

KITTITAS COUNTY
BOARD OF COUNTY COMMISSIONERS

RESOLUTION NO. 2014-_____

**A Resolution adopting Central Services Simplified Indirect Cost Allocation
Plan for Year Ended December 31, 2012**

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 11.53%, based on the distribution base of direct salaries & wages of each department/fund, and;

WHEREAS, the County Auditor has certified the Indirect Cost Rate of 11.25%; a slight reduction from the actual calculation to allow for a margin of error, and

WHEREAS, the attached documentation shows the calculations 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 11.25%, based on the distribution base of direct salaries & wages, for federal grant reimbursement as certified by the County Auditor, effective January 1, 2014.

ADOPTED this 18th day of February, 2014.

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

Chairman

Vice-Chairman

Commissioner

ATTEST

Clerk of the Board

Kittitas County Central Services Simplified Indirect Cost Allocation Plan For Year Ended December 31, 2012

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 2012 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

Additional Costs – Additional expenses not accounted for at the department level; including depreciation.

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

Capitalized Assets – Purchases of Asset that has a value \$5,000 or above and has a life longer than one year. These assets are depreciated. The Capitalized Asset is removed as an unallowable cost.

Central Services – services that are provided to the organization, the customers of the Central Services are the internal departments.

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.

Depreciation – Allocating the costs of a Capitalized Asset to periods benefiting for the assets use.

Direct Salaries & Wages – the 2012 fiscal year end salaries & wages for each department

Excluded Costs - Certain items of cost are classified by OMB Circular A-87 as extraordinary or distorting expenditures and are excluded from the computation of the indirect cost rate. Some examples of excluded costs are: equipment, and miscellaneous expenditures

Indirect Costs – 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.

Sub Department – additional breakdown of a department expenses for accounting purposes

Total Costs – the 2012 fiscal year end actual expenses

Unallowable Costs – Certain items of cost are classified by OMB Circular A-87 as unallowable, which means that federal funds cannot be used for those items of cost. For indirect cost rate calculation; however, these unallowed costs are included in the base along with the direct costs. Some examples for unallowed costs are: Governance, promotional advertising, entertainment, and fines & penalties.

INDIRECT FUNCTIONS

Auditor – Accounting

The Accounting Division is responsible for the Budgeting, Auditing and Accounting for the county. The total Auditor's Accounting Division 2012 actual expenses were \$357,080. The accounting division audits the vouchers and payrolls, and processes the warrants for the junior taxing districts and other funds that are billable. The allocation for the amount of time the accounting division spends on the other districts/funds is 7.09% of the total hours. The amount of salaries and benefits allocated, as an indirect cost is 92.91%. All other operating expenses were allocated at 100% with the exception of penalties and fines which are not allowed and new capitalized software purchase is not allowed. The amounts of excludable and unallowable costs are \$49,798, which includes salaries reimbursed by other funding sources.

Information Technology (formally Computer Services)

Information Technology is responsible to maintain the county computer equipment and software for all departments. Total 2012 actual expenses for Computer Services were \$851,774 plus depreciation of \$36,345 for total expenses of \$888,119. Of the total expenses \$80,505 are excludable and \$173,852 are unallowable costs. These excludable and unallowable costs include the following:

90% of GIS Services	\$ 80,505
Computer Equipment (Capitalized Equipment)	<u>\$173,852</u>
Total Excludable and Unallowable Costs	\$254,357

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 2012 actual expenses for Communications were \$94,704, of the expenses \$64,342 are excludable costs. These excludable costs include the following:

Paper – purchased for the copier	\$ 531
Telephone – DIS for Scan line	\$ 452
Postage – postage reimbursement	\$ 62,658
Equipment Maintenance – copier	<u>\$ 701</u>
Total Excludable and Unallowable Costs	\$ 64,342

Human Resource

The Human Resource Department administers various programs involving recruitment, compensation, benefits, collective bargaining, and personnel policy. The 2012 actual expenses are \$140,347. The Human Resource is responsible for Civil Service and these costs are

excludable as they only represent the Sheriff's office. The amounts for excludable and unallowable costs are as follows:

Civil Service	<u>\$13,860</u>
Total Excludable and Unallowable Costs	\$11,320

DEPARTMENTS THAT PROVIDE DIRECT SERVICES

Auditor- Administration

The Auditor is responsible for 5 sub-departments; Accounting, Recording, Vehicle Licensing; Elections and Voter Registration. There are 13 employees in the office. During 2012, the accounting staff had 5 full time employees. The total paid hours for the accounting staff was 10,843 out of 27,608 or 39.42%, the accounting staff salaries were \$223,509 out of \$560,236 or 41.68%; the average of both is 40.55%. The expenses were distributed by the 40.55% except for the costs related to other divisions within the office. The total Auditor's Administration 2012 expenses are \$102,238. The amount for the indirect allowable costs is **\$40,923**.

Facilities Maintenance – Motor pool

The facilities maintenance expenses for the motor pool was \$9,408. The total mileage used by each employee was divided by the total miles used for all pool cars. The 2012 amount of indirect usage for Auditor's Accounting, Human Resource, Computer Services, Treasurer, Auditor Administration and Facilities Maintenance is **\$4,666**.

Facilities Maintenance

The facilities maintenance expenses for the Courthouse were \$357,486; plus \$91,863 for depreciation of capitalized expenses for a total of \$428,260 costs. There were \$21,090 excludable costs as these were billable cost to other departments, i.e. Solid Waste. The allowable costs were divided by the square footage of the building. The building square footage is 73,707. The total expenses divided by the square footage equals \$5.81 per square foot. The following is the breakdown of the **\$28,227** allowed indirect costs.

Room	Square Footage	% allowed	Amount
Auditor's Accounting	345.00	100	2,005
Accounting Manager	74.00	100	430
Human Resource	916.40	100	5,325
Treasurer's Office	1,892.84	32	4,148
County Auditor	152.10	46	358
Information Services	2,668.00	100	15,502
Mail Room	79.05	100	459
		TOTAL	28,227

Non-Departmental

This department's expense for 2012 is \$745,254. The indirect cost from this department is for the state auditor and dues. The state auditor costs for 2012 were \$60,800. The dues that affect all departments, WSAC, WACO, NACO and state purchasing are also allocated as an indirect expense. The amounts of indirect costs are **\$80,197**.

Treasurer

The County Treasurer is responsible for the collection of the taxes, receipting of all money from all departments/funds, investments and the redemption of all county warrants. The amount of cash and investments on hand as of December 31, 2012, was \$66,553,777 of which 62.28% was for County funds and 37.72% was for the Special Purpose districts. The total expenses for 2012 were \$458,948. The excludable expenses were calculated at the 37.72%. There were \$15,071 unallowable costs for leases and capitalized equipment. The total amount of allowable indirect costs for the Treasurer is **\$276,575**.

Computer Replacement

The total 2012 computer replacement expenses were \$53,656, of this amount \$14,826 was the amount of direct purchases for auditor's accounting; human resource and computer services.

CENTRAL SERVICES INDIRECT COST CALCULATION

The Central Services Departments; Auditor's Accounting, Information Services, Communications, and Human Resources had indirect costs of \$1,097,893. With the other indirect costs from other departments totaling \$445,415 the total county indirect costs are \$1,543,308.

The County elects to use the simplified method for the rate computation based upon salaries. The total County indirect costs divided by direct wages. The wages paid in 2012 were \$13,381,038.

Indirect Cost Rate Computation:

Indirect Costs divided by	<u>\$1,543,308</u>	Indirect Cost Rate = 11.53%
Direct Salaries & Wages	\$13,381,038	Adopted Rate = 11.25%

Notes: Apply this rate to allowable salaries and wages

KITTITAS COUNTY

CERTIFICATE OF COST ALLOCATION PLAN

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

(1) All costs included in this proposal for the period ended **December 31, 2012** are to establish cost allocations or billings starting **January 1, 2014** are allowable in accordance with the requirements of OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments," and the Federal award(s) to which they apply. 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 awards on the basis of a beneficial or causal relationship between the expenses incurred and the awards 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 that the foregoing is true and correct.

Governmental Unit: Kittitas County Central Services

Signature: _____



Name of Official: Jerald V. Pettit

Title: Kittitas County Auditor

Date of Execution: January 1, 2014

The 2014 rate approved is 11.25%

Kittitas County
Central Services
Simplified Indirect Cost Allocation

For the Year Ended December 31, 2012

Department			Sub Department						
Indirect Functions that Provide Services to the Service Providing Units			a	b	c	d	e	f	All Other
			Total Costs 12-31-2012	Additional Costs ie Depr, Rev	Excluded Costs	Unallowable Costs	Indirect Costs a+b+c+d	Direct Salaries/Wages	Direct Costs
0011	Auditor	Accounting	357,080	-	(36,828)	(12,970)	307,282	-	-
0017	Information Services	Information Services	851,774	36,345	(80,505)	(173,852)	633,762	-	-
0020	Communications	Postage Machine/ Scan/ Cle Elum Li	94,704	-	(64,342)	-	30,362	-	-
0038	Human Resource	Human Resources	140,347	-	(13,860)	-	126,487	-	-
Total Indirect Services			1,443,905	36,345	(195,535)	(186,822)	1,097,893		
Departments that Provide Direct Services to the Citizens of the County			a	b	c	d	e	f	All Other
			Total Costs 12-31-2012	Additional Costs ie Depr, Rev	Excluded Costs	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	Direct Costs a+b-f
0010	Assessor	Assessor	954,214	-	-	-	-	645,466	308,748
0011	Auditor	Administration	102,238	-	-	-	40,923	63,896	38,342
0011	Auditor	Recording	126,451	-	-	-	-	87,517	38,933
0011	Auditor	Vehicle Licensing	149,429	-	-	-	-	99,594	49,835
0011	Auditor	Elections	145,724	-	-	-	-	51,833	93,891
0011	Auditor	Voter Registration	51,218	-	-	-	-	23,887	27,331
0011	Auditor	HAVA Grant	57,649	-	-	-	-	-	57,649
0012	Board Equalization	Board Equalization	14,034	-	-	-	-	10,217	3,817
0013	Fire Marshal/Code Enforcement	Fire Marshal/Code Enforcement	136,757	-	-	-	-	94,423	42,334
0014	Community Development	Building Inspector	1,360,325	-	-	-	-	429,187	931,138
0015	County Clerk	County Clerk	295,876	-	-	-	-	203,250	92,626
0016	Commissioners	Commissioners	414,995	-	-	-	-	307,935	107,060
0018	Cooperative Extension	Cooperative Extension	171,137	-	-	-	-	71,131	100,006
0019	Disability Board	Disability Board	18,650	-	-	-	-	13,452	5,198
0021	Judge - Superior Court	Judge - Superior Court	704,263	-	-	-	-	272,810	431,453
0022	Juvenile	Juvenile	522,911	-	-	-	-	315,452	207,459
0023	Law Library	Law Library	19,518	-	-	-	-	3,052	16,466

Kittitas County
Central Services
Simplified Indirect Cost Allocation

For the Year Ended December 31, 2012

Department	Sub Department	a	b	c	d	e	f	
Departments that Provide Direct Services to the Citizens of the County		Total Costs	Additional Costs	Excluded Costs	Unallowable	Indirect	Direct	All Other
		12-31-2012	ie Depr, Rev		Costs	Costs	Salaries/Wages	Direct Costs
								a+b-f
0024	Lower District Court	Lower District Court	978,485	-	-	-	503,501	474,984
0025	Facilities Maintenance	Motorpool	9,408	6,090	-	4,666	-	15,498
0025	Facilities Maintenance	Maintenance Vehicles	9,142	-	-	-	-	9,142
0025	Facilities Maintenance	Courthouse	357,486	91,863	-	28,227	136,803	312,546
0025	Facilities Maintenance	Sorenson Building	79,299	-	-	-	31,394	47,905
0025	Facilities Maintenance	Berry's Building	796,511	-	-	-	14,124	782,387
0025	Facilities Maintenance	Jail	182,750	-	-	-	33,198	149,552
0025	Facilities Maintenance	Sheriff Admin	30,588	-	-	-	6,557	24,030
0026	Non-Departmental	Non-Departmental	745,255	-	-	80,197	52,084	693,171
0029	Prosecutor	Prosecutor	1,697,182	-	-	-	1,107,892	589,290
0030	Sheriff	Sheriff	5,785,350	-	-	-	3,188,226	2,597,124
0031	Treasurer	Treasurer	458,205	-	-	276,575	230,680	227,525
0032	Upper District Court	Upper District Court	642,746	-	-	-	299,470	343,276
0033	Pest Control	Pest Control	14,723	-	-	-	-	14,723
0034	Conference of Government	Conference of Government	291	-	-	-	214	77
0035	Flood Control	Flood Control	77,922	-	-	-	-	77,922
0036	Library Advisory Board	Library Advisory Board	125,000	-	-	-	-	125,000
0037	Emergency Management	Emergency Management	230,778	-	-	-	130,287	100,491
0040	Criminal Justice	Criminal Justice	919,326	-	-	-	-	919,326
0043	Declaration of Emergency	Declaration of Emergency	142,014	-	-	-	88,018	53,996
0044	Post Employment Benefits	Post Employment Benefits	65,357	-	-	-	-	65,357
0045	Historical Document Program	Historical Document Program	11,562	-	-	-	9,932	1,630
0046	Current Use	Current Use	715	-	-	-	-	715
0047	Upper Co Ground Water	Upper Co Ground Water	9,475	-	-	-	-	9,475
0060	Computer Replacement	Computer Replacement	53,656	-	-	14,826	-	53,656
109	County Fair	County Fair	1,095,820	-	-	-	273,677	822,143
101	Airport	Airport	587,671	-	-	-	50,431	537,240
105	Community Services	Mental Health	1,222,129	-	-	-	5,810	1,216,319
106	County Road	County Road	10,295,163	-	-	-	1,857,353	8,437,811
107	Flood Control	Flood Control	30,855	-	-	-	4,696	26,159
108	Public Facilities	Public Facilities	703,982	-	-	-	15	703,967
110	EIS Trust	EIS Trust	0	-	-	-	-	-
112	Low Income Housing	Low Income Housing	101,915	-	-	-	207	101,708
113	Recreation	Recreation	13,636	-	-	-	974	12,662
114	Homelessness Housing	Homelessness Housing	143,440	-	-	-	917	142,523
115	Trial Court Improvements	Trial Court Improvements	47,575	-	-	-	-	47,575
116	Public Health	Public Health	1,137,932	-	-	-	676,724	461,208

Kittitas County
Central Services
Simplified Indirect Cost Allocation

For the Year Ended December 31, 2012

Department		Sub Department								
Departments that Provide Direct Services to the Citizens of the County				a	b	c	d	e	f	
				Total Costs 12-31-2012	Additional Costs ie Depr, Rev	Excluded Costs	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	All Other Direct Costs a+b-f
118	Veterans Assistance	Veterans Assistance	73,108	-	-	-	-	-	-	73,108
119	911 Excise	911 Excise	561,515	-	-	-	-	-	-	561,515
120	3/10s Clerk	3/10s Clerk	94,826	-	-	-	-	-	61,733	33,093
120	3/10s Juvenile	3/10s Juvenile	34,972	-	-	-	-	-	22,988	11,984
120	3/10s Prosecutor	3/10s Prosecutor	180,958	-	-	-	-	-	129,441	51,517
120	3/10s Sheriff	3/10s Sheriff	769,757	-	-	-	-	-	383,742	386,015
121	Treasurer ULID	Treasurer ULID	43	-	-	-	-	-	-	43
122	Treasurers M&O	Treasurers M&O	114,198	-	-	-	-	-	23,761	90,437
123	Noxious Weed	Noxious Weed	330,188	-	-	-	-	-	184,524	145,664
125	Auditor Centenial Doc	Auditor Centenial Doc	22,436	-	-	-	-	-	-	22,436
127	Misdemeanant Probation	Misdemeanant Probation	731,686	-	-	-	-	-	469,116	262,570
130	Prosecutor Victim Witness	Prosecutor Victim Witness	103,143	-	-	-	-	-	67,682	35,461
131	Drug Enforcement	Drug Enforcement	51,343	-	-	-	-	-	28,036	23,307
134	Public Defense	Public Defense	24,225	-	-	-	-	-	-	24,225
135	Forfeited Drug Proceeds	Forfeited Drug Proceeds	3,014	-	-	-	-	-	-	3,014
136	Adult Misd Pre Diversion	Adult Misd Pre Diversion	0	-	-	-	-	-	-	-
140	Hotel Motel	Hotel Motel	471,099	-	-	-	-	-	1,138	469,961
142	Real Estate Excise Tax Tech	Real Estate Excise Tax Tech	10,000	-	-	-	-	-	-	10,000
202	2010 GO Bond	2010 GO Bond	878,934	-	-	-	-	-	21,465	857,469
206	CRID	CRID	125,000	-	-	-	-	-	-	125,000
301	Capital Improvements	Capital Improvements	1,262,949	-	-	-	-	-	-	1,262,949
302	Courthouse Jail Expanison	Courthouse Jail Expanison	5,833,555	-	-	-	-	-	-	5,833,555
401	Solid Waste	Solid Waste	2,880,547	-	-	-	-	-	365,028	2,515,519
501	ER&R	ER&R	2,012,406	-	-	-	-	-	226,099	1,786,307
511	Unemployment	Unemployment	45,621	-	-	-	-	-	-	45,621
601	Jerry Williams Library Trust	Jerry Williams Library Trust	36	-	-	-	-	-	-	36
Total Direct Services			50,664,289	97,953	0	0	445,415	13,381,038	37,381,204	0
TOTAL			52,108,194	134,298	(195,535)	(186,822)	1,543,308	13,381,038	37,381,204	0

Indirect Cost Rate Computation:

Indirect Costs divided by
Direct Salaries & Wages

1,543,308
13,381,038

Indirect Cost Rate = 11.53%

Adopted Rate = 11.25%

Notes:

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