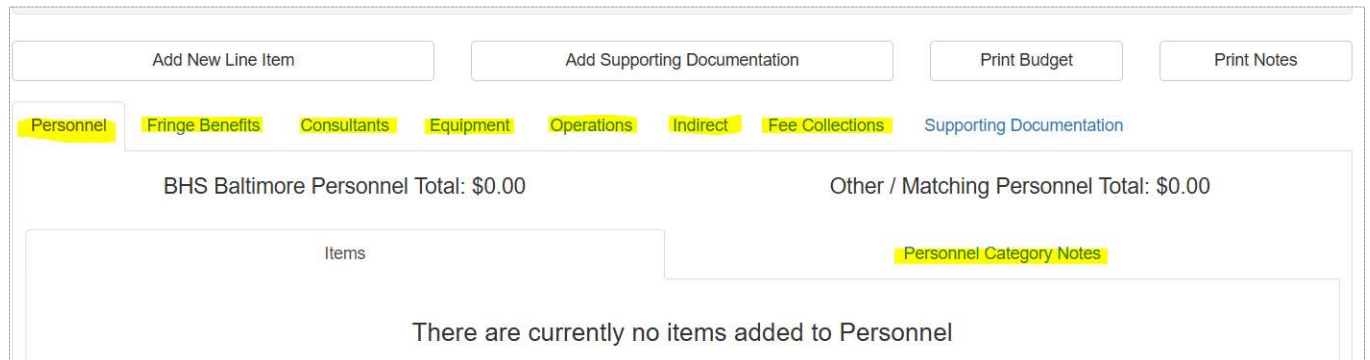
A sample budget is provided for your reference at the end of this document.

Getting started in CMS

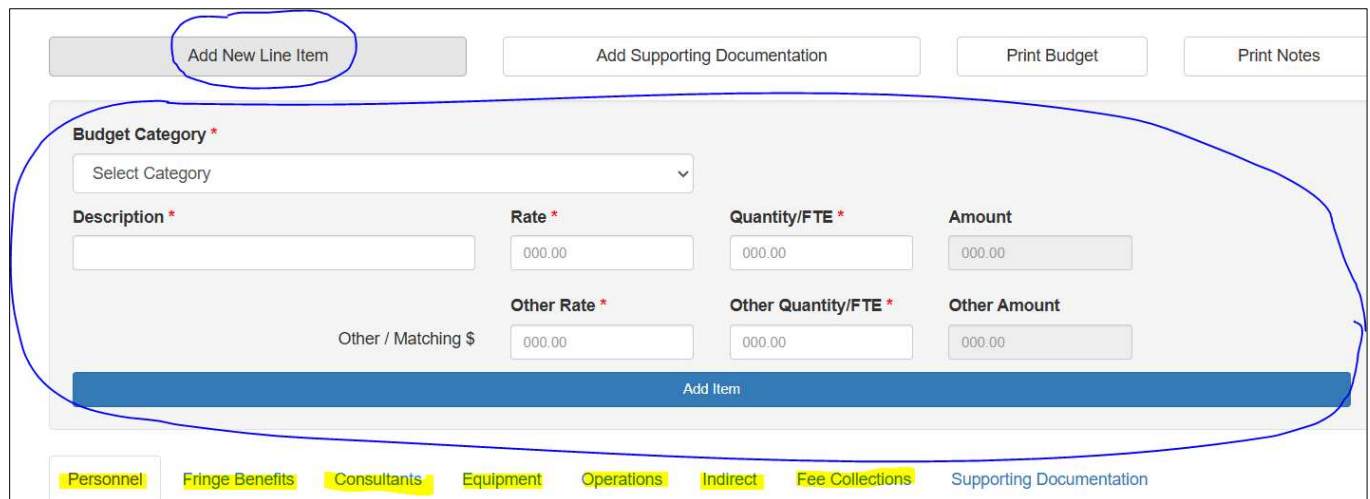
To start the budget entry go to "Financial Info" TAB and click on "Budget" button.



The budget is grouped by the following budget categories as identified by the TABs listed below i.e. **Personnel, Fringe Benefits, Consultants, Equipment, Operations, Indirect and Fee Collections**. For each category you will enter detail in accordance with instructions provided. For all items entered on the budget that pertain to BHSB contract, it will be required to also complete **Category Notes** to provide a detailed budget narrative. Incomplete or insufficient information will delay approval of the budget which will need to be returned for corrections.



Next go to "Add New Line Item". The screen will expand above the budget category TABs to show additional fields below:



Go to **"Budget Category"** field and select one of the listed budget categories you are ready to start filling out from the drop down menu.

Go to **"Description"**, **"Rate"**, **"Quantity/FTE"**, **"Other Rate"** and **"Other Quantity/FTE"** sections next and fill out the information for each Budget Category as specified under the **Specific Budget Category Instructions** section starting on page 7. "Amount" and "Other Amount" fields will populate automatically. If you do not have any other/match funding, make sure you still enter zero amount under Other / Matching \$ fields. The page will not update without filling in the **"Other Rate"** and **"Other Quantity/FTE"** fields. Instead it will prompt you to fill out any missed fields.

After entering each entry per the instruction, click on the blue button **"Add Item"**. This step will save the information you entered and the system will confirm by stating **"You have successfully added an item from this budget"** on top of the page.

To continue adding line items to the budget go back to **“Add New Line Item”**, then **“Budget Category”** field, select another budget category and continue filling in **“Description”**, **“Rate”**, and **“Quantity/FTE”**, **Other Rate”** and **“Other Quantity/FTE”**. **“Amount”** and **“Other Amount”** fields will populate automatically.

If you in the **“Rate”** and **“Quantity”** fields accidentally enter something the system doesn’t accept, it will state **“There was an error adding the item to the budget”** at the top of the page. Examples of errors could be special characters, letters, extra period etc. If any of the entered items under Rate and Quantity need correcting, go to these items, make corrections and click on **“Update Items”** button.

If you entered incorrect information in the **“Description”** field or you no longer want the item to be listed, you will need to delete it with the **“Delete”** button. Description field cannot be changed once saved, therefore, after deletion, you will need to re-enter the item with correct information.

BHS Baltimore Personnel Total: \$65,000.00		Other / Matching Personnel Total: \$0.00					
Items				Personnel Category Notes			
Description	Rate	Quantity	Amount	Reported	Estimated Balance*	Status	Delete
Mental Health Counselor - 010 - John Joe - LCSW-C							
BHS Baltimore Budget \$	65000.0000	1.0000	65,000.00	\$0.00	\$65,000.00	Active	Delete
Other / Matching \$	0.0000	0.0000	0.00	\$0.00	\$0.00		
Update Items							

Don't forget to complete the Budget **Category Notes** to provide additional information as required in the Specific Budget Category Instructions section.

BHS Baltimore Personnel Total: \$65,000.00				Other / Matching Personnel Total: \$0.00			
Items				Personnel Category Notes			
Description	Rate	Quantity	Amount	Reported	Estimated Balance*	Status	Delete
Mental Health Counselor - 010 - John Joe - LCSW-C							
BHS Baltimore Budget \$	<input type="text" value="65000.0000"/>	<input type="text" value="1.0000"/>	<input type="text" value="65,000.00"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$65,000.00"/>	<input type="button" value="Active"/>	<input type="button" value="Delete"/>
Other / Matching \$	<input type="text" value="0.0000"/>	<input type="text" value="0.0000"/>	<input type="text" value="0.00"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>		
<input type="button" value="Update Items"/>							

A note about the Category Notes section. If copying and pasting information from a Word or Excel document please make sure copied information does not extend beyond the CMS page edges. If it does, reformat the information and try again.

The screenshot shows a rich text editor interface for 'Personnel Category Notes'. It includes a toolbar with icons for undo, redo, bold, italic, underline, font color, background color, bulleted list, numbered list, indent, outdent, link, unlink, insert image, insert video, source code, and help. Below the toolbar is a text area with a vertical cursor. A blue arrow points to the left edge of the text area, and another blue arrow points to the right edge, indicating that copied content should not exceed these boundaries. At the bottom of the editor is a blue 'Save Category Notes' button.

Click on "Print Budget" button for a view of the entire budget. To view the budget notes, click on "Print Notes".

If you experience technical difficulties with CMS, please submit a ticket by clicking on "Support" button.

Specific Budget Category Instructions

Personnel

1. **Description** - In this field include the following:
 - a. Position Name – required, see below for more information
 - b. Position Number – required, see below for more information
 - c. Employee Name – required, see below for more information.
 - d. Licensure/Credentials – required, see below for more information.

For example: **Mental Health Counselor - 010 - John Joe - LCSW-C**

a. Position Name

Determine if the Scope of Work for this project requires specific positions to be included in the budget. These positions would be listed in the Staffing Pattern section of the document. If there are none, proceed to item 1) below. If there are some, proceed to item 2) below.

1) Scope of Work does **not** list any required staffing

- Enter the name of the position(s) as reflected in your Organizational Chart. Skip item 2) below and go to item b. Position Number.

2) Scope of Work lists required staffing

- Positions will be available to be selected from the drop-down menu under "Required Staffing Positions" TAB which is available once "Personnel" Budget Category is selected in CMS.

Budget Category * Personnel ▼	Required Staffing Positions * Select Required Staffing Assignment ▼
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- Select the required position name from the drop-down menu. Once selected, **do not enter the name in the description field**. By selecting the required position name from the drop-down menu, the name will populate automatically in the description field once you enter all the other required information in the description field (i.e., Position Number – Employee Name – Certification as applicable) is entered and saved. Please note that positions' names from the drop-down menu may not necessarily match the name on your organization chart but should reflect the role requirement for this funding and ensure that the

required positions are easily identified. Please make sure all required positions are selected and listed in the budget.

If you are done with listing all required positions and need to add others which are relevant and allowable under the project, select "**Other Staffing**" from the drop-down menu under "Required Staffing Positions" TAB which is available once "Personnel" Budget Category is selected. Then enter the name of the position as reflected in your Organizational Chart in the Description field. Then go to item b. Position Number

b. **Position Number**

Enter a unique number for each position. If your organization does not assign position numbers or job numbers, please assign them for the purpose of tracking these positions in the budget. They must be kept consistent from year to year. The purpose of assigning a unique number to each position is to be able to track the changes in each position as staff leave and new staff are hired to replace them. For example: if one employee leaves and another is hired, on the budget a position with an employee's name that departed will be deactivated and then the same position with the same number is added but with a newly hired employee's name. Another word, you would use the position number from the old employee on the new employee's description since the new employee is now in that position.

Example: **Mental Health Counselor - 010** - John Joe - LCSW-C
 Mental Health Counselor – 010 – Mary Smith – LCSW-C

If a particular position is funded by multiple grants, **the same number should be attached to that position across those grants**. If a position is eliminated the number should not be used again. If a new position is created, then a new unique number should be assigned.

- c. **Employee name** – names must match names listed on the Organizational Chart. List the name of the employee filling the position. If the position is currently not filled, enter "TBD" which stands for "to be determined".
- d. **Certification/Licensure** – updated certification/licensure must be entered for each position where certification/licensure is required. If not required, you do not need to enter anything.

2. **Rate** – rate field under the Personnel section of the budget refers to the annual salary for full-time employees, or annualized salary for part time employees. Annualized salary is the salary that your agency would pay annually if this position were full-time and is a basis for correct calculation of the Full Time Equivalency (FTE) and total grant funded salaries. If the funding is requested for a period that is less than twelve months prorate the annual or annualized salary for the time period the position is to be funded.
3. **Quantity** – quantity field under the Personnel section of the budget refers to the number of hours an employee is to work each week throughout the budgeted period reflected as a percentage which is then divided by a 100. An employee working 40 hours a week would be equivalent to a full-time position or 1 FTE = 100%. Enter the Full Time Equivalency in this format: 1 for 100%, 0.50 for 50% etc. An employee’s total FTEs across all active projects (including other grants and awards) must NOT exceed 100%.
4. **Amount** - total amount will generate automatically.
5. **Other/Matching \$** - if your agency receives **non-BHSB** funding for the same program/services as funded by this application, such as other state, federal, other grants and awards or if this grant requires matching dollars, enter costs associated with the program services to be delivered under this application that are supported by these non-BHSB sources. Do NOT include other BHSB grants here.
6. **Personnel Category Notes** – provide additional information and calculation that would support and help explain the cost requested on the line item.
 - a. List position, its position number from the line item, employee name.
 - b. Identify whether position is full-time, part-time, or hourly. Part-time status is determined based on the number of hours employee is working for the Organization, not the project.
 - c. State total hours per week budgeted on this grant.
 - d. Include estimated start dates and/or end dates for employees who are to be working less than 12 months or who haven’t been hired yet.
 - e. Show calculation by providing an annual salary, annualized salary for part-time employees, number of months employee is to work out of the year based on start and end dates and percentage FTEs to be funded. For example, if an employee is anticipated to be hired October 1, then the number of months to be budgeted would be 9 out of 12 or 9/12 for a 12-month contract ending June 30.
 - f. Briefly describe the roles and responsibilities of each position as they relate to this project. For the administrative staff explain how their services are directly integral to the project or activity.

Examples:

An employee with an annual salary of \$76,000 budgeted at 50% FTE for the full 12 months.

Please provide additional explanation and calculation in the Category Notes section i.e. MH Counselor, position 010 – John Joe Full-Time position. Working 20 hours on this project. Annual salary of \$76,000 x 1 year x 50% FTE = \$76,000 x 1 x 0.50 FTE = \$38,000. *MH Counselor conducts behavioral health assessments, completes referrals and written reports with treatment recommendations. Provides training and technical assistance to partners and consumers.*

Description *	Rate *	Quantity/FTE *	Amount
Mental Health Counselor - 010 - John Joe - LCSW-C	76000	0.50	38000
	Other Rate *	Other Quantity/FTE *	Other Amount
Other / Matching \$	0	0	0

An employee with an annual salary of \$76,000 budgeted at 50% effective 10/1 (9 months):

the annual salary of \$76,000 is prorated for 9 months and only \$57,000 is entered under the Rate column. Do **not** enter 76,000 under the "Rate" and 0.375 under the "Quantity/FTE" to arrive at the same total as this entry would show that the employee only works 15 hours per week (37.50% FTE x 40 hours a week = 15), which is not correct if the employee is working 20 hours which is 50% FTE.

Please provide additional explanation and calculation in the Category Notes section i.e. MH Counselor, position 010 – John Joe Full-Time position to be hired October 1. Working 20 hours per week on this project. Annual salary of \$76,000 x 9/12-year x 50%FTE = \$57,000 x 0.50 = \$28,500. *MH Counselor conducts behavioral health assessments, completes referrals and written reports with treatment recommendations. Provides training and technical assistance to partners and consumers.*

Description *	Rate *	Quantity/FTE *	Amount
Mental Health Counselor - 010 - John Joe - LCSW-C	57000	0.50	28500
	Other Rate *	Other Quantity/FTE *	Other Amount
Other / Matching \$	0	0	0

A part-time employee earning \$12.50 an hour working 10 hours a week for 12 months: to annualize the salary, multiply the hourly rate by 2080 hours, which reflects total work hours in a year i.e., \$12.50 x 2080 = \$26,000 and \$26,000 is entered under the Rate Column.

Please provide additional explanation and calculation in the Category Notes i.e. Administrative Assistant – 005 – J. Smith Part-Time position. Working 10 hours per week for this project @\$12.50/hour. \$12.50 x 2080 hours (annualized) = \$26,000 x 25.00% FTE = \$6,500. *Administrative Assistant provides administrative support such as scheduling appointments, obtaining authorization for services.*

For additional examples and calculations go to page 22.

Description *	Rate *	Quantity/FTE *	Amount
Administrative Assistant - 005 - Jane Smith	26000	0.25	6500
Other / Matching \$	Other Rate *	Other Quantity/FTE *	Other Amount
	0	0	0

Fringe Benefits

1. **Description** – enter “Fringe Costs” as a description. The Fringe Costs here represent the total for the budget and are calculated as a percentage of total Personnel costs in the Personnel section. Do NOT list the breakdown of the fringe costs here. Also, do NOT list fringe costs for each position separately. Instead use the Fringe Benefits Category notes to itemize all fringe benefits categories such as FICA (Social Security and Medicare), SUI (State Unemployment Insurance), Pension/401K, Health Insurance etc.
2. **Rate** – rate field under the Fringe Benefits section refers to the basis for calculating the fringe costs expressed in dollar amount. Enter Personnel Total budgeted in the Personnel section.
3. **Quantity** – enter the fringe rate as a total percentage of salaries from the Personnel section in this format 0.3000 for 30% etc.
4. **Amount** - total amount will generate automatically.
5. **Other / Matching \$** - if your agency receives non-BHSB funding for the same program/services as funded by this application, such as other state, federal, other grants and awards or if this grant requires matching dollars, enter costs associated with the program services to be delivered under this application that are supported by these non-BHSB sources. Do NOT include other BHSB grants here.
6. **Fringe Benefits Category Notes** – itemize all fringe benefits categories that make up the total fringe costs and their respective percentages and show a calculation for each category. Make sure the total percentages and amounts match the percentage and amount under Fringe Costs line item. Show the calculation.

Example:

FICA = 7.65% x \$300,000 = \$22,950
 SUI = 1.2% x \$300,000 = \$3,600
 Pension = 5% x \$300,000 = \$15,000
 Health Insurance = 10% x \$300,000 = \$30,000

Total = 23.85% x \$300,000 = \$71,550

Consultants

The consultant-contractor relationship is defined as individual, personal delivery of service where the format has a high degree of autonomy over use of time, selection of process, and utilization of resources.

Legal accounting or audit services should not be entered on this schedule but should be identified on the specific line items available in the Operations category section of the budget.

Nursing agency costs can be listed under either "Purchase of Services" or "Consultant". The appropriate category used should be based on your consistent treatment of the costs in your accounting records.

1. **Description** – list the individual's name. If payment is made to a business, list the firm's name. List only the highest applicable degree held. If the consultant has not been hired yet, state the name as "TBD" which stands for "to be determined".
2. **Rate** – enter hourly rate for each consultant listed. If the consultant is a business and there are multiple rates, enter total cost to be charged to this project.
3. **Quantity** – enter total number of hours. For consultants with multiple rates enter 1.
4. **Amount** - total amount will generate automatically.
5. **Other/Matching \$** - if your agency receives non-BHSB funding for the same program/services as funded by this application, such as other state, federal, other grants and awards or if this grant requires matching dollars, enter costs associated with the program services to be delivered under this application that are supported by these non-BHSB sources. Do NOT include other BHSB grants here.
6. **Consultant Category Notes** – state each consultant's professional area and work to be performed as well as anticipated date of hire or start dates for all the TBDs listed on the budget. If there are multiple rates, list each person, their role and their hourly rates and estimated hours, so when added equals to the total cost to be charged to this project or provide other payment structure negotiated with the consultant under this project.

Equipment

This section is to be used to identify each piece of equipment, and the source of funding used to purchase equipment. Equipment per the MDH Human Services Agreement Manual is defined as

any single item having a cost of \$500 or greater and a useful life of at least three years. Assets costing less than \$500 or having a useful life of less than three years need not be itemized and may be reported as "small equipment". An example could be office furniture items each costing under \$500. Please include description, purpose, whether the equipment is new or replacement and who will be using the equipment. If the equipment is to be used by other projects or used by staff that are not budgeted at 100% FTE, adjust the cost charged to this project accordingly to reflect this project's fair share.

1. **Description** – list each type of equipment item separately.

For example: **Lenovo ThinkPad 14" Laptop**

2. **Rate** – enter unit price of the item. If equipment is to be shared among different projects/grants enter a percentage of the cost to be charged to this grant. See Item 6 below for additional information.
3. **Quantity** – state total number of items to be purchased.
4. **Amount** – total amount will generate automatically.
5. **Other/Matching \$** - if your agency receives non-BHSB funding for the same program/services as funded by this application, such as other state, federal, other grants and awards or if this grant requires matching dollars, enter costs associated with the program services to be delivered under this application that are supported by these non-BHSB sources. Do NOT include other BHSB grants here.
6. **Equipment Category notes** - describe the need for each item to be purchased and who will be using it. Indicate if this is Equipment Replacement or Additional Equipment. If the item cost is split among different projects/grants, show how you calculated how much is charged to this grant versus other grants i.e., provide an actual unit price of the item multiplied by the number of items to be purchased multiplied by the percentage charged to this grant and other grants. Identify other projects/grants.

Operations

1. **Description** - select each line-item as applicable from the drop-down menu in the Description field. For items that do not fall under individual items listed, use "Other: (Specify)" line item and provide a description in the field "Specify Other". Except for "Other" which can be uniquely identified with additional description, when selecting other

line items from the drop-down menu, only select them once to avoid duplication. Itemized list of costs, descriptions, justifications and calculations need to be provided in the budget narrative.

Budget Category *
Operations

Description *

- Rent/Mortgage (Adm/Office)
- Rent/Mortgage (Adm/Office)
- Rent/ Mortgage (Residential/Client)
- Utilities
- Communications
- Transportation/Travel (Staff)
- Transportation/Travel (Client)
- Insurance
- Legal
- Accounting
- Audit
- Office Supplies
- Medicines & Drugs
- Clinical Supplies
- Postage
- Food
- Purchase of Service - Vendor
- Printing/ Duplication
- Building Repairs/Maintenance
- Housekeeping
- Equipment Repairs/Maintenance

Rate * 000.00 **Quantity/FTE *** 000.00 **Amount** 000.00

Other Rate * 000.00 **Other Quantity/FTE *** 000.00 **Other Amount** 000.00

Add Item

Equipment Operations Indirect Fee Collections Supporting Documentation

Total: \$0.00 Other / Matching Operations Total: \$0.00

Operations Category Notes

There are currently no items added to Operations

For each line item selected:

2. **Rate** - enter total costs requested.
3. **Quantity** – enter 1 as the unit in the Quantity field.
4. **Amount** - total amount will generate automatically.
5. **Other / Matching \$** - If your agency receives non-BHSB funding for the same program/services as funded by this application, such as other state, federal, other grants and awards or if this grant requires matching dollars, enter costs associated with the program services to be delivered under this application that are supported by these non-BHSB sources. Do NOT include other BHSB grants here.
6. **Operations Category Notes**

For each item supported by BHSB funds provide a detailed cost breakdown i.e., description, unit cost, quantity, etc. If the cost can't be itemized, include how the amount charged to this grant was determined, what methodology was used. This could be a square footage of space used for the program out of the total square footage of a facility

multiplied by total rental costs; or a total organizational cost of office supplies divided by the organization's total FTEs to arrive at an average cost per FTE multiplied by FTEs budgeted in the grant; or costs based on the total consumers to be served for client support or activity including costs for each type of support needed or activity planned. Show all the calculations. Make sure that they all add up to the total amount budgeted.

In addition, the following line items also require:

- a) **Rent/Mortgage** – list facility address
- b) **Transportation** - for local travel, enter the number of total miles and mileage reimbursement rate. Mileage reimbursement rate must be within State or Federal rates in effect. List staff who are traveling.
- c) **Travel** – list destination, anticipated travel dates and staff who are traveling. Identify the type of cost to be incurred e.g. Hotel/Lodging, M&IE, Airfare, Car Rental, Parking etc. Calculate costs for each, for example, if hotel/lodging list rate per night and number of nights, number of staff. If airfare, list costs for a roundtrip and number of staff.
- d) **Insurance** – list vendor, type of insurance and cost for each
- e) **Legal** – list vendor, hourly rate, and total hours to be worked
- f) **Accounting** – if personnel, list the person or vendor, hourly rate & total hours to be worked and description of work.
- g) **Audit** – list vendor, hourly rate & total hours to be worked
- h) **Medicine/Drugs** – list medications, unit costs and number to be purchased. For Methadone specify cost per pint, vendor, powder, or liquid form
- i) **Food** –List type of food, purpose, cost per participant per day and anticipated # of participants, # of days.
- j) **Staff Training** – list type of training, conferences and anticipated dates and locations, if not virtual, staff who will be attending and cost, such as registration, for each training/conference.
- k) **Lab/Urinalysis** – list and itemize lab costs

Indirect Costs

Indirect costs (IDC) are limited to 15% of the “modified total direct costs” or MTDC of the services provided. If your organization has an approved federal indirect cost rate, apply that rate. If you are charging IDC based on an approved federally negotiated IDC rate agreement, you must upload with your budget submission (see Supporting Documentation TAB) a copy of the IDC rate agreement in effect at the beginning of the budget period.

Add New Line Item		Add Supporting Documentation		Print Budget		Print Notes	
Personnel	Fringe Benefits	Consultants	Equipment	Operations	Indirect	Fee Collections	Supporting Documentation
BHS Baltimore Operations Total: \$0.00				Other / Matching Operations Total: \$0.00			
Items				Operations Category Notes			

Indirect costs are costs which have been incurred for multiple or common objectives or shared costs which are not readily identifiable as direct costs without effort disproportionate to the results achieved. For many nonprofits organizations these costs may include the costs of operating and maintaining facilities, general and administrative and general expenses, such as the salaries and expenses of executive officers, and personnel administration.

Indirect costs are not administrative or overhead costs per se. Such costs should be identified as direct costs unless they meet the foregoing criteria. All costs must be reasonable and necessary.

Modified total direct costs (MTDC) base consists of the following:

- a) All direct salaries and wages
- b) Applicable fringe benefits
- c) Materials and supplies
- d) Services
- e) Travel
- f) Up to the first \$25,000 of each subaward or contract (regardless of the period of performance the subaward or contract under the award)

The MTDC must exclude

- a) Expenditures for equipment
- b) Capital expenditures (e.g., office equipment and furnishings, alterations and renovations, telephone networks, and motor vehicles)
- c) Charges for patient care
- d) Rental costs
- e) Tuition remission
- f) Scholarships and fellowships
- g) Participant support costs (direct costs for items such as travel allowance and registration fees paid to or on behalf of participant or trainees (but not employees) in connection with conferences, or training projects)
- h) The portion of each subaward and subcontract in excess of \$25,000.

1. **Description** – enter “Indirect Costs.”
2. **Rate** – enter the basis used to calculate the costs i.e., amount calculated as MTDC.
3. **Quantity** – enter the percentage on which the IDC are calculated i.e., 0.1500 for 15%.
4. **Amount** - total amount will generate automatically.
5. **Other/Matching \$** - if your agency receives non-BHSB funding for the same program/services as funded by this application, such as other state, federal, other grants and awards or if this grant requires matching dollars, enter costs associated with the program services to be delivered under this application that are supported by these non-BHSB sources. Do NOT include other BHSB grants here.
6. **Indirect Costs Category Notes** – include the basis used for calculating the indirect costs. Include a calculation. Include a description of the type of costs that are covered by the indirect costs. Examples include Administrative Assistants, HR Specialist, Accounts Payable Personnel, etc.

If using fringe rate based on Negotiated Indirect Cost Rate Agreement (NICRA), please upload the agreement in the Budget section of CMS.

Fee Collections

If your agency’s program/services are supported by fee collections such as **third party income, Medicare, Medicaid, client fees, or interest, donations etc.**, expenditures for the BHSB budget should include costs supported by BHSB and by these fee collections and subsequently include estimated fee collections in the “**Fee Collections**” line item which will offset total costs to arrive at the BHSB funded award. Do not include fee collections in the Other / Matching \$ section of the budget.

1. **Description** – enter “Fee Collections”
2. **Rate** - enter total costs requested.
3. **Quantity** – enter 1 as the unit in the Quantity field.
4. **Amount** - total amount will generate automatically.
5. **Other/Matching \$** - enter the amount of fee collections reflected in other grants if applicable. If not applicable, enter zero.

6. **Fee Collections Category Notes** – include a detailed breakdown of type of fees collected i.e., third party income, Medicare, Medicaid, client fees etc. and show the calculation for the estimated fee collections. In addition, complete the “Source of Funding” page provided in Excel separately as an addendum to the budget and submit it together with the completed budget by uploading it to CMS under Supporting Documentation TAB.

Specific funding or services budget preparation instructions

Temporary Cash Assistance (TCA) (Addictions Program Specialists in local DSS Offices)

- DHR/FIA will only reimburse BHA/BHSB up to the amount stated in the initial allocation letter. If the cost to support the position(s) exceeds the budget request ceiling amount, include only the percentage of the position(s) that can be provided for within the TCA grant. The remaining percentage of the position(s) to be funded should be included in another BHA/BHSB funded grant and clearly identified as the TCA assessor position.
- The only **line items permitted** for funding and reimbursement by DHR/FIA are Salary and Fringe for the Addiction Specialists, Urinalysis and Indirect Costs.
- Any expenditure in line items other than those listed will not be permitted and will be the responsibility of the grantee.

Senate Bill 512 – Children In Need of Assistance (Assessor positions in Prince George’s, Washington, and Worcester Counties and Baltimore City Only)

- The only **allowable budget line items** are Salary, Fringe, Communications/Telephones, Office Supplies, Staff Travel, Client Travel, Staff Training and Indirect Costs.

House Bill 7 – Integration of Child Welfare and Substance Abuse Treatment Service (Assessor Positions) (Baltimore City and Prince George’s County Only)

- The only **allowable budget line items** are Salary, Fringe, Training, Travel, Telephone, Office Supplies and Indirect Costs.

Supplemental Funding for SB512 and HB7

- Funds shall be used to support the Child welfare Peer Recovery Specialist that works with the SB512 and HB7 programs.
- Funds shall also be used to for the requirement of Lab work (urinalyses) for the individual's involved in the programs

Drug Court Support Services (DCT)

Allowable Costs

- Staff who provide non-reimbursable case management or other supportive services
- Non-reimbursable clinical services associated with substance use disorder treatment services
- Peer support services associated with substance use disorder treatment services
- Transportation of clients to and from treatment services, court appearances, and other activities that are mandated through the courts

Unallowable Costs

- Purchase, maintenance, general upkeep or the cost of fuel for vehicles
- Public Defenders or other legal fees incurred by the Drug Court participant
- Supplement, substitute or supplant salary costs that are funded by the Federal, State or local government
- Cash payments directly to consumers
- Treatment services that are reimbursable by Medicaid.
- Payment for promotional items including, but not limited to, clothing or commemorative items such as pens, mugs/cups, folders/folios, lanyards, and conference bags, unless otherwise specified in the program deliverables as a part of the provision of services to the designated population.
- The purchase or construction of any building or structure to house any part of the program.

BUDGET SAMPLE:

Contract Budget

Contract Amount: \$126,000.00
 ABC Health Organization, Inc.

Project Total: \$449,253.97
 BHS Baltimore Budget Total: \$126,000.00
 Fee Collections: \$310,569.30
 Other/Matching Funds Total: \$12,684.67
 Contract Number: 2026-BH115-SUD-ABC

Category	BHS Baltimore					Other / Matching \$	Project \$
Personnel	Rate	Quantity	BHSB Amount	Other Rate	Other Quantity	Other / Matching \$	Project \$
SUD Counselor - 1001 - Mary Jane - CAC-AD	\$60,000.00	1.0000	\$60,000.00	0.00	0.0000	\$0.00	\$60,000.00
SUD Counselor - 1002 - John Joe - CAC-AD	\$58,000.00	1.0000	\$58,000.00	0.00	0.0000	\$0.00	\$58,000.00
SUD Counselor - 1003 - TBD - CAC-AD	\$43,500.00	1.0000	\$43,500.00	0.00	0.0000	\$0.00	\$43,500.00
Clinical Supervisor - 1010- Jacob Smith -CAC-AD	\$70,000.00	1.0000	\$70,000.00	0.00	0.0000	\$0.00	\$70,000.00
Other - Administrative Assistant - 1050 - Erica Ford	\$33,280.00	0.5000	\$16,640.00	\$33,280.00	0.2500	\$8,320.00	\$24,960.00
Personnel Total			\$248,140.00			\$8,320.00	\$256,460.00
Fringe Benefits	Rate	Quantity	BHSB Amount	Other Rate	Other Quantity	Other / Matching \$	Project \$
Fringe Costs	\$248,140.00	0.3000	\$74,442.00	\$8,320.00	0.3000	\$2,496.00	\$76,938.00
Fringe Benefits Total			\$74,442.00			\$2,496.00	\$76,938.00
Consultants	Rate	Quantity	BHSB Amount	Other Rate	Other Quantity	Other / Matching \$	Project \$
Samuel David, MD	\$150.00	260.0000	\$39,000.00	0.00	0.0000	\$0.00	\$39,000.00
Consultants Total			\$39,000.00			\$0.00	\$39,000.00
Equipment	Rate	Quantity	BHSB Amount	Other Rate	Other Quantity	Other / Matching \$	Project \$
Lenovo ThinkPad 14" Laptop	\$1,299.00	1.0000	\$1,299.00	0.00	0.0000	\$0.00	\$1,299.00
Small Equipment	\$791.00	1.0000	\$791.00	0.00	0.0000	\$0.00	\$791.00
Brother MFC-L3710CW Wireless All-In-One Printer	\$500.00	1.0000	\$500.00	\$246.27	1.0000	\$246.27	\$746.27
Equipment Total			\$2,590.00			\$246.27	\$2,836.27
Operations	Rate	Quantity	BHSB Amount	Other Rate	Other Quantity	Other / Matching \$	Project \$
Rent/Mortgage (Adm/Office)	\$8,100.00	1.0000	\$8,100.00	0.00	0.0000	\$0.00	\$8,100.00
Communications	\$225.00	1.0000	\$225.00	0.00	0.0000	\$0.00	\$225.00
Transportation/Travel (Staff)	\$401.73	1.0000	\$401.73	0.00	0.0000	\$0.00	\$401.73
Insurance	\$1,250.00	1.0000	\$1,250.00	0.00	0.0000	\$0.00	\$1,250.00
Accounting	\$234.29	1.0000	\$234.29	0.00	0.0000	\$0.00	\$234.29
Audit	\$2,000.00	1.0000	\$2,000.00	0.00	0.0000	\$0.00	\$2,000.00
Office Supplies	\$2,766.81	1.0000	\$2,766.81	0.00	0.0000	\$0.00	\$2,766.81
Printing	\$300.00	1.0000	\$300.00	0.00	0.0000	\$0.00	\$300.00
Staff Development/Training	\$820.00	1.0000	\$820.00	0.00	0.0000	\$0.00	\$820.00
Promotional/Personnel Advertising	\$750.00	1.0000	\$750.00	0.00	0.0000	\$0.00	\$750.00
Operations Total			\$16,847.83			\$0.00	\$16,847.83
Indirect	Rate	Quantity	BHSB Amount	Other Rate	Other Quantity	Other / Matching \$	Project \$
Indirect Costs	\$370,329.83	0.1500	\$55,549.47	\$10,816.00	0.1500	\$1,622.40	\$57,171.87
Indirect Total			\$55,549.47			\$1,622.40	\$57,171.87
Fee Collections	Rate	Quantity	BHSB Amount	Other Rate	Other Quantity	Other / Matching \$	Project \$
Fee Collections Total			\$310,569.30			\$0.00	\$310,569.30
Total			\$126,000.00			\$12,684.67	\$138,684.67

BUDGET NARRATIVE SAMPLE:

Category	BHS Baltimore	Other Matching	Project \$
Personnel	\$248,140.00	\$8,320.00	\$256,460.00
SUD Counselor - Position #1001 - Mary Jane. Full Time position. Working 40 hours per week on this grant.			
SUD Counselor - Position #1002 - John Joe. Full Time position. Working 40 hours per week on this grant.			
SUD Counselor - Position #1003 - currently vacant. Anticipated date of hire is 10/1/2025. Annual Salary of \$58,000 / 12 months x 9 months = \$43,500			
Clinical Supervisor - Position #1010 - Jacob Smith. Full Time position. Working 40 hours per week on this grant.			
Administrative Position - Position #1050 is a part time position working 30 hours per week on this grant @ \$16.00 per hour. \$16.00 x 2080 hours (annualized) = \$33,280			
<i>SUD Counselors - provide assessment and treatment by evaluating clients' mental and physical health, developing personalized treatment plans, and providing counseling services.</i>			
<i>Clinical Supervisor - oversees daily clinical operations and ensure compliance with healthcare regulations. Provides supervision.</i>			
<i>Administrative Staff - provides administrative support such as scheduling appointments, obtaining authorization for services.</i>			
Fringe Benefits	\$74,442.00	\$2,496.00	\$76,938.00
Fringe costs are calculated at 30% of total salary costs:			
FICA = 7.65% x \$248,140 = \$18,982.71			
SUI = 1.85% x \$248,140 = \$4,590.59			
Health Insurance = 12.20% x \$248,140 = \$30,273.08			
Workmen's Compensation = \$1.25% x \$248,140 = \$3,101.75			
403 (b) = 6% x \$248,140 = \$14,888.4			
Other: Life Insurance & Disability = 1.05% x \$248,140 = \$2,605.47			
Total = 30% x \$248,140 = \$74,442.00			
Consultants	\$39,000.00	\$0.00	\$39,000.00
Dr. David - Medical Director, will provide medical oversight 5 hours a week			
Equipment	\$2,590.00	\$246.27	\$2,836.27
Laptop - new purchase for a new position #1003 SUD Counselor			
Small Equipment - replacement of 10 waiting area chairs for clients and a small table			
Printer (color) - replacement of existing printer used by the Administrative Assistant Position #1050. This equipment is shared between two projects. 67% is allocated to this grant = \$746.27 x 0.67 = \$500.00 and 33% is allocated to another grant (BCHD) = \$746.27 x 0.33 = \$246.27.			
Operations	\$16,847.83	\$0.00	\$16,847.83
Rent - office space at 2513 Smith Road, Suite 250. Annual rent of \$36,000/20 total FTEs x 4.50 FTEs budgeted on this grant = \$8,100.00			
Communications - Internet and phones at \$1,000/20 total FTEs x 4.50 FTEs budgeted on this grant = \$225.00			
Transportation/Travel (Staff) - 2 SUD Counselors (position #1001, #1002) to attend AATOD Conference in Timonium, MD from October 30-November 3, 2025. 2 staff x 70 miles x 0.585/mile = \$81.90. Parking at \$32/day x 5 days x 2 staff = \$320.00. Total = \$81.90 + \$320.00 = \$401.90 rounded to \$401.73 to fit within the budget mark.			
Insurance - The Harford - professional insurance (\$800) and general liability insurance (\$450). Total cost of \$5,000 x 25% (this grant as a percentage of total funding) = \$1,250.00			
Accounting - ADP, Inc. Payroll preparation \$40.05 per pay x 26 pays = \$1,041.30 x 22.50% (4.50 FTEs / 20 FTEs total) = \$234.29			
Audit - preparation of audited financial statements in accordance with Government Auditing Standards (Single Audit) - Benjamin & Associates, CPAs. Total audit = \$8,000 x 25% (this grant as a percentage of total funding) = \$2,000.00			
Office Supplies - paper, ink cartridges, pens, folders, computer supplies etc. @ \$615 per FTE based on prior year average x 4.50 FTEs = \$2,767.50 adjusted down by \$0.69 to \$2,766.81 to fit into award amount			
Printing - printing of program brochures to be disseminated to consumers, program materials and reports @ \$25/month x 12 months = \$300.00			
Staff Training - Tuerk Conference (Baltimore, MD May 15 and 16, 2026) registration at \$155 each for four staff (3 SUD Counselors, #1001, #1002, #1003 and 1 Clinical Supervisor, #1010). \$155 x 4 = \$620.00. ATODD Conference (Oct 30-Nov 3, 2025) registration @ \$100 x 2 staff (2 SUD Counselors, #1001 and #1002) = \$200. Total = \$620.00+\$200.00= \$820.00			
Promotional/Personnel Advtg - advertising on ZipRecruiter for recruitment of new staff, position #1003- \$750.00			
Indirect	\$55,549.47	\$1,622.40	\$57,171.87
Indirect is calculated at 15% of Modified Total Direct Costs. Total Direct Costs = \$381,019.83 less Equipment (\$2,590.00), and Rent (\$8,100.00) = \$370,329.83 x 15% = \$55,549.47 . Includes costs for Billing, Accounts Payable, Purchasing, Human Resources, Payroll Staff, Administrative Oversight, and Management Information Systems.			
Fee Collections	\$310,569.30	\$0.00	\$310,569.30
Medicaid fee collections estimated at \$3,450.77 per individual x 90 individuals = \$310,569.30			

Personnel changes examples

Example A) Calculation - show the calculations in the narrative			
Full Time Employee (as defined by your Organization) spending 100% time on the project	Annual Salary (Rate Column)	FTE (Quantity column)	BHSB Funded
Sample: 40 hours per week	50,000.00	1.0000	50,000.00
Sample: 37.5 hours per week	50,000.00	1.0000	50,000.00
Sample: 35 hours per week	50,000.00	1.0000	50,000.00

Example B-1) Calculation - show the calculations in the narrative			
Full time employee LEAVING after 3 months into the Fiscal Year (last day 9/30).	Annual Salary (Rate Column)	FTE (Quantity column)	BHSB Funded
e employee's Annual Salary for period worked i.e., 3 months	\$ 50,000/12 X 3	1.0000	12,500.00

Example B-2) Calculation - show the calculations in the narrative			
Same employee but vacation payout or severance pay in the amount of \$3,500 was paid after the 3rd month ended. Do a Budget Modification. Create a new Line item and call it "Vacation Payout" or "Severance Pay" with the Employee's name and Job number.	Annual Salary (Rate Column)	FTE (Quantity column)	BHSB Funded
Vacation payout or severance pay in the amount of \$3,500	3,500.00	1.0000	3,500.00

Example C) Calculation - show the calculations in the narrative			
Full time employee working 100% of time on the project STARTING after 3 months into the Fiscal Year, effective 10/1.	Annual Salary (Rate Column)	FTE (Quantity column)	BHSB Funded
Start Date 10/1/20xx Prorate the Annual Salary for 9 months	9 Months of Employment \$50,000 x 9/12	1.0000	37,500.00

Example D) Calculation - show the calculations in the narrative			
Full time employee spending less than 100% of time on the project i.e. 20 hours per week each week of the year	Annual Salary (Rate Column)	FTE (Quantity column)	BHSB Funded
FTE is based on a 40 hour work week:	20 hours divided by 40 = 0.50	0.5000	25,000.00

Example E) Calculation - show the calculations in the narrative			
Part Time employee starts working on the projects after the Fiscal Year begins and only works 20 hours per week.	Annual Salary (Rate Column)	FTE (Quantity column)	BHSB Funded
Start Date 10/1/20xx Translate 20 hours per week into FTE If the Hourly Rate is: Translate the Hourly Rate into Annualized Salary (Organization uses 40 hours as Full time or 40 hours x 52 weeks = 2080 hrs per year) Prorate the Annualized Salary for 9 months	9 Months of Employment 20/40=0.50 \$36.50 \$36.50 x 2080 hours per year=\$75,920 \$75,920 x 9/12 months=\$56,940	0.5000	28,470.00

Example F)**Calculation - show the calculations in the narrative**

Salary increase after Fiscal Year begun and full time employee is working 2 hours per week on the Project. The hours worked on the project have not changed.

	Annual Salary (Rate Column)	FTE (Quantity column)	BHSB Funded
Amount budgeted prior to salary increase:	60,000.00	0.0500	3,000.00
Do a Budget modification to reflect the Salary Increase			
Current Annual Salary: 7/1/20xx-1/31/20xx	\$60,000.00		
New Annual Salary: 2/1/20xx-6/30/20xx	\$75,000.00		
Prorate Old Annual Salary for 7 months:	$\$60,000 / 12 \text{ months} \times 7 \text{ months} = \$35,000$		
Prorate New Annual Salary for 5 months:	$\$75,000 / 12 \text{ Months} \times 5 \text{ months} = \$31,250$		
Take the prorated Old Salary and add to the prorated New Salary:	$\$35,000 + \$31,250 = \$66,250$		
Show all calculations and the explanations in the budget narrative	66,250.00	0.0500	3,312.50

Example G)**Calculation - show the calculations in the narrative**

Employee's FTEs are changing after Fiscal Year begun and full time employee is now expected to work 5 instead of 2 hours per week on the Project effective January 1. Salary remains the same.

	Annual Salary (Rate Column)	FTE (Quantity column)	BHSB Funded
Amount budgeted prior to change in FTEs:	60,000.00	0.0500	3,000.00
Do a Budget modification to reflect change in FTEs and increased budgeted amount as a result			
Current FTEs: 7/1/20xx-12/31/20xx	0.050		
New FTEs: 1/1/20xx-6/30/20xx	0.125		
Calculate amount needed for the first 6 months of the budget:	$\$60,000 / 12 * 6 * 0.05 = \$30,000 * 0.050 = \$1,500$		
Calculate amount needed for the second 6 months of the budget:	$\$60,000 / 12 * 6 * 0.125 = \$30,000 * 0.125 = \$3,750$		
Add these two amountss to get total amount needed for the entire year:	$\$1,500 + \$3,750 = \$5,250$		
Need to reflect new FTE and calculated above amount needed			
Back into the amount that needs to be put in the Rate Column.			
Calculate the Annual Salary by taking \$5,250 and divide it by 0.125. It will not be an actual annual salary.	$\$5,250 / 0.125 = \$42,000$		
Therefore, you must show all calculations and add the explanations in the budget narrative	42,000.00	0.1250	5,250.00

Behavioral Health System Baltimore, Inc. (BHS Baltimore)
BUDGET ADDENDUM
SOURCES OF FUNDING

Organization Name:	ABC Health Organization, Inc.
Program Title:	Substance Use Services
Funding Source:	BH115

SOURCES	AMOUNT
BHSB AWARD	126,000.00
LOCAL GOV'T AWARD (Baltimore City Health Department)	12,684.67
OTHER AWARD - FED, STATE OR PRIVATE AGENCY (SPECIFY)	
FEES	
MDH CLIENT FEE COLLECTIONS	
OTHER CLIENT FEE COLLECTIONS	
MEDICAID PAYMENTS	310,569.30
MEDICARE PAYMENTS	
INSURANCE/PRIVATE	
SSI/SSDI	
OTHER - IDENTIFY	
FUNDRAISING/DONATIONS	
UNITED CHARITIES	
INTEREST	
Total Funding (Must Equal Total Costs in Total Program Budget on Budget)	449,253.97