

## **Detailed Budget Narrative Explanations ABC Low Income Taxpayer Clinic – 2014 Grant Cycle**

### **A. Personnel:**

Personnel costs represent the salaries paid to the following clinic staff:

- QTE/Clinic Director (0.30 FTE) – paid 25% from federal funds and 75% from State Legal Services funds.
- Staff Attorney (1.00 FTE) – paid 50% from federal funds and 50% from State Legal Services funds.
- QBA (0.06 FTE) – paid 100% from state Legal Services funds.
- Clerical Assistant (1.00 FTE) – paid 50% from federal funds and 50% from State Legal Services funds.

Clinic staff devotes 90% of their time to the Controversy Program and 10% of their time to the ESL Program.

### **B. Fringe Benefits:**

The recipient's fringe benefit rate is 27.8% of salaries. Fringe benefits represent the cost of Social Security and Medicare taxes, federal and state unemployment taxes, health insurance premiums, and pension contributions paid by the recipient on behalf of clinic staff. Fringe benefits are paid using federal funds and state Legal Services funds in the same ratios as used for personnel costs.

### **C. Travel:**

Travel expenses represent the cost of attending the Annual LITC Conference and the cost of traveling to and from sites to conduct ESL education and outreach activities. All travel costs are paid using federal funds.

### **D. Equipment:**

Equipment expenses represent the purchase of two laptop computers that are used exclusively by the Staff Attorney and Clerical Assistant. The recipient used state Legal Services funds to purchase the computers.

### **E. Supplies:**

Supplies represent the cost of paper, envelopes, postage, printing, and other office supplies used in the clinic. In general, the cost of supplies used in the clinic is allocated 90% to the Controversy Program and 10% to the ESL Program. However, certain costs, such as printing flyers and materials in Spanish and Vietnamese that are used exclusively in ELSE outreach and education activities, are charged to the ESL Program. The recipient used \$3,850 of federal funds and \$2,000 of state Legal Services funds to purchase supplies.

### **F. Contractual:**

Contractual expenses represent the share of rent and utilities paid for the portion of space occupied by the clinic within the recipient's facility. These costs are determined using a pro

rated percentage based on square footage. The recipient used state Legal Services funds to pay all rent and utilities costs.

**G. Construction:**

Not applicable.

**H. Other Expenses:**

Other expenses represent the cost of maintaining a tax library and the value of volunteer in-kind services. The tax library costs include the purchase of a copy of the Internal Revenue Code and Regulations, as well as a subscription to an online tax research network. All tax library costs are paid with federal funds.

In-kind services represent the value of services provided by volunteer attorneys who provide *pro-bono* representation on behalf of low income taxpayers in controversies with the IRS and clerical volunteers who assist in arranging ESL education and outreach activities. The rate used to value volunteer attorney hours is \$38.34/hour which represents the wage rate (\$30/hour) plus the related fringe benefit rate (27.8%) paid to the clinic's Staff Attorney. The rate used to value clinical volunteer hours is \$19.17/hour which represents the wage rate (\$15/hour) plus the related fringe benefit rate (27.8%) paid to the clinic's Clerical Assistant.

**J. Indirect Costs:**

Indirect costs represent a charge for certain administrative expenses of the recipient based on a rate established by the Department of Health & Human Services. The rate of 30% of federal direct charges is the provisional rate in effect throughout this grant period.

**Matching Funds:**

Total matching funds for this period were \$122,750. The recipient provided \$109,625 from state Legal Services funds and \$13,125 represents the value of in-kind services provided by volunteers.