

KITTITAS COUNTY

BOARD OF COUNTY COMMISSIONERS

RESOLUTION NO. 2017-053

**A Resolution adopting the Kittitas County Public Health Department Simplified
Indirect Cost Allocation Plan
For
Year Ended December 31, 2015**

WHEREAS, Kittitas County receives Federal Grant Dollars, and

WHEREAS, according to the United States Office of Management & Budget, 2 CFR Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), Kittitas County Health Department needs to adopt a Simplified Indirect Cost Allocation Plan, and;

WHEREAS, the County Auditor has reviewed the Simplified Indirect Cost Allocation Plan and determined the Public Health Department's Indirect Cost Rate to be 31.01%, based on the distribution base of direct salaries & wages of each division/program, and;

WHEREAS, the County Auditor has approved the Indirect Cost Rate of 29.50%; a slight increase from the actual calculation to allow for a margin of error, and

WHEREAS, the attached documentation shows the calculation of the Indirect Cost Plan for the Kittitas County Public Health Department as per the requirements for 2 CFR Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

NOW, THEREFORE BE IT RESOLVED that the Board of County Commissioners adopts the Indirect Cost Rate for Kittitas County Public Health Department at 29.50%, based on the distribution base of direct salaries & wages, for federal grant reimbursement as certified by the County Auditor, effective January 1, 2017.

ADOPTED this 21st day of March, 2017



ATTEST

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


Chairman


Vice-Chairman


Commissioner


Clerk of the Board/Deputy Clerk of the Board

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, 2015** are to establish cost allocations or billings starting **January 1, 2017** are allowable in accordance with the requirements of the Part; 2 CFR Part 200, "Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards" 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 Federal 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, 2017

The 2017 rate approved is 11.25%

Kittitas County Public Health Department
Simplified Indirect Cost Allocation Plan
For the Year Ended December 31, 2015

NARRATIVE

In order for the Kittitas County Public Health Department (KCPHD) to comply with federal regulations in the Uniform Grant Guidance, a simplified Indirect Cost Allocation Plan is adopted to be able to bill indirect costs to grants.

KCPHD's financial data from 2015 is used to formulate the 2017 Indirect Cost Allocation Plan. The distribution base on which the indirect rate will be allocated is the direct salaries charged to department's programs.

The department's costs are divided into two categories: administration costs and direct program costs. Within the category of administration costs, only expenses incurred for common or joint purposes and in support of all programs are considered indirect costs. The costs coded to individual programs are considered direct costs.

DEFINITIONS

- All Other Direct Costs – the amount remaining from total costs less unallowable costs, indirect costs, and direct salaries.
- Direct Costs – costs that can be identified specifically with a particular final cost objective such as a particular award, project, service or other direct activity of an organization.
- Direct Cost Base – the 2015 fiscal year salaries for each program within the public health department.
- Exclusions – costs that are passed through or sub-granted to others are considered to be excludable costs. Some salaries that were charged to administration are not included in the indirect costs. Also, the portion of the department's supplies and services and charges expenses that were determined to not be directly associated with administration duties were excluded.
- Indirect Cost Allocation Plan – the documentation identifying, accumulating, and developing rates based on the allowable costs of the public health administrative division. These costs may be allocated to the individual programs and billed to the program grants.
- Indirect Cost Rate – a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio of the indirect costs to a direct cost base.
- Indirect Costs – those costs incurred for a common objective that benefits more than one grant program or project. Such costs are not readily assignable to the cost objective specifically benefitted.
- Uniform Grant Guidance – United States Office of Management & Budget document 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 2015 fiscal year financial data.

- Unallowable Costs – certain costs specifically unallowable under the general and special award conditions or agency instructions. These costs are defined by the Uniform Grant Guidance.

INDIRECT FUNCTIONS

At KCPHD, the indirect functions are those administrative tasks completed and the costs incurred to support all divisions of the department. Administration division costs for the fiscal year 2015 totaled \$368,179.03. Some of the costs included in this total are: the salaries for administrative staff time; the purchase of office supplies, operating supplies, minor office equipment; fees for professional services, telephone service, postage, travel, advertising, and other such expenses that are necessary to support the multiple programs within the department.

Excludable costs that are a part of the Administrative division's totals include salaries and benefits that were charged to the division but are not included in the indirect rate calculation because they are not positions that were determined to be consistently engaged in full-time work benefiting all programs. This exclusion includes 3 percent of the Public Health Administrator and 2 percent of the Fiscal Analyst's time. This percentage was found on the actual costs charged to the Developmental Disabilities program by the Administrator and Fiscal Analyst during 2015 compared to their total, respective, annual salary. Costs were also excluded from the calculation based on the assumption that only 17.54 percent of the total costs charged to the division for supplies, and services and charges would be used by the positions supported by the indirect rate. This percentage was found by dividing the total number of budgeted FTE for 2015 by the number of FTE supported by the indirect rate.

Excludable costs included in the Administrative division's totals included:

Salaries	\$12,760.22
Benefits	\$5,348.73
Supplies	\$3,503.46
<u>Services and Charges</u>	<u>\$33,522.36</u>
Total Excludable Costs	\$55,134.77

Unallowable costs included in the Administrative division's total include capital lease expenditures and central services billings from the county.

Unallowable costs included in the Administrative division's totals included:

Capital Leases	\$3,127.08
<u>Central Services Billings</u>	<u>\$96,076.79</u>
Total Unallowable Costs	\$99,203.87

A summary of the department's indirect costs are as follows:

Total Administrative Division Costs	\$368,179.03
Less: Total Excludable Costs	(\$55,134.77)
Less: <u>Total Unallowable Costs</u>	<u>(\$99,203.87)</u>
Total Indirect Costs	\$213,840.39

DIVISIONS WITH DIRECT EXPENSES

In 2015, KCPHD had 27 active programs with total expenditures of \$1,381,541.08. Of that amount, \$16,322.27 was related to excludable costs, which were passed through to Community Health of Central Washington for their professional services in the Children and Youth with Special Health Care Needs program and to the Kittitas County Community Network for their professional service in the Tobacco Prevention grant. \$10,526.54 was related to an unallowable cost because it was used the mobile air monitors a capital expenditure for the Mobile Air Monitoring grant.

Direct costs included \$689,537.79 related to salaries. The final \$665,154.48 was considered to be allowable direct costs. These allowable costs include, but are no limited to:

- Operating supplies that were necessary to meet the deliverables of the contracts;
- Professional services as prescribed by OMB Uniform Grant Guidance, page 110, §200.459. These services were provided by individuals that possess skills not available within the department and the services were necessary to carry out the scope of the contract;
- Food that was purchased for a meeting or conference where the primary purpose is the dissemination of technical information (OMB Uniform Grant Guidance, §200.432);
- Advertising communicating specific activities or accomplishments as part of the outreach effort for grant deliverables (OMB Uniform Grant Guidance, §200.421);
- Equipment purchases that did not meet the county's threshold of a \$5,000 minimum to be considered capital equipment.

RATE RECOMMENDATION

In order to account for a margin of error in the calculation of the department's indirect cost rate, it is recommended by the department's Fiscal Analyst to adopt a rate of 29.50%. This recommendation would increase the 2017 rate 0.50% over the previous fiscal year's rate.

Kittitas County Public Health Department Indirect Cost Allocation Plan Based on 2015 Financial Data						
	Total Costs	Exclusions (2)	Unallowable (3)	Direct Costs		Indirect Costs
				Salaries	Other Direct Costs	
Direct Services/Programs						
Assessment	\$88,082.72			\$45,454.32	\$42,628.40	
Public Information Officer	\$9,132.68			\$4,992.25	\$4,140.43	
Health Promotions Administration	\$37,809.83			\$21,220.97	\$16,588.86	
Maternal Child Health Block Grant	\$49,142.62	14,072.72		\$19,736.45	\$15,333.45	
Oral Health	\$12,800.60			\$6,535.04	\$6,265.56	
Clinic Services (Adult, Oversees, Children)	\$43,020.62			\$18,037.99	\$24,982.63	
In Person Assister (Health Benefit Exchange)	\$22,143.33			\$11,395.14	\$10,748.19	
Immunizations	\$9,933.20			\$5,549.23	\$4,383.97	
Tuberculosis	\$8,616.43			\$4,531.34	\$4,085.09	
HIV/AIDS	\$25,918.09			\$14,049.12	\$11,868.97	
Communicable Disease	\$71,751.07			\$40,195.31	\$31,555.76	
Tobacco Prevention	\$12,870.21	2,249.55		\$5,757.97	\$4,862.69	
Chronic Disease	\$43,529.28			\$23,981.36	\$19,547.92	
PIO Emergency	\$685.91			\$384.93	\$300.98	
Bioterrorism	\$81,711.51		10,526.54	\$30,097.65	\$41,087.32	
Overdose Prevention	\$4,064.93			\$1,175.29	\$2,889.64	
Medicaid Administrative Match	\$4,441.02			\$2,530.39	\$1,910.63	
Community Health Administration	\$176,454.20			\$84,331.03	\$92,123.17	
Water	\$134,882.59			\$73,893.49	\$60,989.10	
Solid Waste	\$89,501.62			\$41,961.56	\$47,540.06	
On-Site Sewage	\$72,370.24			\$39,827.27	\$32,542.97	
Zoonotics	\$3,160.75			\$1,653.85	\$1,506.90	
Food Safety	\$74,677.11			\$39,173.38	\$35,503.73	
Living Environment	\$47,791.53			\$23,153.09	\$24,638.44	
Food Education/Food Worker Cards	\$248.25			\$138.43	\$109.82	
Environmental Health Administration	\$243,325.10			\$122,645.20	\$120,679.90	
Vital Records	\$13,475.64			\$7,135.74	\$6,339.90	
Subtotal	\$1,381,541.08	\$16,322.27	\$10,526.54	\$689,537.79	\$665,154.48	\$0.00
Indirect Costs of Division						
Administration Salaries	\$163,419.83	\$12,760.22				\$150,659.61
Administration Benefits	\$58,762.20	\$5,348.73				\$53,413.47
Supplies	\$4,358.90	\$3,503.46				\$855.44
Services & Charges	\$42,434.23	\$33,522.36				\$8,911.87
Capital Outlay	\$3,127.08		3,127.08			\$0.00
Central Services of the Entity (1)	\$96,076.79		\$96,076.79			\$0.00
Subtotal	\$368,179.03	\$55,134.77	\$99,203.87	\$0.00	\$0.00	\$213,840.39
TOTAL	\$1,749,720.11	\$71,457.04	\$109,730.41	\$689,537.79	\$665,154.48	\$213,840.39

1. This represents the amount of internal services allocated to the department via the entity-wide central service cost allocation plan.

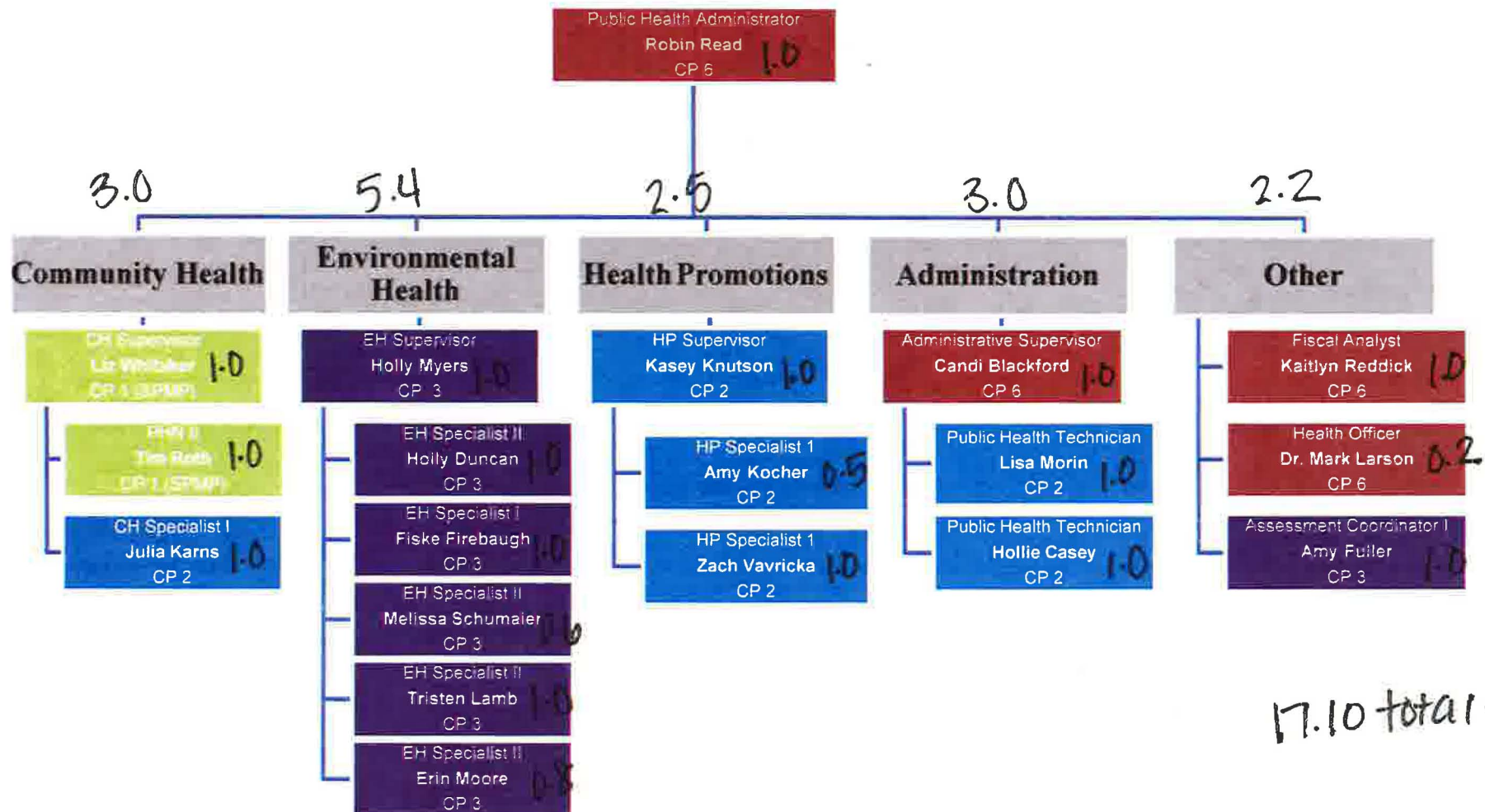
2. This column represents amounts that are passed through to other entities and amounts that are more directly related to program areas and are not included in the indirect rate

3. This column represents costs not allowed by Uniform Grant Guidance (capital expenditures, legal expenditures and civic organization membership)

Public Health Department Indirect Cost Rate:		
Indirect Costs	\$213,840.39	31.01%
Direct Salaries	\$689,537.79	

Public Health Department Admin FTE Rate:		
2015 Budgeted	17.10	17.54%
Admin FTE	3.00	

Kittitas County Public Health Dept.



17.10 total FTE