

NORTHWEST COLORADO COUNCIL OF GOVERNMENTS

INDIRECT COST ALLOCATION PLAN

2018

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
TABLE OF CONTENTS**

INTRODUCTION	1
CERTIFICATION OF INDIRECT COSTS	2
INDIRECT COST RATE PROPOSAL	
SCHEDULE I - COSTS TO BE ALLOCATED	3
SCHEDULE II - COMPUTATION OF INDIRECT COST RATE	4
PROCEDURES FOR COST ALLOCATION	5

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
INDIRECT COST ALLOCATION PLAN – 2018
INTRODUCTION**

The Northwest Colorado Council of Governments' (NWCCOG) Indirect Cost Allocation Plan has been prepared in accordance with, principles and guidelines as set forth in the Uniform Grant Guidance, Appendix V to Part 200 – State/Local Government-wide Central Service Cost Allocation Plans.

The Indirect Cost Allocation plan incorporates the use of a single, composite rate, with an allowance for the under or over application of actual indirect cost to applied indirect cost in the previous year.

NWCCOG's 2016 expenditures and the distribution of costs therein and the under applied indirect cost for 2016 are used in the development of the Indirect Cost Allocation Plan – 2018. Total direct salaries and wages are used as the base for the indirect cost rate. The plan for 2018 includes the application of a four year averaging factor.

The Indirect Cost Allocation Plan for NWCCOG has been prepared under the direction of Jon Stavney, Executive Director. Any questions pertaining to the proposal should be directed to Mr. Stavney at:

Northwest Colorado Council of Governments
249 Warren Avenue
Silverthorne, Colorado 80490
Telephone: (970) 468-0295

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
INDIRECT COST ALLOCATION PLAN – 2018
CERTIFICATION OF INDIRECT COSTS**

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

- 1) All costs included in this proposal to establish billing or final indirect cost rate for 2018 are allowable in accordance with the requirements of the federal government to which they apply and with the cost principles applicable to those agreements.
- 2) This proposal does not include any costs which are unallowable under applicable cost principles, such as: entertainment costs, fines and penalties, lobbying costs, and defense and prosecution of criminal and civil proceedings.
- 3) All costs included in this proposal are properly allocable to federal agreements 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.

I declare under penalty of perjury that the foregoing is true and correct.

Northwest Colorado Council of Governments

Jon Stavney
Executive Director

Date: _____

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
INDIRECT COST ALLOCATION PLAN – 2018
SCHEDULE I – COSTS TO BE ALLOCATED**

	2016			2015
	Total Expenses	Direct Costs	Indirect Costs	Indirect Costs
Personnel Services	\$ 1,578,068	\$ 1,536,864	\$ 41,204	\$ 44,399
Contractual Services				
Auditing	29,240	2,500	26,740	13,000
Contract - Fiscal	47,676	7,685	39,991	38,951
Contract Services	187,564	185,349	2,215	7,496
Contract Staff	282,355	282,355	-	-
Other Operating Expenses				
Advertising	41,196	41,090	106	759
Awards	5,147	5,147	-	-
Bad Debts	225	225	-	-
Bank Charges	1,296	1,296	-	-
Capital Outlay	59,116	55,899	3,217	414
Copier Charges	934	116	818	507
Credit Card Fees	3,078	3,078	-	-
Dues and Subscription	15,218	11,068	4,150	5,115
Equipment Lease	15,406	-	15,406	14,098
Equipment Maintenance & Repairs	26,673	24,681	1,992	-
Gas, Oil & Supplies	39,482	39,482	-	-
Insurance	26,965	15,198	11,767	10,908
Internet	5,792	3,964	1,828	6,116
Licenses and Permits	2,177	2,177	-	-
Local Match Cost	95,324	95,324	-	-
Materials	196,646	196,646	-	-
Mortgage Expense	38,160	38,160	-	-
Office Supplies	23,205	15,557	7,648	7,601
Other	-	(18)	18	-
Pass Thru Funds - Subcontracts	1,226,935	1,226,935	-	-
Postage	6,047	5,598	449	312
Printing	786	786	-	-
Program Supplies	17,426	17,426	-	-
Rent & Utilities	120,573	101,298	19,275	13,646
Taxes and Benefits	450,895	438,421	12,474	18,805
Telephone	15,439	12,047	3,392	5,598
Tools and Equipment	54,603	54,603	-	363
Training & Technical Assistance	13,191	13,191	-	-
Travel & Meetings	189,886	189,224	662	440
Vehicle Repair & Maintenance	15,769	15,769	-	-
Waste Removal	3,249	2,649	600	3,443
Less External Program Contribution to Indirect	-	-	(8,357)	(7,638)
Total Expenditures	\$ 4,835,742	\$ 4,641,790	\$ 185,595	\$ 184,333

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
INDIRECT COST ALLOCATION PLAN – 2018
SCHEDULE II – COMPUTATION OF INDIRECT COST RATE**

INDIRECT COSTS 2016 (SCHEDULE I)	\$ 185,595
Plus Under Applied Actual Indirect Costs to be Applied to Indirect Cost From 2016	-
Total Indirect Cost	<u><u>\$ 185,595</u></u>
TOTAL DIRECT PERSONNEL SERVICES (SCHEDULE I)	<u><u>\$ 1,536,864</u></u>
Ratio of Indirect Costs to Direct Personnel Services	12.08%

Note: Direct personnel service costs are used as the basis for indirect cost allocation. The most important reason for not using total direct costs as the basis is that projects with large amounts of contracted services and pass-through moneys would bear a disproportionate share of indirect costs.

Application of Four-Year Averaging Factor:

Year	Rate
2016	12.08%
2015	12.92%
2014	10.62%
2013	12.11%
Four Year Total	47.73%
Four Year Average	11.93%

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
INDIRECT COST ALLOCATION PLAN – 2018
PROCEDURES FOR COST ALLOCATION**

Costs are charged directly to projects if they are specifically identifiable with the project. Costs are allocated monthly on an accrual basis. Since indirect costs are generated as part of NWCCOG's integrated budgetary/accounting system, these costs are never duplicated or included as part of direct costs.

PERSONNEL SERVICES

Personnel services are allocated on the basis of time distribution from monthly time sheets prepared by each employee. Time is costed on the basis of an effective hourly rate for each employee. The effective hourly rate includes holidays, extended illness leave, general leave, the employer's share of FICA tax, workers' compensation premiums, unemployment payments, life and disability insurance, retirement, health, vision and dental costs. Certain positions have been treated as unallowable costs since they do not relate to the administration of grants.

Certain offices of NWCCOG provide operational support for project performance. These general support services - administration, accounting and finance, copy center, personnel administration, purchasing, contract review/preparation and office and equipment maintenance - are not readily allocable on a direct cost basis to projects or project work elements without a major effort which is disproportionate to the results achieved in accounting.

CONTRACTUAL SERVICES

Contractual services in support of projects are provided under third-party contracts and charged directly to projects where allowable and budgeted.

Most general audit costs are allocated as indirect and most legal services are specifically identified to a project and are charged as direct.

OTHER OPERATING EXPENDITURES

To the extent possible, the costs of other operating expenditures that are identifiable to specific projects are directly charged when incurred. A substantial portion of charges fall into this category in terms of transactions and dollar cost. When costs are distributed indirectly, the indirect cost is segregated by account, accumulated in a distributed cost account, and posted to projects in accordance with the current, approved indirect cost rate. These facilities, equipment, communication, services, and supplies costs are necessary and required for project performance and include:

Advertising – Most major advertisement costs are specifically identified to a project and are charged as direct.

Copier Charges – These costs are identified with a particular project when practical. Otherwise, they are indirectly charged.

Education, training and conferences – The costs for education and training that are specific and unique to a particular project are charged directly. Costs of continuing education for individual staff members are paid directly by NWCCOG. The costs associated with other job-related courses or training programs for staff members are charged indirectly.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
INDIRECT COST ALLOCATION PLAN – 2018
PROCEDURES FOR COST ALLOCATION**

OTHER OPERATING EXPENDITURES (Continued)

Equipment Lease – NWCCOG leases equipment with the lease costs identified specifically where possible and otherwise indirectly allocated to all projects.

Information Technology – The costs for information and technology, including website and software costs that are specific to a particular project are charged directly. Otherwise, they are indirectly charged.

Insurance – Directors and officers liability and surety bond premiums are indirectly allocated to all projects. General liability insurance is charged directly to benefiting projects.

Maintenance and Repair – Almost all costs of maintaining and repairing NWCCOG's equipment that are specific to a particular project are charged directly. Otherwise, they are indirectly charged.

Meetings and Miscellaneous – Most meetings and miscellaneous costs are charged directly.

Office Supplies – Office supplies and materials generally are charged indirectly to projects. Only a unique or very large office supply purchase for use in a particular project is directly charged.

Postage – Postage is directly charged to projects whenever possible. There are some general postage costs which cannot be easily identified with a single project. These costs are accumulated and indirectly charged.

Printing – Printing service costs are charged directly to projects using job orders whenever possible. Otherwise, they are indirectly charged.

Professional Dues, Subscriptions and Memberships – Dues specific and unique to a particular project are charged directly. Dues related to NWCCOG's activities in general are indirectly charged. Professional dues for individual staff members are paid directly by program funds.

Publications – The costs for publications are charged as direct when they can be specifically identified to a project. Other publication costs are indirectly charged.

Rent and utilities – The rental and utility cost of office space occupied by NWCCOG is directly charged. Common area space is indirectly charged to all projects.

Telephone – Most communication charges, including cellular telephone expenses are charged as direct. The NWCCOG system is charged indirectly.

Travel – The majority of travel costs are directly identified with projects and charged accordingly to allowable limits. Administrative travel costs are allocated indirectly.

Capital Outlay – The cost of furniture and equipment has been deleted in Schedule I from indirect costs and depreciation has been added. The depreciation charge is based on the useful life of the Northwest Colorado Council of Governments' equipment, software, furniture and fixtures and vehicles.