

EXHIBIT 5-I SAMPLE INDIRECT COST RATE PROPOSAL

[LOCAL AGENCY NAME]
Indirect Cost Rate(s)
FY(s) XXXX

The Indirect Cost Allocation Plan/Indirect Cost Rate Proposal (ICAP/ICRP) contained herein is for use on grants, contracts and other agreements with the Federal Government and the California Department of Transportation (Caltrans), subject to the provisions in Section II. This rate(s) was prepared by the [AGENCY NAME] and accepted by Caltrans.

SECTION I: Rates

<u>Rate Type*</u>	<u>Effective Period</u>	<u>Rate*</u>	<u>Applicable to</u>
Fixed w/ carryforward	7/1/14 to 6/30/15	xx.xx%	LIST APPLICABLE AREAS
Final w/o carryforward	7/1/14 to 6/30/15	xx.xx%	LIST APPLICABLE AREAS
Fringe Benefit (if applicable)**	7/1/14 to 6/30/15	xx.xx%	LIST APPLICABLE AREAS

- * Base: [IDENTIFY BASE]
- ** [A proposed fringe benefit rate computation should accompany the ICAP/ICRP if it is not approved as part of the Agency’s central service cost allocation plan. A fringe benefit rate is not required for Agencies that specifically identify fringe benefit costs to individual employees.]

SECTION II: General Provisions

A. Limitations:

The rate(s) 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(s) 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 Caltrans. In such situations the rate would be subject to renegotiation at the discretion of the Federal Government or Caltrans; (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) For fixed and final rates, the rate(s) is based either on an estimate of the costs to be incurred or actual costs 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, or Final Rate]:

The [fixed/final] rate(s) used in this Agreement is based on an [estimate/actual] of the costs for the period(s) covered by the rate(s).

[For fixed rates, when the actual costs for this period is determined 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 final 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 Caltrans has been delegated by the Federal Highway Administration (FHWA), 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).

The acceptance will also be used by Caltrans 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 costs allocable to these programs.

H. Rate Calculation:

FY 2015 Budgeted Indirect Costs	\$x,xxx,xxx
Carry Forward from FY 2013	_____ \$0
Budgeted FY 2015 Indirect Costs	\$x,xxx,xxx
FY 2015 Budgeted Direct Salaries & Wages (or applicable base)	\$x,xxx,xxx
FY 2015 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 201X (July 1, 201X to June 30, 201X) 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 200, "Cost Principles", Subpart E, and Appendices V & VII 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 Caltrans will be notified of any accounting changes that would affect the fixed, or final rate.
- (3) Additionally, I understand that in accordance with 2 CFR, Part 200, Appendix VII, 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 Subsection 200.420 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 (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 Caltrans or FHWA. Failure to cooperate with an audit can result in the withdrawal of Caltrans' 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(S) SUBMISSION ACCEPTANCE

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

Signature

Accepted by:

NAME

Position: _____

Date: _____

Phone Number: _____

Local Agency Name
CARRY FORWARD CALCULATION

	FY 2012	FY 2013	FY 2014		FY 2015
APPROVED RATE	43.33%	50.10%	51.47%	Approved Rate (Indirect Costs/ Direct S&W+FB)	46.56%
INDIRECT CARRY FORWARD					
Carry Forward	(99,748)	(16,796)	20,794	Carry Forward	(33,592)
Indirect Costs from Single Audit	<u>2,400,168</u>	<u>2,847,563</u>		Estimated Indirect Costs (From FY 15 Budget)	<u>3,168,447</u>
Total Indirect Costs	2,300,384	2,830,767		Totals Estimated Indirect Costs	<u>3,134,855</u>
Recovered Costs				Estimated Direct S&W +FB (From FY 15 Budget)	<u>6,732,880</u>
Direct Salaries & Wages +Fringe Benefits (* Approved Rate)	5,260,998 43.33%	5,717,283 50.10%			
Total Recovered Indirect Costs	<u>2,279,590</u>	<u>2,864,359</u>			
Indirect Carry Forward	20,794	(33,592)			
DIRECT SALARIES & WAGES + FRINGE BENEFITS (Per Single-Audit)					
General Fund-S&W+FB	5,260,998	5,717,283			
Special Revenue Fund-S&W_FB	N/A	N/A			
Internal Service Fund-S&W+FB	<u>N/A</u>	<u>N/A</u>			
Total Direct Salaries & Wages + Fringe Benefits	5,260,998	5,717,283			

Local Agency Name

FY 2014/2015
BUDGET

	DIRECT COSTS	INDIRECT COSTS	UNALLOWED COSTS	TOTAL BUDGET
Salaries	5,034,970	1,214,698		6,249,668
Fringe Benefits	<u>1,697,910</u>	<u>417,485</u>		<u>2,115,395</u>
Total	6,732,880	1,632,183		8,365,063
DIRECT COSTS	11,037,468			11,037,468
INDIRECT COSTS				
Printing		150,300		150,300
Computer Services		102,700		102,700
Conference & Training		104,475		104,475
Auto Expense		8,889		8,889
Travel / Local Mileage		45,000		45,000
Transit Tickets		1,050		1,050
Meeting Room Rentals		5,250		5,250
Office Supplies		46,620		46,620
Equipment Rental		6,217		6,217
Equipment Maintenance & Repair		16,370		16,370
Mailing & Postage		147,814		147,814
Communications		95,550		95,550
Insurance		64,279		64,279
Subscriptions / Library		29,400		29,400
Personnel Recruitment		26,250		26,250
Public Hearings		22,050		22,050
County Auditor		10,000		10,000
Law Library		17,850		17,850
Parking		22,050		22,050
Other Maintenance		26,250		26,250
Janitorial Services		32,970		32,970
Clippings/Newswire Services		13,125		13,125
Utilities		94,500		94,500
Storage Rental		8,295		8,295
Advertisement / Legal Notices		9,450		9,450
Advisory Committees		16,500		16,500
Miscellaneous Expense		7,560		7,560
Equipment less than \$300		20,000		20,000
Independent Audit Fees		62,000		62,000
Memberships		39,900		39,900
Special Events		24,150		24,150
ADA Special Services		<u>9,450</u>		<u>9,450</u>
Subtotal	<u>11,037,468</u>	<u>1,286,264</u>		<u>12,323,732</u>
TOTAL BUDGET	17,770,348	2,918,447		<u>\$ 20,688,795</u>
Depreciation		<u>250,000</u>		
TOTAL INDIRECT COSTS		<u>\$ 3,168,447</u>	*	

* For the sake of simplicity, this sample does not include any central service costs carried forward from a Central Service Cost Allocation Plan. See ASMB C-10 for a sample Indirect Cost Rate Proposal which includes central service costs and a sample Central Service Cost Allocation Plan.

Local Agency Name

COMBINED STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	FY2013
REVENUES	
Sales Taxes under Transportation Development Act:	
Planning	\$ 5,312,475
Administration	885,410
Grants:	
Federal Highway Administration	4,926,640
Federal Transit Administration	750,631
Federal Aviation Administration	510
State Department of Transportation	682,542
Project revenues from state and local agencies	2,813,359
Interest	349,160
Other	863,414
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Total Revenues	16,584,141
EXPENSES:	
Operating:	
Salaries and benefits	7,082,555
Travel	243,331
Printing and reproduction	170,641
Professional fees	2,784,847
Computer charges	54,000
Overhead	1,482,291
Contributions to other agencies	1,044,402
Other	930,155
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Total Expenses	13,792,222
EXCESS OF REVENUES OVER EXPENSES	2,791,919
FUND BALANCE, Beginning of Year	<hr/> 8,996,570
FUND BALANCE, End of year	<hr/> \$ 11,788,489
** Total Indirect Costs	2,847,563
Less Indirect Salaries & Benefits	1,365,272
Overhead	1,482,291

Local Agency Name

S U P P L E M E N T A L S C H E D U L E O F O V E R H E A D A N D S A L A R I E S A N D B E N E F I T S E X P E N S E
F O R T H E F I S C A L Y E A R E N D E D J U N E 3 0 , 2 0 1 3

	Direct Costs	Indirect Costs	Total Costs
Salaries	4,275,487	1,016,059	5,291,546
Benefits	<u>1,441,796</u>	<u>349,213</u>	<u>1,791,009</u>
Total salaries and benefits	\$ 5,717,283	1,365,272	\$ 7,082,555
REIMBURSABLE OVERHEAD			
Printing / reprographics		16,124	
Computer Services		89,306	
Conference & Training		63,625	
Auto Expense		6,328	
Travel / Local Mileage		2,280	
Transit Tickets		680	
Meeting Room Rentals		1,280	
Office Supplies		54,469	
Equipment Rental		2,147	
Equipment Maintenance & Repair		4,063	
Mailing & Postage		76,610	
Communications		89,868	
Insurance		45,990	
Subscriptions		16,915	
Library Acquisitions		11,950	
Personnel Recruitment		7,052	
Public Hearings		9,338	
County Auditor		7,488	
Press clippings		1,653	
Law Library		15,251	
Parking		13,934	
Legislative analysis services / supplies		2,230	
Other Maintenance		30,974	
Janitorial Services		29,892	
News wire Services		1,212	
Utilities		85,404	
Storage Rental		8,197	
Advertisement / Legal Notices		5,980	
Advisory Services		5,676	
ADA Services		2,238	
Miscellaneous Expense		2,235	
Elderly and handicapped		3,776	
Audio reproduction / supply		2,068	
Equipment less than \$300		10,634	
Independent Audit Fees		44,800	
Memberships		<u>27,536</u>	
Total Indirect G & A Costs		799,203	
Depreciation		<u>274,691</u>	
Total Overhead before carry forward		2,439,166	
Over (under) absorbed for FY 2013** carry forward (from FY 2011)		425,193 <u>(16,796)</u>	
Total Indirect Costs		<u>\$ 2,847,563</u>	
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Direct Salaries & Wages plus Fringe Benefits		5,717,283	
Approved FY 2013 IC Rate		<u>50.10%</u>	
Indirect Costs Recovered		2,864,359	
Actual Indirect Costs		<u>2,847,563</u>	
**Over absorbed costs		425,193	