

FEDERAL COLLEGE WORK STUDY BUDGET PREPARATION

1. Each campus receives an allocation letter in March. The federal allocation represents 75 percent of the college work study wages plus a five percent administrative allowance computed on 100 percent of the college work study wages. The remaining 25 percent of wages is funded with local matching resources. A college may be eligible for a waiver of the matching requirement if they meet certain federal requirements, e.g., they are a Title III recipient. As the federal allocation and administrative allowance percent is subject to change by federal law, this procedure will adjust to any changes accordingly.
2. Based on the federal revenue allocated, the total student salaries to be budgeted are calculated by dividing the federal allocation by the percentage paid by the federal government.

Example: Allocation: \$75,000
 Federal Share: 75 percent of salaries
 Federal Administrative Cost Allowance: 5 percent
 College Matching Allocation: 25 percent

\$75,000 divided by 80 percent equals \$93,750

3. Federal Share is calculated by multiplying total student salaries by the required percentage allowed.

Example: Student Salaries: \$93,750
 \$93,750 multiplied by 75 percent equals \$70,313

4. Federal administrative fees are calculated by multiplying the total student salaries by 5 percent. These funds may be used for any general fund operating expense and are recorded in the Unrestricted General Fund (Fund 11).

Example: Student Salaries: \$93,750
 \$93,750 multiplied by 5 percent equals \$4,687

5. The total federal administrative fees and federal share of student salaries may never exceed the Federal Grant Allocation.

Example:	Administrative Fees	\$ 4,687
	Federal Share of Salaries	<u>70,313</u>
		\$75,000

6. Based on the current campus matching requirements the amount of matching funds is calculated by multiplying the total salaries times the percentage matching required.

Example: Salaries Available \$93,750
 Campus Match 25 percent

\$93,750 multiplied by 25 percent equals \$23,437

7. Campus officials decide which programs will fund the campus match and to what degree each program will share in the match. The matching funds and the corresponding expenditures remain in the General Operating Fund (Fund 11).

8. Any employer-paid benefits and/or taxes will be paid from local funds from the college General Operating Fund (Fund 11).
9. The following budget entries are then made.

Example:

Revenue	
Federal Revenue, Restricted General Fund (Fund 12)	\$ 70,313
Federal Revenue, Unrestricted General Fund (Fund 11)	<u>4,687</u>
Total Revenue	\$ 75,000

Expenditures	
Classified Student Salaries (Fund 12)	\$70,313
Classified Student Salaries (Fund 11)	23,437
Workers' Comp (Fund 11)	<u>1,875</u>
Total Expenditures	\$95,625

10. Adjustments to the College Work Study Budget may be made when revised Federal allocation letters are received. At the same time, the College Work Study budget is also adjusted for any previous year carryover funds. The amount of carryover is available from the Fiscal Operations Report which is filed with the federal government at the close of each fiscal year.
11. Account Numbers to be used are:

Federal Revenue, Restricted (Fund 12)	
Diablo Valley College	12-42-202050-702046-48150
Los Medanos College	12-42-302050-702046-48150
Contra Costa College	12-42-702050-702046-48150
Federal Revenue, Unrestricted (Fund 11)	
Diablo Valley College	11-01-202050-500000-48150
Los Medanos College	11-01-302050-500000-48150
Contra Costa College	11-01-702050-500000-48150

Classified Work Study Salaries and Benefits

Each college will budget expenses to the functional area in which the students are assigned to work. The portion of wages covered by federal funds will be expensed in Fund 12, Subfund 42, and object code 52340 (non-instructional) or 52440 (instructional). The portion of wages covered by local funds will be expensed in Fund 11, Subfund 42, and object code 52340 (non-instructional) or 52440 (instructional). Location and activity codes should be assigned consistent with the student's work assignment.

For purposes of budget development, salary and benefits may be initially placed in a 'host' account. Budget transfers should be completed at least quarterly from the host account to accounts expensed for actual wages and benefits.