

ANNUAL OPERATING BUDGET

INTRODUCTION

The Annual Operating Budget provides financial information regarding anticipated revenue and anticipated expenses. Anticipated revenue and expenses reflect the expected revenue and expenses for the next year of operations and constitute the working budget for the facility. This form is of primary importance in providing selected information needed to determine financial responsibility at initial application as required by § 63.2-1702 of the Code of Virginia. When completing this form, do not include any revenue or expenses that are not directly associated with operation of the licensed facility. The instructions for completing the form which follow describe the information to be recorded for each item.

INSTRUCTIONS FOR COMPLETING THE FORM

ANTICIPATED REVENUE: This section should reflect the anticipated annual income available to operate the facility. It should **not** reflect the anticipated annual income of the applicant(s) unless this income was or will be used to operate the facility. Anticipated amounts should be as accurate as possible and supported by confirming documentation to the maximum extent feasible.

1. Fees for Care: The anticipated revenue which was or will be received each year as fees or payments for care should be entered here. Anticipated values should be based on the rate per child or adult to be charged by the facility and the number of children or adults who will actually be in care during the next year of operation. This may be estimated to be less than the licensed capacity which is being requested on the application and, if so, should be used rather than licensed capacity in determining the anticipated revenue to be received.
2. Fees for Other Clients/Services (only applies to assisted living facilities and children's residential facilities): The anticipated revenue which was and will be received each year as fees or payments for care or services provided to children or adults other than those in residential (24 hour) care.
3. Federal Funds: The revenue which will be received each year from Federal agencies. Do not include revenue already listed as part of "Fees for Care."
4. State Funds: The revenue which will be received each year from State agencies. Do not include revenue already listed as part of "Fees for Care."
5. Local Funds: The revenue which will be received each year from localities. Do not include revenue already listed as part of "Fees for Care."

6. Income from Investments: Annual income to support facility operation which will be provided by any existing investments.
7. Endowment/Trust Fund(s): Revenue which is to be received for the entire year from any endowments or trust funds which currently exist and would provide income to be used to support facility operations.
8. Donations/Solicitations: Income estimated to be received from such sources as religious or fraternal organizations, United Way funds, fund drives and solicitations, or any other fundraising activity used to support facility operations.
9. Other (Specify): Annual income estimated to be received from any other source(s) which will be used to operate the facility. Specify each source and the amount.

ANTICIPATED EXPENSES: This section includes anticipated annual expenses of facility operation. It is the total of all expense items shown below. Three major categories of expenses are shown. The explanations of the sub-headings are intended to assist the applicant in understanding the number and types of financial considerations which may be involved in facility operation, and to assist the Department in evaluating the facility's application.

1. Administration:
 - a. Office Supplies & Equipment: Estimated annual cost of expendable and non-expendable items used for administrative purposes. (*e.g. pens, pencils, paper*).
 - b. Insurance:
 - (1) Liability (Premises and Operations): Total annual cost of liability insurance covering the premises and operation.
 - (2) Liability (Vehicles): Total annual cost of liability insurance covering all of the vehicles used in support of System's Operations.
 - (3) Other: Total annual cost of other types of insurance (*e.g. fire insurance*).
NOTE: Health Care, Group Life, and other insurance benefiting employees should be shown under Item 2.a. Salaries, Wages & Benefits and not in this item.
 - c. Interest: Total amount of interest payments due within the next year on outstanding loans or other debts.

- d. Taxes: Annual amount of all taxes which must be paid this year by the facility. This would include VEC taxes and Federal Unemployment Taxes which must be paid on employees' salaries and wages as well as business license taxes, property taxes, real estate taxes (if not included as part of the mortgage payment under Item 3, below). NOTE: The Employer's FICA (Social Security) taxes must be shown under Item 2, b, and not in this item. Specify each tax on a separate line under the entry "taxes."
2. Salaries, Wages & Benefits:
 - a. Salaries & Wages: All salaries and wages to be paid by the facility to its employees including those employed through contract; and any salaries or wages to be paid by facility revenue for any officers, members, managers, clerks, assistants, professional staff, etc. of the licensed entity (sole proprietor, corporation, limited liability company, business trust, partnership, public agency, or association).
 - b. FICA (Social Security): Enter the total annual FICA (Social Security) tax, (including both OASDI and Medicare) to be paid by the facility for all employees and others listed above.
 - c. Health Care Insurance: Total amount of annual premiums to be paid by the facility for health care insurance for employees and others listed above when the cost of all or part of such insurance is provided by the facility. Do not include portions paid by employees.
 - d. Group Life Insurance: Total amount of annual premiums to be paid by the facility for employee group life insurance when the cost of all or part of such insurance is provided by the facility.
 - e. Employer Retirement Contribution: Total annual contribution to be made by the facility to the retirement fund(s) of employees and others listed above.
 - f. Other Benefits (Specify): On an item-by-item basis, the cost(s) of any additional benefits provided by the facility to employees and others listed above.
 3. Operations:
 - a. Food: Anticipated annual cost of food to be used in the facility. It includes the cost of all meal and snacks each day. *(Do not include the cost of food provided at no cost to staff who are required to eat with participants or residents. These costs are reported under Item 3.m: Other.)*

- b. Rent or Mortgage Payments: Payments for buildings/property of the facility (*e.g. office building, living units*); amount shown should be the total annual expense.
- c. Utilities: Total of payments to be made by the facility for electricity, water, fuel oil, gas (*for heating*), sewage and refuse services, telephone and similar services.
- d. Maintenance & Repairs: Annual cost of all items used to maintain and carry out necessary repairs on the facility. This would include such items as paint, lumber, nails, roofing materials, grass seed.
- e. Equipment and Supplies: Total projected annual cost of equipment, **which is not to be depreciated**, and expendable supplies which will be used to support facility operation in areas other than the administrative offices. Equipment rental costs should be included here.
- f. Depreciation: Buildings: Total annual estimate of depreciation on all buildings owned and utilized by the applicant to support facility operation other than administration (*e.g., classrooms, residential cottages*).
- g. Depreciation: Equipment: Total annual estimate of depreciation on all capital equipment owned and used by the facility in support of operation other than administration (*e.g., food service equipment, furniture in residential cottages, classroom equipment, vehicles*).
- h. Motor Vehicles: All expenses related to the maintenance and operation of cars, vans, trucks, etc, owned by the facility and used in support of the operation of the facility.
- i. Laundry and Linens: Cost of soap, detergents, etc., required for the laundry of table linens, bed linens, etc., used by the facility and the cost for outside laundry services.
- j. Staff Travel: Total projected travel expense for staff which will be incurred in support of facility operations and the program offered by the facility. This includes transportation costs, the cost for food and the cost for lodging if overnight travel is required.
- k. Staff Training: Projected annual costs of formal training for facility staff which will be paid for or reimbursed by the facility.
- l. Contractual Services: Projected annual cost for any services provided to the facility under contract to support the program offered or facility operation. List each contractual service separately.

- m. Other (Specify): Annual cost of all other expenses not included in other items. Specify each item of expense included here and the expense amount (*e.g. the estimated cost of meals provided at no cost to staff required to eat with residents or participants would be entered here.*

**VIRGINIA DEPARTMENT OF SOCIAL SERVICES
DIVISION OF LICENSING PROGRAMS**

ANNUAL WORKING BUDGET

DATE: _____

NAME OF FACILITY: _____

REVENUE (ANTICIPATED)

Date: _____ **to** _____

Fees for Care _____

Fees from Other Clients/Services _____

Federal Funds _____

State Funds _____

Local Funds _____

Endowment(s)/Trust Fund(s) _____

Income from Investments _____

Donations/Solicitations _____

Other (*Specify*) _____

TOTAL REVENUE: \$ _____

EXPENSES (ANTICIPATED)

Date: _____ to _____

1. ADMINISTRATION

Office Supplies & Equipment \$ _____

Insurance

Liability (Premises/Operations) _____

Liability (Vehicles) _____

Other (Specify by Type) _____

Interest _____

Taxes (Specify by Type) _____

TOTAL ADMINISTRATIVE EXPENSES _____

2. SALARIES, WAGES, AND BENEFITS

Salaries and Wages \$ _____

FICA (Social Security) _____

Health Care Insurance _____

Group Life Insurance _____

Employer Retirement Contributions _____

Other Benefits (Specify) _____

**TOTAL SALARIES, WAGES,
AND BENEFITS EXPENSES** _____

EXPENSES (ANTICIPATED)

Date: _____ **to** _____

3. OPERATIONS

Food \$ _____

Rent and Mortgage _____

Utilities _____

Maintenance & Repairs _____

Equipment & Supplies _____

Laundry and Linens _____

Motor Vehicles _____

Staff Travel _____

Staff Training _____

Contractual Services (Specify) _____

Other (Specify) _____

TOTAL OPERATIONS EXPENSES _____

**TOTAL EXPENSES (Administration;
Salaries, Wages, and Benefits; and
Operations):**

\$ _____