

Boone County Children's Services Fund

Purchase of Service Contracts

Developing Unit of Service Rate

Conduct a time and resource study for each service and assign an overall cost to each service. Divide the overall cost by the anticipated number of units to be delivered.

EXAMPLE

SERVICE: Case Management¹

UNIT MEASUREMENT: 15 minutes

PROGRAM EXPENSES:

3 staff x .25 FTE= \$40,000

Indirect Expenses² = \$6,000 (rent, telephone, utilities, human resources, etc.)

Materials= \$500

TOTAL PROGRAM EXPENSES: \$46,500

TOTAL # OF ANTICIPATED UNITS: 3,875

TOTAL # OF UNDUPLICATED INDIVIDUALS TO BE SERVED: 200

UNIT OF SERVICE RATE: $\$46,500 \div 3,875 = \$12.00/15 \text{ minutes}$

¹ Refer to the *Taxonomy of Services* for required service name and unit measurement.

² Indirect expenses must be limited to a maximum of 15% of salary expenses. Refer to the *Boone County Children's Services Board Funding Policy* for more information on salary and indirect expenses.