

***New Community Opportunities Center at ILRU
Presents...***



**Expanding CIL Capacity through Youth Transition Services:
Collaborating with School Districts and Vocational Rehabilitation**

Analyzing Costs and Setting Rates for Services

**August 14, 2014
10:45 a.m. – 12:00 p.m.**

**Presenter:
Cara Steidel**

Analyze Costs and Set Rates for Service



- Setting rates for service is a collaborative effort between executive, program, and finance directors.

Think Ahead



- Start thinking FFS on Day 1 of the Grant Period
- Research and become aware of:
 - Similar programs in the community
 - Prevalent rate for the service
 - The uniqueness of your program
 - Things you would do differently now that you have actual experience

Look at Numbers

Converting plans, ideas and assumptions to numbers

- Use the grant budget as the starting point
- Revise the grant budget based on actual experience
- Make intelligent assumptions

Use Grant Budget as Starting Point



	Grant Budget	FFS Budget
Direct Program Costs:		
Program Director	40,000	40,000
Program Staff	120,000	150,000
Program Staff Benefits	48,000	57,000
Rent	10,000	10,000
Workers Comp Insurance	5,000	5,000
Liability Insurance	2,000	2,000
Start Up Costs	4,000	1,000
Utilities	6,000	6,000
Supplies	3,000	3,000
Travel	9,000	15,000
Total Direct Program Costs	247,000	289,000
Program Support Costs:		
Support Staff and Benefits	50,000	50,000
Other	25,000	25,000
Total Program Support Costs	75,000	75,000
Total Program Costs	322,000	364,000

Analyze Minimum Costs



- Determine the minimum costs of the program

Make Projections for FFS Budget



	FFS Budget	FFS Minimum Costs
Direct Program Costs:		
Program Director	40,000	40,000
Program Staff	150,000	150,000
Program Staff Benefits	57,000	57,000
Rent	10,000	5,000
Workers Comp Insurance	5,000	5,000
Liability Insurance	2,000	2,000
Start Up Costs	1,000	1,000
Utilities	6,000	3,000
Supplies	3,000	1,500
Travel	15,000	15,000
Total Direct Program Costs	289,000	279,500
Program Support Costs:		
Support Staff and Benefits	50,000	
Other	25,000	
Total Program Support Costs	75,000	0
Total Program Costs	364,000	279,500

Convert to Billable Hours



- Calculate available billable hours

Do Calculations



Total Available Hours Calculation - per staff member	
hours per day	7.5
hours per week	37.5
Number of weeks per year	52.0
Total Hours(maximum)	1,950.0
less benefit time:	
Holidays	82.5
Sick Time	75.0
Vacation	112.5
Total benefit time	270.0
Total Hours available to program - per staff member	1,680.0

Do Calculations, cont'd.



Total Hours available to program	1,680.0
Number of Program Staff	5.0
% of time available to bill	70%
Number of Hours for Program Staff	5,880.0
Program Director	1.0
% of time available to bill	50%
Number of Hours for Program Staff	2,940.0
Total Hours available to bill	8,820.0

Determine Program Billable Rate



Total Program Costs	364,000
	Divided by
Billable Hours	8,820
Program Rate	\$41.27

Calculate Required Minimum Billable Hours



Minimum Program Costs	279,500
	divided by
Program Rate	\$41.27
Minimum Billable Hours	6,773

Monitor Cash Flow & Collections



- Cash Flow considerations
 - Line of Credit
 - Type of customer that will utilize services
- Collections
 - Establish policy before providing service
 - What is the customers cash source?
 - Plan on having bad debts

Contact



Cara Steidel – Director of Finance

CaraSteidel@lvcil.org

Lehigh Valley Center for Independent Living

Office: (610) 770-9781

TTY: (610) 770-9789

New Community Opportunities Attribution



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