

KITTITAS COUNTY

BOARD OF COUNTY COMMISSIONERS

RESOLUTION NO. 2006- 179

A Resolution adopting Central Services Simplified Indirect Cost Allocation Plan for Year Ended December 31, 2005

WHEREAS, Kittitas County receives Federal Grant Dollars, and

WHEREAS, according to the United States Office of Management & Budget, Circular 87, Kittitas County needs to adopt a Central Services Simplified Indirect Cost Allocation Plan, and;

WHEREAS, the County Auditor has determined the Indirect Cost Rate to be 13.81%, based on the distribution base of direct salaries & wages of each department/fund, and;

WHEREAS, the attached documentation shows the calculation of the Indirect Cost Plan for Kittitas County as per the requirements for OMB Circular 87.

NOW, THEREFORE BE IT RESOLVED that the Board of County Commissioners adopts the Indirect Cost Rate for Kittitas County at 13.00%, based on the distribution base of direct salaries & wages, for federal grant reimbursement.

ADOPTED this 19th day of December, 2006

**BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON**

David B. Bowen

David B. Bowen, Chairman

Alan Crankovich

Alan Crankovich, Vice-Chairman

Perry D. Huston

Perry Huston, Commissioner



Janice K. Johnson
Clerk of the Board

Kittitas County
Central Services
Simplified Indirect Cost Allocation Plan
For Year Ended December 31, 2005

NARRATIVE

In order for the county to comply with federal regulations OMB Circular 87, Kittitas County has to adopt a simplified Indirect Cost Allocation Plan.

Each county department/fund is listed showing the total 2005 actual expenses. The distribution base is the direct salaries & wages of each department/fund.

The departments are divided into 2 categories: Indirect Functions that Provide Services to the Service Providing Units and Departments that Provide Direct Services to the Citizens of the County. The Indirect functions are departments that provide Central Services to each county Department. The other Departments provide services directly to the citizens. Those departments may have some indirect costs. The explanation of each of these services is listed below.

DEFINITIONS

All Other Direct Costs – the amount remaining from total costs less unallowable costs, indirect costs and direct salaries & wages.

Central Service Cost allocation plan – means the documentation identifying, accumulating, and allocating or developing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

Department – all County Departments and/or County Funds.

Direct Salaries & Wages – the 2005 fiscal year end salaries & wages for each department

Indirect Costs – are those costs incurred for a common or joint purpose benefiting more than one cost objective

OMB Circular 87 – United States Office of Management & Budget, establishing principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with governmental units.

Total Costs – the 2005 fiscal year end actual expenses.

Unallowable Costs – costs defined by OMB Circular 87.

INDIRECT FUNCTIONS

Auditor – Accounting

The Accounting Division is responsible for the Budgeting, Auditing and Accounting for the county. The total Auditor's Accounting Division 2005 actual expenses were \$260,671.03. The accounting division audits the vouchers and payrolls, and processes the warrants for the junior taxing districts. The allocation for the amount of time the accounting divisions spends on the junior taxing district is 10% of the total warrants issued. The amount of salaries and benefits allocated, as an indirect cost is 90%. All other operating expenses were allocated at 100%. The

amount of unallowable costs are \$21,127.32, which includes salaries reimbursed by other funding source.

Computer Services

Computer Services is responsible to maintain the county computer equipment and software for all departments. Total 2005 actual expenses for Computer Services were \$412,730.54, of the expenses \$26,393.93 are unallowable costs. These unallowable costs include the following:

Professional Services Arcimsa	\$ 3,500.00
Telephones – 8 modem lines	\$ 657.87
T-1 Line to Cle Elum – Upper County Line	\$ 5,638.06
VPN Expenses (Reimbursed)	\$ 1,404.00
Operating Rental Leases	\$ 4,387.50
Software Maintenance	\$ 2,855.18
Intergovernmental Payments – I-net	<u>\$ 7,951.32</u>
Total Unallowable Costs	\$26,393.93

Communications

The Communications Department is responsible for the County's postage machine; the county's phone system and the copier, which is located in the auditor's office. Total 2005 actual expenses for Communications were \$119,722.62, of the expenses \$101,468.45 are unallowable costs. These unallowable costs include the following:

Paper – purchased for the copier	\$ 1,614.64
Telephone – DIS for Scan line	\$ 17,910.75
Postage – postage reimbursement	\$ 80,036.00
Equipment Maintenance – copier	<u>\$ 1,907.06</u>
Total Unallowable Costs	\$101,468.45

Facilities Maintenance

The total 2005 actual expenses for the maintenance department were \$1,680,826.65. The maintenance department is responsible for the Courthouse, Sorensen Building, Berry's Building, County Jail, County Fair Facilities, a county rental house and the General fund motor pool. The maintenance department also assists the other county departments with buildings. We have the department broke down in 8 different divisions.

Courthouse – The 2005 actual expenses for courthouse were \$445,942.43 with \$7,360.41 as unallowable expenses. The unallowable expenses are as follows:

Salaries reimbursed by other sources	\$ 198.39
Projects for trailhead and parking lot	<u>\$7,162.02</u>
Total Unallowable Costs	\$7,360.41

Courthouse Roofing Project – The 2005 actual expenses for the roofing project is \$490,626.52. This project was funded by a grant and other funding source, so the costs are unallowable.

Rental House – The 2005 actual expenses were \$205.29 and the rents received covered the expenses, therefore the entire amount is unallowable.

Sorensen Building – The 2005 actual expenses were \$52,119.41 and the rents received covered the expenses, therefore the entire amount is unallowable.

Berry's Building – The 2005 actual expenses were \$126,755.88. We currently seek reimbursement from rental departments for the actual lease payments that we pay out in the amount of \$102,000.00. This is the only unallowable cost in the Berry's building.

Jail – The 2005 actual expenses are \$102,212.33. All costs are unallowable costs in the jail expenses.

County Fairground Facility – The 2005 actual expenses were \$448,397.99, with all costs being unallowed as they are charged out for usage with the County Fair.

Human Resource

The Human Resource Department administers various programs involving recruitment, compensation, benefits, collective bargaining, and personnel policy. The 2005 actual expenses are \$169,901.04. The Human Resource Department has a county pool car in their expenses and these have been backed out. Also, HR is responsible for Civil Service and these costs are unallowable as they only represent the Sheriff's office. The amounts for unallowable costs are as follows:

Wellness activities	\$ 3,938.62
Civil Service	<u>\$17,137.52</u>
Total Unallowable Costs	<u>\$21,076.14</u>

DEPARTMENTS THAT PROVIDE DIRECT SERVICES

Auditor- Administration

The total Auditor's Administration 2005 expenses are \$67,057.60. The Auditor is responsible for 5 divisions; Accounting, Recording, Vehicle Licensing; Elections and Voter Registration. There are 14 employees in the office. During 2005, the accounting staff had 6 full time employees, which is 36% of the entire auditor's staff. The total expenses were distributed by the 36% except the telephone costs were figured at \$15.92 per line per month, plus \$3.00 per month for voice mail, for a total of \$213.12. The amount for the indirect allowable costs is \$23,337.82.

Facilities Maintenance – Motor pool

The facilities maintenance expenses for the motor pool was \$14,518.80. The 2005 amount of direct usage for auditor's accounting, human resource, computer services and maintenance is \$2,323.34.

Non-Departmental

This department's expense for 2005 is \$722,496.39. The only indirect cost from this department is for the state auditor, which audits the accounting department. The costs that the state auditor performs on specific funds are billed directly to those funds.

Treasurer

The County Treasurer is responsible for the collection of the taxes, receipting of all county money from all departments/funds and the redemption of all county warrants. The only amounts allowed for indirect costs are 49.74% of the warrant clerk and 38.62% of the Revenue Deputy. The 49.74% of the dollar amount of warrants issued by the county only. 50.26% was issued by the junior taxing districts including the school, fire, water, PUD, SPUD and weed districts. The Revenue Deputy collected 38.62% of the county receipts, 61.38% is the amount of receipts for the junior taxing districts. The total amount of allowable direct costs for the Treasurer is \$27,516.76.

Computer Replacement

The total computer replacement 2005 expenses were \$166,134.47, of this amount \$18,629.90 was the amount of direct purchases for auditor's accounting; human resource and computer services.

Kittitas County
Central Services
Simplified Indirect Cost Allocation

For the Year Ended December 31, 2005

Department	Sub Department	Total Costs 12-31-2005	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	All Other Direct Costs
Indirect Functions that Provide Services to the Service Providing Units						
0011	Auditor					
0017	Computer Services	260,671.03	(21,543.71)	239,127.32	0.00	0.00
0020	Communications	412,730.54	(26,393.93)	386,336.61	0.00	0.00
0025	Facilities Maintenance	119,722.62	(101,468.45)	18,254.17	0.00	0.00
	Postage Machine/ Scan/ Ck E Lum Line					
0025	Courthouse	445,942.43	(7,360.41)	438,582.02	0.00	0.00
	Courthouse Roofing Project					
0025	Facilities Maintenance	490,626.52	(490,626.52)	0.00	0.00	0.00
	Rental	250.29	(250.29)	0.00	0.00	0.00
0025	Facilities Maintenance	52,119.41	(52,119.41)	0.00	0.00	0.00
0025	Facilities Maintenance	126,755.88	(126,755.88)	0.00	0.00	0.00
0025	Facilities Maintenance	102,212.33	(102,212.33)	0.00	0.00	0.00
25	Facilities Maintenance	448,397.99	(448,397.99)	0.00	0.00	0.00
0038	Human Resource	169,901.04	(21,076.14)	148,824.90	0.00	0.00

Department	Sub Department	Total Costs 12-31-2005	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	All Other Direct Costs
Departments that Provide Direct Services to the Citizens of the County						
0010	Assessor	749,706.17	0.00	0.00	520,180.52	229,525.65
0011	Auditor	67,057.60	0.00	23,337.82	49,280.00	41,115.42
0011	Auditor	105,917.86	0.00	0.00	62,139.67	43,778.19
0011	Auditor	129,913.32	0.00	0.00	92,869.33	37,043.99
0011	Auditor	143,978.79	0.00	0.00	45,892.42	98,086.37
0011	Auditor	23,796.23	0.00	0.00	14,839.46	8,956.77
11	Auditor	192,849.16	0.00	0.00	0.00	192,849.16
0012	Board Equalization	1,602.96	0.00	0.00	1,140.00	462.96
0013	Fire Marshal/Code Enforcement	44,900.00	0.00	0.00	1,141.00	43,759.00
0014	Community Development	1,088,334.27	0.00	0.00	729,816.75	358,517.52
0015	County Clerk	230,243.38	0.00	0.00	162,720.31	67,523.07
0016	Commissioners	329,547.61	0.00	0.00	241,102.46	88,445.15
0018	Cooperative Extension	168,321.76	0.00	0.00	71,500.25	96,821.51
0019	Disability Board	3,525.05	0.00	0.00	2,618.05	907.00
0021	Judge - Superior Court	515,719.26	0.00	0.00	223,226.71	292,492.55
0022	Juvenile	475,202.49	0.00	0.00	262,050.74	213,151.75
0023	Law Library	11,412.36	0.00	0.00	653.81	10,758.55

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For the Year Ended December 31, 2005

Department	Sub Department	Total Costs 12-31-2005	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	All Other Direct Costs
0024	Lower District Court	666,182.57	0.00	0.00	405,240.54	260,942.03
0025	Facilities Maintenance	14,518.80	0.00	2,323.34	0.00	16,842.14
0026	Non-Departmental	722,496.39	0.00	50,235.83	0.00	772,732.22
0029	Prosecutor	1,020,190.38	0.00	0.00	719,519.52	300,670.86
0030	Sheriff	4,506,593.55	0.00	0.00	2,358,460.00	2,148,133.55
0031	Treasurer	327,932.84	0.00	27,516.76	207,473.79	147,975.81
0032	Upper District Court	499,631.09	0.00	0.00	266,804.23	232,826.86
0033	Pest Control	28,944.58	0.00	0.00	0.00	28,944.58
0034	Conference Government	15,213.71	0.00	0.00	76.87	15,136.84
0035	Flood Control	8,891.94	0.00	0.00	0.00	8,891.94
0036	Library Advisory Board	75,000.00	0.00	0.00	0.00	75,000.00
0037	Emergency Management	521,961.06	0.00	0.00	52,385.52	469,575.54
0040	Criminal Justice	492,890.97	0.00	0.00	0.00	492,890.97
0044	Post Employment Benefits	68,984.29	0.00	0.00	0.00	68,984.29
0060	Computer Replacement	166,134.47	0.00	18,629.90	0.00	184,764.37
109	County Fair	579,829.44	0.00	0.00	130,767.76	449,061.68
101	Airport	47,478.49	0.00	0.00	6,407.64	41,070.85
102	Vehicle Replacement	27,464.94	0.00	0.00	0.00	27,464.94
105	Community Services	951,333.64	0.00	0.00	4,532.75	946,800.89
106	County Road	7,544,278.16	0.00	0.00	1,436,726.28	6,107,551.88
108	Public Facilities	441,759.33	0.00	0.00	441.32	441,318.01
110	EIS Trust	10,833.01	0.00	0.00	0.00	10,833.01
113	Recreation	61,008.29	0.00	0.00	1,543.81	59,464.48
114	Homelessness Housing	372.75	0.00	0.00	130.60	242.15
116	Public Health	1,554,012.81	0.00	0.00	898,736.31	655,276.50
118	Veterans Assistance	50,306.87	0.00	0.00	0.00	50,306.87
119	911 Excise	827,616.47	0.00	0.00	0.00	827,616.47
121	Treasurer ULID	422.04	0.00	0.00	0.00	422.04
122	Treasurers M&O	28,564.66	0.00	0.00	0.00	28,564.66
123	Noxious Weed	188,083.56	0.00	0.00	105,295.58	82,787.98
125	Auditor Centennial Doc	38,363.02	0.00	0.00	2,289.01	36,074.01
127	Misdemeanor Probation	505,780.30	0.00	0.00	315,964.66	189,815.64
130	Prosecutor Victim Witness	53,460.40	0.00	0.00	34,656.28	18,804.12
131	Drug Enforcement	26,217.67	0.00	0.00	0.00	26,217.67
140	Hotel Motel	44,678.81	0.00	0.00	0.00	44,678.81
201	Fair Bond	172,673.50	0.00	0.00	0.00	172,673.50
206	CRID	142,870.00	0.00	0.00	0.00	142,870.00
209	Fair Bond	39,397.00	0.00	0.00	0.00	39,397.00

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Central Services
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For the Year Ended December 31, 2005

Department	Sub Department	Total Costs 12-31-2005	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	All Other Direct Costs
301	Capital Improvements	713,933.48	0.00	0.00	0.00	713,933.48
302	Courthouse Jail Expansion	470,863.80	0.00	0.00	0.00	470,863.80
309	Rodeo Grounds Capital Impr	47,332.37	0.00	0.00	0.00	47,332.37
401	Solid Waste	2,297,068.81	0.00	0.00	220,677.47	2,076,391.34
501	ER&R	1,815,077.15	0.00	0.00	148,212.81	1,666,864.34
511	Unemployment	41,608.11	0.00	0.00	0.00	41,608.11
TOTAL		34,769,613.87	(1,398,205.06)	1,353,168.67	9,797,514.23	22,464,813.21

Indirect Cost Rate Computation:

$$\frac{\text{Indirect Costs divided by}}{\text{Direct Salaries \& Wages}} = \frac{1,353,168.67}{9,797,514.23}$$

13.81%

Indirect Cost Rate =

13.00%

Adopted Rate =

Notes:

Apply this rate to total allowable salaries for each claim for reimbursement