

**DEPARTMENT OF TRANSPORTATION****AUDITS AND INVESTIGATIONS**

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July 1, 2011

**Transportation Partners:**

In response to concerns raised with the existing process to obtain approval of indirect cost allocation plans/indirect cost rate proposals (ICAPs/ICRPs), the California Department of Transportation (Department), in cooperation with the Federal Highway Administration (FHWA), is implementing a streamlined approach to processing Local Government Agency (LGA) ICAPs/ICRPs.

Effective July 1, 2011, the Department will issue a rate acceptance letter within 30 business days of receipt of an ICAP/ICRP that meets the submission requirements of 2 Code of Federal Regulations Part 225. After receiving a rate acceptance letter, the LGA may use the accepted rate(s) for billing and reimbursement purposes for the fiscal year (FY) specified in the ICAP/ICRP. For those ICAPs/ICRPs that were previously submitted and accepted, rate acceptance letters will be issued.

LGAs should submit ICAPs/ICRPs within six months after the close of the LGA's FY or within 30 days from the date the LGA's annual audit is complete. A one-time exception will be provided to allow LGAs to submit prior FY ICAPs/ICRPs until December 31, 2011. LGAs that submit an ICAP/ICRP after this timeframe are at risk of unreimbursed indirect costs.

The Department will perform audits to determine whether the ICAP/ICRP complies with the applicable cost principles. FHWA also reserves the right to conduct audits/reviews. If an ICAP/ICRP is selected for audit, the LGA will be notified. Material audit adjustments will require reimbursement if ICAPs/ICRPs are later found to have included costs that are unallowable as specified by law or regulation or by the terms and conditions of federal or state awards.

A brief explanation of the revised ICAP/ICRP submission process, documentation requirements, process flowchart, sample revised ICAP/ICRP submission certification, and sample ICAP/ICRP schedules with referencing are attached.

Transportation Partners

July 1, 2011

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In an effort to increase assurance that future important audit related notifications are distributed to interested stakeholders, please send applicable contact information to the following:

[Audits.and.Investigations.questions@dot.ca.gov](mailto:Audits.and.Investigations.questions@dot.ca.gov).

For questions or concerns regarding the new process or status of a previously submitted ICAP/ICRP please contact the following:

*Cities/Counties:* Zilan Chen at (916) 323-7877, email [zilan\\_chen@dot.ca.gov](mailto:zilan_chen@dot.ca.gov)

*MPOs/RTPAs:* Teresa Greisen at (916) 323-7910, or email [teresa\\_greisen@dot.ca.gov](mailto:teresa_greisen@dot.ca.gov)

Sincerely,



SUSAN BRANSEN

Assistant Director

Audits and Investigations

Enclosures

Attachment A - Submission & Audit Process Flowchart

Attachment B - Submission, Audit & Documentation Requirements

Attachment C - Submission Review Checklist

Attachment D - Submission Certification

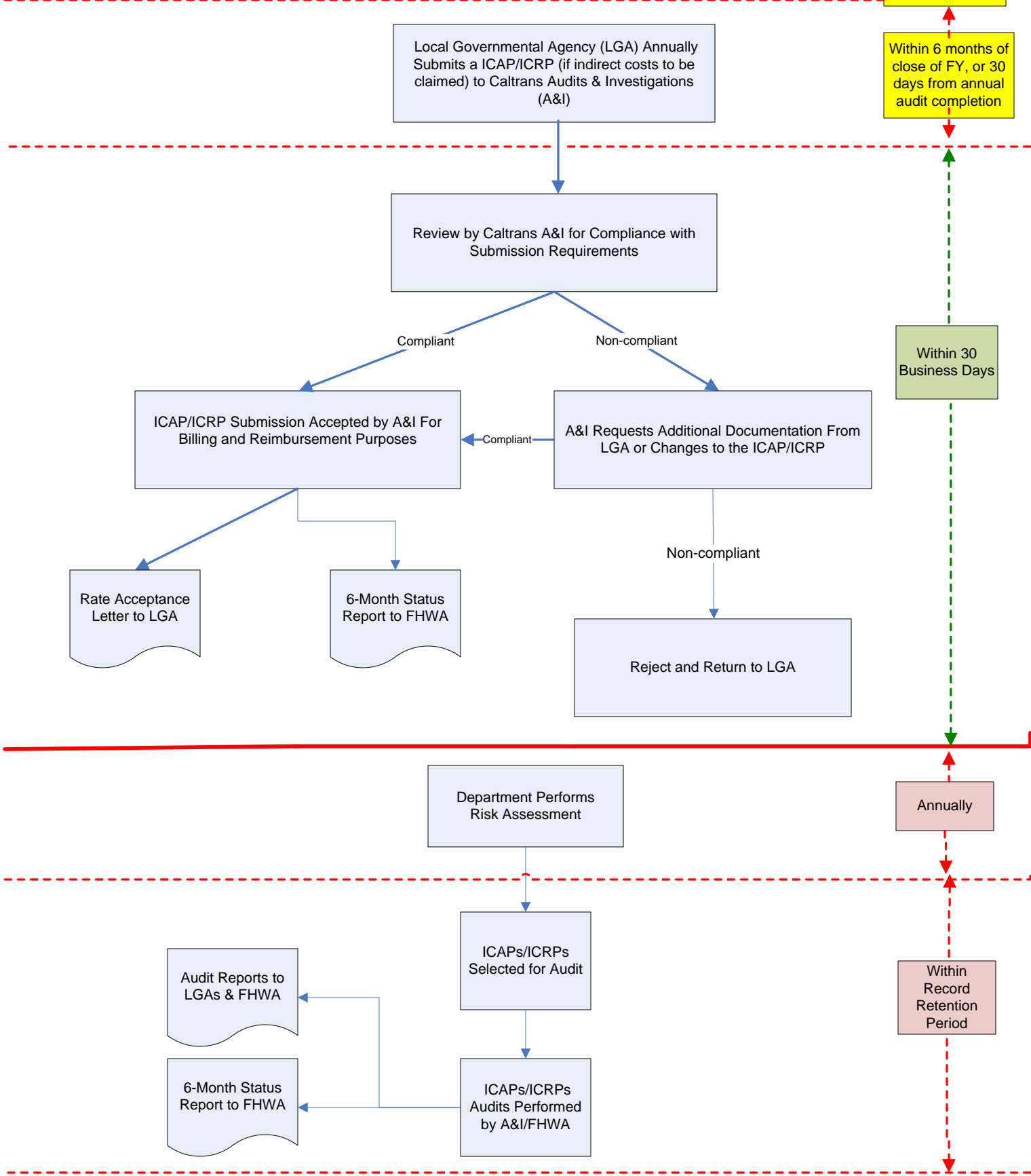
Attachment E - Submission Schedules

- c: Vincent Mammano, Chief Operating Officer, FHWA California Division
- Michael Avery, Acting Finance Director, FHWA California Division
- Martin Tuttle, Deputy Director, Planning and Modal, Caltrans
- Denix Anbiah, Chief, Division of Local Assistance, Caltrans
- Bill Bronte, Chief, Division of Rail, Caltrans
- Jane Perez, Chief, Division of Mass Transportation, Caltrans
- Sharon Scherzinger, Chief, Division of Transportation Planning, Caltrans

# Attachment A

## Indirect Cost Allocation Plan /Indirect Cost Rate Proposal (ICAP/ICRP) Submission and Audit Process

### Timelines



**Attachment B**  
**Indirect Cost Allocation Plan/Indirect Cost Rate Proposal**  
**Submission, Audit, and Documentation Requirements**

**Annual ICAP/ICRP Submission Process**

- Local Government Agencies (LGA) will submit an Indirect Cost Allocation Plan/Indirect Cost Rate Proposal (ICAP/ICRP) to the Department for review and acceptance prior to invoicing for indirect costs. If allocated central service costs are included in an ICRP, the LGA should also submit its Central Service Cost Allocation Plan (CSCAP) along with the ICRP to the Department. For LGAs that receive federal funds each year, a fixed rate with carry forward should be used. LGAs that do not receive federal funds annually should submit a predetermined rate.
- Within 30 business days of receipt, the Department will review the ICAPs/ICRPs received for compliance to the submission requirements of 2 CFR Part 225. The Department's acceptance must be received by the LGA prior to the LGA billing for indirect costs.
- If necessary, the Department will advise LGAs of the additional documentation needed to support/evaluate the proposed plan or identify changes required to make the proposed plan compliant.
- Non-compliant submissions may be returned to the LGA if requested documentation is not provided or required changes are not made within 5 business days of notification to the LGA of the additional document(s) needed or changes required.
- LGAs with an ICAP/ICRP approved by a cognizant federal agency will submit a copy of the cognizant federal agency approval, the approved proposal, plan, subsidiary worksheets, and other relevant data (see "Documentation of Proposal" section below) to the Department.
- LGAs should submit ICAPs/ICRPs within six months after the close of the LGA's fiscal year or within 30 days from the date the LGA's annual audit is complete. LGAs will have until December 31, 2011, to submit prior fiscal year ICAPs/ICRPs. LGAs that submit an ICAP/ICRP after this timeframe are at risk of unreimbursed indirect costs.
- If overall fringe benefit rates are not approved for the LGA as part of the CSCAP, a proposed fringe benefit rate and computation should accompany the ICAP/ICRP submittal.
- The Department will issue rate acceptance letters for ICAPs/ICRPs that were previously accepted and awaiting audit. The Department will also provide a six-month status report to FHWA.

**Timeline**

The Department is committed to issuance of a rate acceptance letter within 30 business days of Department receipt, provided that the ICAP/ICRP package is in compliance with all submission requirements of 2 CFR Part 225.

## **ICAP/ICRP Audits**

Annually, the Department will perform a risk assessment of submitted ICAPs/ICRPs for audit. If an ICAP/ICRP is selected for audit, the LGA will be notified. The Department will perform an audit to determine whether the ICAP/ICRP complies with the applicable cost principles. Material audit adjustments will require reimbursement if proposals are later found to have included costs that are unallowable as specified by law or regulation or by the terms and conditions of federal or State awards. FHWA may also conduct reviews/audits.

## **Documentation of Proposal**

All LGAs desiring to claim indirect costs for federal-aid and/or State funded projects must prepare an ICAP/ICRP and related documentation to support those costs. All documents related to the ICAP/ICRP must be retained for audit in accordance with the record retention requirements in the “Common Rule,” 49 CFR Part 18 and Master Agreements between the LGA and the Department.

The following documentation shall be included with each proposal as prescribed by 2 CFR Part 225:

### 1. ICAP/ICRP

- a. Schedule showing calculation of rates proposed including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data noted below.
- b. Subsidiary worksheets should include the following:
  - Schedule of actual direct / indirect /unallowable costs incurred by cost category type (i.e., rent, utilities, depreciation, etc.) as well as by departmental unit.
  - Schedule of budgeted direct costs and indirect costs by cost category type and department unit (include Board approval, etc.)
  - Schedule showing calculation of the over/under carry forward provision when “fixed rate” is used.
- c. A copy of the financial data (financial statements, comprehensive annual financial report, single audit reports and management reports, if applicable, etc.) on which the rate is based.
- d. The approximate amount of direct base costs to be incurred under federal-aid and State reimbursement. These costs should be distinguished between salaries and wages and other direct costs.
- e. A chart identifying the organizational structure of the agency during the period for which the proposal applies along with a functional statement noting the duties and/or responsibilities of all agency units. (Once this is submitted, only revisions need be submitted with subsequent proposals)
- f. Certification that the ICAP/ICRP was prepared in a manner consistent and is in compliance with the Cost Principles of 2 CFR Part 225. (See Attachment D for Sample Certification)
- g. The Department’s Submission Review Checklist to assist LGAs in understanding the documentation that is used to review each submittal. (See Attachment C for Submission Review Checklist)

2. Central Service Cost Allocation Plan

If allocated central service costs are included in an ICRP, the LGA should also submit its CSCAP along with the ICRP to the Department. LGAs submitting their CSCAP to the Department should submit a Certificate of Cost Allocation Plan, document their plan, and include supporting documentation in accordance with 2 CFR 225, Appendix C, Section E. See ASMB C-10 for a sample Central Service Cost Allocation Plan and supporting documentation.

**Attachment C**  
**LGA ICAP/ICRP SUBMISSION REVIEW CHECKLIST**

Name of Agency \_\_\_\_\_ Date Completed \_\_\_\_\_  
 Name of Preparer \_\_\_\_\_ ICAP/ICRP Period \_\_\_\_\_

**A. ICAP/ICRP Submission Checklist:**

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Schedule showing calculation of rates proposed including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data noted below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Subsidiary worksheets should include the following:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Schedule of actual direct / indirect /unallowable costs incurred by cost category type (rent, utilities, depreciation, etc.) and departmental unit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Schedule of budgeted direct costs and indirect costs by cost category type and department unit (include Board approval).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Schedule showing calculation of the over/under carry forward provision when “fixed rate” is used. Include the carry-forward calculation worksheet.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. A copy of the financial data (financial statements, comprehensive annual financial report, single audit reports and management reports, including notes, if applicable, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Document whether fringe benefit rate computations are included in the Plan. If not, please explain why.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____			
_____			
_____			
5. The approximate amount of direct base costs to be incurred under federal-aid and State reimbursement. These costs should be distinguished between salaries and wages and other direct costs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. A chart identifying the organizational structure of the agency during the period for which the proposal applies along with a functional statement noting the duties and/or responsibilities of all agency units. (Once this is submitted, only revisions need be submitted with subsequent proposals)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Certification, dated and signed by an appropriate official, that the ICAP/ICRP was prepared in a manner consistent and is in compliance with the Cost Principles of 2 CFR Part 225. (See Attachment D for Sample Certification)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**B. Central Service Cost Allocation Plan Submission Checklist:**

- |  | <u>Yes</u>               | <u>No</u>                | <u>N/A</u>               |
|--|--------------------------|--------------------------|--------------------------|
| a. Certificate of Cost Allocation Plan, dated and signed by an appropriate official.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Supporting documentation demonstrating compliance with 2 CFR 225, Appendix C, Section E. (See ASMB C-10 for a Sample Central Service Cost Allocation Plan and documentation.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**C. Optional Information:**

*(Note: The requested information below is optional for ICAP/ICRP submission purposes)*

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 1. Was it determined that the Federal Highway Administration (FHWA) is your cognizant agency for all submitted rates?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the Plan contain an explanation of significant changes from procedures as reported in the previous cost plan?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Was the ICAP/ICRP audited for compliance with 2 CFR 225 by an Independent Auditor in accordance with Government Auditing Standards? (If so, please provide a copy of the audit report) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4. Insert the approximate amount of annual direct costs incurred under all federal and State awards as follows: Direct Salaries and Wages: \$ \_\_\_\_\_; Total: \$ \_\_\_\_\_;

5. Insert the estimated indirect costs to be billed for reimbursement of state and federal funds: \$ \_\_\_\_\_.

6. For Other Post-Employment Benefits (OPEB) GASB 45 Compliance

*Note: In accordance with FHWA Policy, the amortization period for compliance with GASB 45 must be a minimum of 20 years to ensure equitable, consistent, and reasonable OPEB reimbursement rates for all local agencies within the state of California receiving Federal funding from the FHWA. Therefore, only an amortization period of between 20 to 30 years will be allowed to calculate the reimbursement rate for OPEB benefits for FHWA funded projects in the State of California.*

a. Does the Plan include a Certificate of Actuarial Assumption, dated and signed by a responsible official, that identifies the Other Post Employment Benefits liability and amortization schedule?

b. Does the Plan have Other Post-Employment Benefits that are funded?

7. Central Service Allocation:

*(Note: A local agency, which has been assigned a cognizant federal agency by the OMB, must submit its Indirect Cost Rate Proposal and Central Service Cost Allocation Plan to its cognizant federal agency for approval. A list of the cognizant federal agencies assigned to state and local agencies can be located at the Federal Audit Clearinghouse website. If allocated central service costs are included in an ICRP, the LGA should provide information noted below.)*

a. If FHWA is your cognizant agency list all central service departments, including proprietary funds that indirectly bill departments:




	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. Are schedules and supporting documentation provided for each central service department indirect cost allocation included in the Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Are narratives provided for each central service department?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Are rate-setting methodologies included for each central service department?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Attachment D**  
**ICAP/ICRP SUBMISSION CERTIFICATION**

**[AGENCY NAME]**  
**Indirect Cost Rate**  
**FY XXXX**

The indirect cost rate plan contained herein is for use on grants, contracts and other agreements with the Federal Government and the California Department of Transportation (Department), subject to the provisions in Section II. This rate was prepared by the [AGENCY NAME] and accepted by the Department.

**SECTION I: Rates**

<u>Rate Type*</u>	<u>Effective Period</u>	<u>Rate**</u>	<u>Applicable to</u>
Fixed w/carry forward	7/1/11 to 6/30/12	xx.xx%	LIST APPLICABLE AREAS
Fringe Benefit (if applicable)	7/1/11 to 6/30/12	xx.xx%	LIST APPLICABLE AREAS

\* For LGAs that receive federal funds each year, a fixed rate with carry forward should be used. For LGAs that receive federal funds once every few years, a predetermined rate should be used.

\*\* Base: IDENTIFY BASE

**SECTION II: General Provisions**

**A. Limitations:**

The rate in this Agreement is subject to any statutory or administrative limitations and applies to a given grant, contract, or other agreement only to the extent that funds are available.

Acceptance of the rate is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; (4) The information provided by the organization which was used to establish the rate is not later found to be materially incomplete or inaccurate by the Federal Government or the Department. In such situations the rate would be subject to renegotiation at the discretion of the Federal Government or the Department; (5) Prior actual costs used in the calculation of the approved rate are contained in the grantee's Single Audit which was prepared in accordance with OMB A-133. If a Single Audit is not required to be performed, then audited financial statements should be used to support the prior actual costs; and, (6) This rate is based on an estimate of the costs to be incurred during the period.

**B. Accounting Changes:**

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

**C. Fixed Rate with Carry Forward:**

The fixed rate used in this Agreement is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined – either by the grantee’s Single Audit, or if a Single Audit is not required, then by the grantee’s audited financial statements – any differences between the application of the fixed rate and actual costs will result in an over or under recovery of costs. The over or under recovery will be carried forward, as an adjustment to the calculation of the indirect cost rate, to the second fiscal year subsequent to the fiscal year covered by this plan. *(Note: If a predetermined rate is used, then the carry forward provision does not apply).*

**D. Audit Adjustments:**

Immaterial adjustments resulting from the audit of information contained in this plan shall be compensated for in the subsequent indirect cost plans approved after the date of the audit adjustment. Material audit adjustments will require reimbursement from the grantee.

**E. Record Retention:**

The proposal and all related documentation must be retained for audit in accordance with the record retention requirements of the State or Federal agreements for which the indirect rate will be billed or for three years after the fiscal year for which the rate is calculated, whichever is longer.

**F. Use by Other Federal Agencies:**

Authority to accept this agreement by the Department has been delegated by the Federal Highway Administration, California Division. The purpose of this acceptance is to permit subject local government to bill indirect costs to Title 23 funded projects administered by the Federal Department of Transportation (DOT). This acceptance does not apply to any grants, contracts, projects, or programs for which DOT is not the cognizant Federal agency.

The acceptance will also be used by the Department in State-only funded projects.

**G. Other:**

If any Federal contract, grant, or other agreement is reimbursing indirect costs by a means other than the accepted rate in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the accepted rate to the appropriate base to identify the proper amount of indirect cost allocable to these programs.

**H. Rate Calculation:**

FY 2012 Budget Indirect Costs	\$x,xxx,xxx
Carry Forward from FY 2010	_____ \$0
Budgeted FY 2012 Indirect Costs	\$x,xxx,xxx
FY 2012 Budgeted Direct Salaries & Wages (or applicable base)	\$x,xxx,xxx
FY 2012 Indirect Cost Rate	xx.xx%

## CERTIFICATION OF INDIRECT COSTS

This is to certify that I, name of responsible official, have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

- (1) All costs included in the proposal to establish billing or final indirect cost rates for fiscal year 200X (July 1, 200X to June 30, 200X) are allowable in accordance with the requirements of the Federal and State award(s) to which they apply and 2 Code of Federal Regulations (CFR), Part 225, "Cost Principles for State, Local, and Indian Tribal Governments." Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.
- (2) All costs included in this proposal are properly allocable to Federal and State awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government and the Department will be notified of any accounting changes that would affect the final rate.
- (3) Additionally, I understand that in accordance with 2 CFR, Part 225, Appendix E, Section E.4, refunds shall be made if proposals are later found to have included costs that are unallowable as specified by law or regulation, as identified in Appendix B to this part, or by the terms and conditions of Federal and State award, or are unallowable because they are clearly not allocable to Federal or State awards. These adjustments or refunds will be made regardless of the type of rate negotiated (predetermined, final, fixed or provisional).

I acknowledge as a representative of [NAME OF AGENCY] that the proper use and application of the indirect rate contained in this indirect cost rate proposal is the responsibility of the [NAME OF AGENCY] and such use may be subject to audit by the Department or Federal Highway Administration. Failure to cooperate with an audit can result in the withdrawal of Department acceptance and require immediate reimbursement of previously reimbursed indirect costs.

I declare that the foregoing is true and correct.

Government Unit: [AGENCY NAME]

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Reviewed, Approved and Submitted by:

Prepared by:

Name of Official: \_\_\_\_\_

Name of Official: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

**INDIRECT COST RATE SUBMISSION ACCEPTANCE**

The Department has received this ICAP/ICRP and accepts the plan for billing and reimbursement purposes.

\_\_\_\_\_  
Signature

Accepted by:

\_\_\_\_\_  
NAME

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Phone Number: \_\_\_\_\_

SAMPLE

**ATTACHMENT E**  
**SAMPLE ICAP/ICRP SCHEDULES**

To comply with the requirements of 2 CFR Part 225, Appendix E. Section D. Submissions and Documentation of Proposals, the ICAP/ICRP rates proposed, including subsidiary work sheets and other relevant data should be referenced and reconciled to the financial data used to develop the rate proposal. A copy of the audited financial data or approved budget used to develop the rate should accompany the ICAP/ICRP and be referenced to the ICAP/ICRP and all supporting schedule(s).

**Page 2 of ICAP/ICRP Certification Letter, H: Calculation of Rate:**

FY 11/12 Budgeted Indirect Costs	\$	235,630	<See indirect cost calculation detail page 3>
Carry Forward From FY 2009-10	\$	<u>26,874</u>	<Carryforward Calculation page 2>
Adjusted Indirect Costs for FY 2011/12	\$	262,504	
FY 2011/12 Budgeted Direct Salaries and Wages plus Fringe Benefits	\$	352,444	<See indirect cost calculation detail page 3>
FY 2011/12 Indirect Cost Rate		74.48%	

**FOR EXAMPLE PURPOSES ONLY**

**ATTACHMENT E  
SAMPLE ICAP/ICRP SCHEDULES**

**FY 11/12 INDIRECT COST CARRYFORWARD CALCULATION FOR FY 09/10**

	<b>Actual FY 09/10</b>	<i>Reference</i>	<b>ACTUAL FY 10/11</b>	<b>Estimated FY 11/12</b>	<i>Reference</i>
<b>Approved ICAP Rate</b>	<b>60.25%</b>	<i>FY 09/10 approved rate</i>			
Beginning Carryforward (FY 07/08)	\$ 15,346	<i>FY 09/10 approved ICAP/ICRP</i>		\$ 26,874	<i>FY 09/10 carryforward **</i>
Actual Indirect Costs	181,654	<i>&lt;Actual cost detail from page 4&gt;</i>		235,630	<i>&lt;from ICAP/ICRP rate detail page 3&gt;</i>
Total Indirect Costs	<u>\$ 197,000</u>		<u>\$ -</u>	<u>\$ 262,504</u>	
Actual Direct Salaries & Fringe Benefits	\$ 282,366	<i>&lt;Actual cost detail from page 4&gt;</i>		\$ 352,444	<i>&lt;from ICAP/ICRP rate detail page 3&gt;</i>
Approved Rate	<b>60.25%</b>	<i>FY 09/10 approved rate</i>			
Recovered Indirect Costs (approved rate x actual base)	\$ 170,126				
Ending Carryforward (total Indirect costs - Recovered Indirect Costs)	\$ 26,874	<i>To FY 11/12 rate calculation &lt;To page 1&gt;</i>			<b>74.48% FY 11/12 Calculated Rate</b> (Total Indirect costs / Actual Direct Salaries & Fringe Benefits)

\* As required by 2 CFR, Part 225.55 all costs and rates identified on this page are referenced to the schedule(s) and document(s) that support the stated amount and rate.

\*\* The costs for FY 11/12's Beginning Carryforward come from the FY 09/10 actual costs, i.e. two years prior to the ICAP/ICRP year submitted. The actual direct labor costs and actual indirect costs should be supported by audited financial statements. If the audited financial statements do not provide details then the audited general ledger detail should be provided and reconciled to the audited financial and/or any schedule(s) included in the ICAP/ICRP package. Any differences in the statements amounts should be fully explained. Any adjustments made to audited figures should also be fully explained (i.e. unallowable costs).

**FOR EXAMPLE PURPOSES ONLY**

**ATTACHMENT E**  
**SAMPLE ICAP/ICRP SCHEDULES**

3>

3>

**FOR EXAMPLE PURPOSES ONLY**



**ATTACHMENT E  
SAMPLE ICAP/ICRP SCHEDULES**

**INDIRECT COST ALLOCATION PLAN DETAIL FY 11/12**

The source of the information on this page should be identified by reference and provided in the ICAP/ICRP package. If the ICAP/ICRP is based on budget then the submitting agency should provide an approved budget document with proof of approval (Board approval for example.) If it is based on a prior years actual cost then the audited financial statements and supporting general ledger should be provided for that year (Pertains to some Cities and Counties only)

Item	Direct Expense	Reference:	Indirect Expense	Reference:	Unallowable Expense	Reference/ Foot Note	TOTAL	Reference:
Salaries	\$ 240,000		\$ 114,000		\$ 6,000	See *** below	\$ 360,000	<Financial document at page/s _____>
Fringe Benefits (46.8517 %)	112,444		53,411		2,811		168,666	
<b>Total</b>	<b>\$ 352,444</b>	<To page 1>	<b>\$ 167,411</b>		<b>\$ 8,811</b>		<b>\$ 528,666</b>	
<b>Direct costs</b>								
Rent			\$ 20,000				\$ 20,000	↑ ↓
Utilities			5,000				5,000	
Telephone			3,800		\$ 200		4,000	
Advertising/Pub.	\$ 100,000		3,000				103,000	
Office Supplies			7,500				7,500	
Computer Supplies			2,000				2,000	
Travel			3,419		581		4,000	
Consultants	200,000		11,500				211,500	
Insurance	50,000		4,000				54,000	
Conference/training			6,000				6,000	
Miscellaneous			2,000		500		2,500	
Subtotals	\$ 350,000		68,219		\$ 1,281		\$ 419,500	
<b>TOTAL COSTS</b>	<b>\$ 702,444</b>		<b>\$ 235,630</b>	<To page 1>	<b>\$ 10,092</b>		<b>\$ 948,166</b>	

**NOTES:**

The detailed ICAP/ICRP spreadsheet should identify direct, indirect and unallowable costs that when added equal the audited financial records and/or approved budget document. If the audited financial records or approved budget document do not break out expenses by the three categories of costs then the submitting agency should identify in a schedule the breakout of expenses into these three categories and reference the total expenses to the audited financial records or approved budget document.

If there are schedule(s) that support any figure(s) in the ICAP/ICRP the schedule(s) should be referenced to the audited financial records / approved budget documents where the costs came from and those same audited financial records / approved budget documents should be submitted with the ICAP/ICRP package.

Any differences between the audited financial records and/or approved budget and the ICAP/ICRP amounts should be fully explained.

\*\*\* All unallowable costs should be identified as to the type of costs unallowed, (i.e. lobbying related, entertainment, etc.) If based on actual costs then reference the financial documents where the costs originated.

**ATTACHMENT E  
SAMPLE ICAP/ICRP SCHEDULES**

**FY 09/10 ACTUAL COSTS DETAILED FOR FY 11/12 CARRYFORWARD CALCULATION <See Note 1 Below>**

The calculation should clearly show that unallowable costs are accounted for before the actual allowable indirect costs were calculated.

	Direct Expense	Reference	Indirect Expense	Reference	Unallowable Expense	Reference/ Foot Note	TOTAL	Reference:
Salaries	\$ 195,936		\$ 70,300		\$ 4,000	See *** below	\$270,236	<Audited Financial document at page/s _____>
Fringe Benefits (46.8517 %)	86,430		31,010		1,764		119,204	
Total	\$ 282,366		\$ 101,310		\$ 5,764		\$389,440	
	<To page 2>							
Indirect Costs								
Rent			\$ 35,885				\$ 35,885	<page 5>
Utilities			3,431				3,431	<page 5>
Telephone			2,830		\$ 200		3,030	
Advertising/Pub.	\$ 75,000		3,464				78,464	
Office Supplies			8,811				8,811	
Computer Supplies	5000		217				5,217	
Travel			5,993		581		6,574	
Contracts	3000		11,363				14,363	
Insurance			1,449				1,449	
Conference/training	1000		5,946		1400		8,346	
			955				955	
Subtotals	\$ 84,000		\$ 80,344		\$ 2,181		\$166,525	
TOTAL COSTS	\$ 366,366		\$ 181,654		\$ 7,945		\$555,965	
			<To page 2>					

**NOTE: 1)** The costs for the carryforward come from the audited actual costs two years prior to the ICAP/ICRP year submitted. Therefore the actual direct labor costs and other actual costs (by direct, indirect & unallowable) should be supported by the audited financial statements. If the audited financial statements do not provide the details then the general ledger detail that supports the audited financial statement should be provided and referenced. If the general ledger does not support the audited financial statements than those differences should be fully explained.

\*\*\* All unallowable costs should be identified as to the type of costs unallowed, (i.e. lobbying related, entertainment, etc.)

**FOR EXAMPLE PURPOSES ONLY**

ATTACHMENT E  
SAMPLE ICAP/ICRP SCHEDULES

The example below shows the referencing of several accounts included in the Carryforward schedule for FY 09/10 actual costs. This is only an example your individual agency's ICAP/ICRP and schedule(s) are dependent upon your financial management system.

Fiscal Year 09/10 General Ledger

Account # XXXXXXXX  
Account Rent

Date	Description	Amount
Jul-09	July Rent	\$ 2,987.92
Aug-09	August Rent	\$ 2,987.92
Sep-09	September Rent	\$ 2,987.92
Oct-09	October Rent	\$ 2,987.92
Nov-09	Nov. Rent	\$ 2,987.92
Dec-09	December Rent	\$ 2,987.92
Jan-10	Jan. Rent	\$ 2,987.92
Feb-10	February Rent	\$ 2,987.92
Mar-10	March Rent	\$ 2,987.92
Apr-10	April	\$ 2,987.92
May-10	May Rent	\$ 2,987.92
Jun-10	June Rent	\$ 2,987.92
	Total	<u><u>\$ 35,855.00</u></u> <page 4>

Account # XXXXXXXX  
Account Utilities

Date	Description	Amount
Aug-09	Utility costs	\$ 625.20
Oct-09	Utility costs	\$ 530.20
Dec-09	Utility costs	\$ 515.90
Feb-10	Utility costs	\$ 525.19
Apr-10	Utility costs	\$ 580.45
Jun-10	Utility costs	\$ 654.06
	Total	<u><u>\$ 3,431.00</u></u> <page 4>

Note: All amounts reported in the ICAP/ICRP and supporting schedules must be supported by approved budget documentation and/or audited financial statements.

**FOR EXAMPLE PURPOSES ONLY**