

EVALUATION OF DEMONSTRATION PROJECTS TO END CHILDHOOD HUNGER (EDECH)

ATTACHMENT B.2.a. COST STUDY INSTRUCTIONS—START-UP

Startup Cost Definition and Types

We define “Startup Costs” as the project-related costs of activities and purchases after the major planning for the demonstration is complete. In other words, startup costs are associated with preparing the demonstration to “go live” (rather than planning the demonstration).

The following summarizes the types of costs we expect to be relevant:

1. **Ongoing Coordination.** At the State level, this is staff time for those who manage putting the demonstration project in place. These staff members might engage in the following tasks: (1) hiring additional staff; (2) negotiating interagency agreements; (3) arranging for staff resources, e.g., space and supplies; (4) coordinating changes in SNAP or WIC/other EBT benefit systems; (5) establishing procedures for new benefits; (6) arranging direct services, e.g. extra meals at schools, nutrition education, or referrals to other community resources; and others who assist in these efforts.
 - Enter staff information in **Table 3. Detailed Labor Costs**
2. **Training New Staff.** If staff are hired for demonstration project (for coordination, outreach, direct service provision, and so forth) and they receive training prior to the launch of the demonstration, then the time the newly hired staff worked (or spent in training) before the start of operations should be listed as a startup cost. The time spent developing training materials, coordinating training, and conducting training should also be listed as a startup cost.
 - Enter staff information in **Table 3. Detailed Labor Costs**
3. **Changes to Administrative Data Systems (at State agency).** If the project requires changes to the State administrative data systems (for example, to adjust eligibility and benefit issuance for SNAP or other benefits), the staff time for individuals to make these changes should be counted as a startup cost. Please note, that State IT staff and State Contractor costs are treated differently.
 - State Agency IT staff, enter staff information in Table 3. Detailed Labor Costs
 - EBT Contractor Cost for System Changes (one-time cost). Enter Contractor information in Table 1. Grantee Expenditure Report
4. **Materials.** This includes space, desks, phones, computers, possibly cars for outreach workers, refrigerated trucks for food delivery, et cetera—also known as other direct costs (ODCs). This includes one-time items purchased, or items rented or leased to be used throughout the demonstration period. It also includes State/partner resources offered in-kind. Note that the cooperative agreements with FNS place restrictions on purchase of durable goods.
 - Enter each type of cost in **Table 4: ODC Schedule**
5. **Travel and transportation costs**
 - Enter each type of cost in **Table 4: ODC Schedule**

6. **Outreach materials.** The development and production of outreach materials should be treated as a startup cost. These costs may include:
 - Subcontractor costs (enter in Table 1)—for instance, for designing a brochure.
 - Contributions from state or local agency communications offices (enter staffing costs in Table 3 and in-kind direct costs in Table 4)
 - Other direct costs, such as printing, advertising, and design costs for hard copy materials, e.g. flyers, handouts, articles, and electronic media, e.g. web site content, videos, e-mails, social media (enter in Table 4).

7. **Costs associated with providing food (other than labor) (for example, backpacks or kitchen equipment)**
 - Enter types of costs in Table 4: ODC Schedule

EDECH START-UP PERIOD COST WORKBOOK INSTRUCTIONS

About this Workbook

This workbook is designed to collect information about demonstration projects' costs during the pre-implementation phase, as discussed above. This includes information on the salaries, benefits, and hours-worked for staff members that devote time to project-related activities, as well as project-related indirect costs, subcontractor costs, and other direct project-related costs.

Instructions

The start-up costs workbook contains four worksheets, each with one table. Please complete Tables 2, 3, and 4 before Table 1, if feasible and applicable. Afterwards, check the accuracy of the information listed in Table 1. Purple headings need to be customized with information appropriate to the demonstration. Values must be entered in the cells highlighted in blue. Cells highlighted in green will be automatically populated by the information you enter in other fields.

Table 3. Detailed Labor Costs

For each job category relevant to the project, please complete the following:

- Purple heading: list job titles of each type of staff that devotes time to project-related activities. Copy rows 19-25 as many times as needed to cover all types of staff
- Please include support staff such as clerical workers, as well as managers and professional staff. . Please include volunteers as a separate category.
- Row 1: list the number of employees in that category
- Row 2: list the average number of hours worked per week on project-related activities

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- Row 3: list the employees' hourly rate (per labor category); if other units are easier to report, that is fine as long as the units are noted. Please leave as zero for volunteers. A value for their labor will be imputed as part of the analysis.
- Row 4: list the fringe benefits per hour for any individual that receives benefits (including mandated benefits)
 - This applies when an organization contributes a percentage of the employee's salary to FICA, health insurance, vacation and sick leave, pension or retirement, or other benefits. The fringe benefits rate equals the cost of the employee's benefits divided by the wages paid to the employee for the hours worked. For a full-time employee earning \$20 per hour (\$41,600 annually for 40 hours per week) where the employer pays a total of \$17,500 for benefits (such as employee's health insurance, life insurance, retirement benefits, paid time off, workers compensation insurance, etc.) the fringe benefits per hour are calculated as $\$17,500 / \$41,600$ or 42%, multiplied by the hourly wage rate.
- Row 5: indicate how the fringe benefit rate is calculated
 - Is the fringe benefit rate a percentage of the employee's salary, a fixed amount, etc.?
- Row 6: automatically populates based on the information provided in rows 1 to 4.
- Please customize the purple headings and complete rows 1-6 for each type of staff. Also, please indicate if any staff members are temporary or if overtime labor is being used.

Table 4. ODC Schedule

- Other Direct Costs (ODCs) include items such as travel, printing, postage, and shipping. Please list the dollar values of ODCs for project-related activities.

Table 1. Awardee Expenditure Report

- Information from Tables 3 and 4 (the detailed labor costs and ODC schedule worksheets, respectively) will be set to automatically populate several fields on Table 1 as appropriate for each project. Please check this information for accuracy and make corrections on Tables 3 and 4 as needed.
- Rows 15 to 19: enter the value of Benefits-Related subcontracts in the provided categories.
- Rows 22 to 24: enter the value of Outreach and Direct Services subcontracts in the provided categories.

Table 2. Subgrantee Expenditure Report

Table 2 is a simplified version of Table 1 for use by major subgrantees. If subgrantees provide invoices or other reports that contain equivalent information, they can be used instead. If a subgrantee provides a major service, such as case management, it would also be valuable for them to complete at least Table 3.