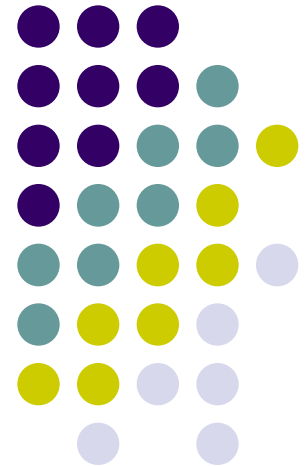
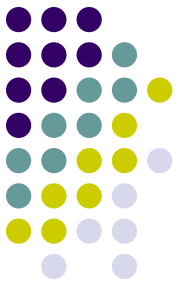


Indirect Cost Update

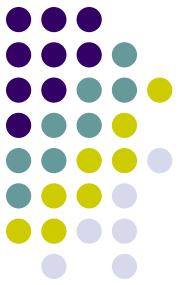
Florida Department of Education
Bureau of the Comptroller





What's covered today

- Definition
- Subagreements
- Plan B
- Developing your Indirect Cost Rate
- Common Pitfalls
- Application of Rate



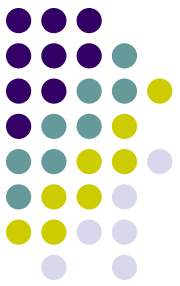
Definition of Indirect Cost

- Governing Authority:
 - OMB Circular A-87
http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html
 - EDGAR: Title 34, Code of Federal Regulations
<http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- Approved with Fixed Carry-Forward
- Simplified Process

Subagreements for Services



- EDGAR § 76.569 and OMB Circular A-21
- Instructional or Support Activity (Part or All) is Conducted by Third Party
- Originate from any Grant, Award, or Entitlement
 - Home-to-School Transportation for Students
 - Services from Nonpublic Schools to Special Education Students
- What is not a Subagreement?
 - Pass-Through Grants which LEAs have Administrative Involvement **only**
 - Routine Purchases
 - Charter Schools
- FAQs: <http://www.fldoe.org/faq/default.asp?Dept=20>



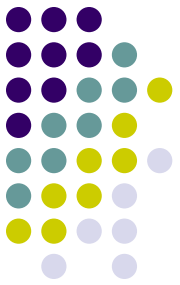
Subagreements (cont.)

- Excluded from Indirect Cost Rate Computation & Application Base
- Manual Separation on Schedule A
 - For FY 2006-07 Data
 - For FY 2007-08 Data
- First \$25K for each Subagreement
 - Eligible for Indirect Cost Computation & Application
 - Charge up to \$25,000 to Purchased Services Object
 - Applies to Duration of Subagreement



Calculation of CY Rate

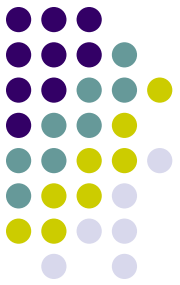
- OMB Circular A-87
- Effort ≠ Benefits
 - Countless Hours of Work
 - Undue Hardship
 - Potential Audit Findings
- Majority of Subagreements, Subawards
 - Instruction & Pupil Transportation
 - Object 310 – Professional/Technical Services



Plan B

- Excluded & Included Expenditures
- Percent Changes
- Benefits
- 2 Years

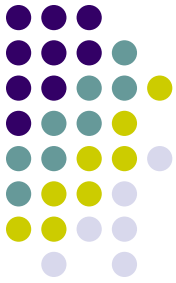
Local Education Agencies		Approved Current Rate	Proposed Rate	Difference
Large County	1	5.95%	6.00%	0.05%
Large County	2	2.99%	3.03%	0.04%
Medium County	3	7.11%	7.22%	0.11%
Medium County	4	4.69%	4.96%	0.27%
Medium County	5	3.49%	3.56%	0.07%
Medium County	6	4.93%	5.00%	0.07%
Small County	7	4.25%	4.27%	0.02%
Small County	8	4.46%	4.56%	0.10%
Small County	9	7.26%	7.57%	0.31%
Small County	10	4.77%	5.43%	0.66%



Developing Indirect (cont.)

- Required Schedules
 - Schedule A only
 - Reconciliation
 - No Carry-Forward
 - Certification
- FY 2010-11
 - Schedule A & B
 - Carry-Forward Based on FY 2008-2009

Schedule A – Plan A



YEAR ENDED JUNE 30, 2008

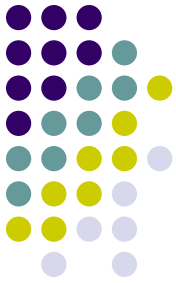
(use whole dollars only)

FUNCTION	TOTAL EXPENDITURES	DIRECT / UNALLOWED COSTS	INDIRECT COSTS	EXCLUDED COSTS					
				CAPITAL OUTLAY (OBJ 600)	DEBT FINANCING (FUNC 9200)	FINES & PENALTIES (OBJ 740)	FOOD SERVICES (OBJ 500)	SUB-AGREEMENTS	OTHER
GENERAL FUND									
<i>Current:</i>									
5000 Instruction	118,097,246	116,066,336	1,689,686	341,224					
6100 Pupil Personnel	11,288,129	11,265,472	7,940	14,717					
6200 Instructional Media	4,283,837	3,880,782		303,055				100,000	
6300 Instruction-Curriculum Development	3,277,598	3,258,232		19,366					
6400 Instructional Staff Training	1,322,529	1,109,602		12,927				200,000	
6500 Instructional – Related Technology	100,000		100,000						
7100 Board Members	580,341	578,032		2,309					
7200 General Administration	1,521,313	1,516,791	844	3,678					
7300 School Administration	11,202,476	11,105,394	34,341	62,741					
7400 Facilities Acquisition & Construction	280,704	95,825		184,879					
7500 Fiscal Services	1,257,990		1,256,396	1,594					
7600 Food Services	0								
7700 Central Services	4,632,566		4,587,261	45,305					
7800 Pupil Transportation	15,227,802	15,204,052	1,677	22,073					
7900 Operation of Plant	18,036,223	18,002,599	744	32,880					
8100 Maintenance of Plant	5,501,835	5,453,555	4,371	43,909					
8200 Administrative Technology Services	200,000		200,000						
9100 Community Services	77,156	77,156							
<i>Capital Outlay:</i>									
7400 Facilities Acquisition & Construction	132,499			132,499					
600 Other Capital Outlay	1,521,011			1,521,011					
<i>Debt Service:</i>									
9200 Debt Services									
TOTAL EXPENDITURES:	198,541,255	187,613,828	7,883,260	2,744,167	0	0	0	300,000	0
SPECIAL REVENUE FUNDS -									
FOOD SERVICES:									
7600 Food Services:	13,603,553	6,416,102		483,715			6,703,736		
OTHER:									
All Functions	21,286,758	19,016,759		1,491,243					778,756
TOTAL EXPENDITURES	34,890,311	25,432,861	0	1,974,958	0	0	6,703,736	0	778,756
GRAND TOTAL	233,431,566	213,046,689	7,883,260	4,719,125	0	0	6,703,736	300,000	778,756

(A)

(B)

Schedule A – Plan B



YEAR ENDED JUNE 30, 2008

(use whole dollars only)

FUNCTION	TOTAL EXPENDITURES	DIRECT / UNALLOWED COSTS	INDIRECT COSTS	EXCLUDED COSTS					
				CAPITAL OUTLAY (OBJ 600)	DEBT FINANCING (FUNC 9200)	FINES & PENALTIES (OBJ 740)	FOOD SERVICES (OBJ 500)	PROFESSIONAL /TECHNICAL SERVICES (OBJ 310)	OTHER
GENERAL FUND									
<i>Current:</i>									
5000 Instruction	118,097,246	115,966,336	1,689,686	341,224				100,000	
6100 Pupil Personnel	11,288,129	11,265,472	7,940	14,717					
6200 Instructional Media	4,283,837	3,980,782		303,055					
6300 Instruction-Curriculum Development	3,277,598	3,258,232		19,366					
6400 Instructional Staff Training	1,322,529	1,309,602		12,927					
6500 Instructional – Related Technology	100,000		100,000						
7100 Board Members	580,341	578,032		2,309					
7200 General Administration	1,521,313	1,516,791	844	3,678					
7300 School Administration	11,202,476	11,105,394	34,341	62,741					
7400 Facilities Acquisition & Construction	280,704	95,825		184,879					
7500 Fiscal Services	1,257,990		1,256,396	1,594					
7600 Food Services	0								
7700 Central Services	4,632,566		4,587,261	45,305					
7800 Pupil Transportation	15,227,802	15,004,052	1,677	22,073				200,000	
7900 Operation of Plant	18,036,223	18,002,599	744	32,880					
8100 Maintenance of Plant	5,501,835	5,453,555	4,371	43,909					
8200 Administrative Technology Services	200,000		200,000						
9100 Community Services	77,156	77,156							
<i>Capital Outlay:</i>									
7400 Facilities Acquisition & Construction	132,499			132,499					
600 Other Capital Outlay	1,521,011			1,521,011					
<i>Debt Service:</i>									
9200 Debt Services									
TOTAL EXPENDITURES:	198,541,255	187,613,828	7,883,260	2,744,167	0	0	0	300,000	0
SPECIAL REVENUE FUNDS -									
FOOD SERVICES:									
7600 Food Services	13,603,553	6,416,102		483,715			6,703,736		
OTHER SPECIAL REVENUE FUNDS:									
5000 Instruction									
7800 Pupil Transportation-speical revenue									
Remaining Functions	21,286,758	19,016,759		1,491,243					778,756
TOTAL EXPENDITURES:	34,890,311	25,432,861	0	1,974,958	0	0	6,703,736	0	778,756
GRAND TOTAL	233,431,566	213,046,689	7,883,260	4,719,125	0	0	6,703,736	300,000	778,756

(A)

(B)

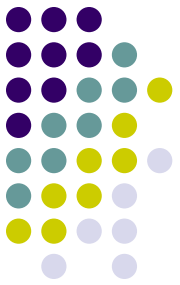
Schedule A (cont.)



RECONCILIATION	
TOTAL DIRECT (A)	213,046,689
TOTAL INDIRECT (B)	7,883,260
EXCLUDED COSTS:	
CAPITAL OUTLAY, OBJECT 600, ALL FUNCTIONS	4,719,125
DEBT SERVICES, FUNCTION 9200	0
FINES AND PENALTIES, OBJECT 740	0
FOOD SERVICES, FUNCTION 7600, OBJECT 500	6,703,736
PROFESSIONAL & TECHNICAL SERVICES: OBJECT 310, FUNCTIONS 5000 & 7800	300,000
OTHER:	778,756
TOTAL EXPENDITURES	233,431,566
*GENERAL FUND	198,541,256
*SPECIAL REVENUE - OTHER	21,286,758
*SPECIAL REVENUE - FOOD SERVICE	13,603,552
TOTAL EXPENDITURES	233,431,566
DIFFERENCE	0

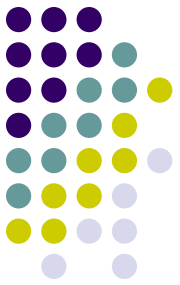
RESTRICTED RATE COMPUTATION ACTUAL COSTS	
RESTRICTED IDC RATE:	3.70%
DIRECT BASE (A)	213,046,689
INDIRECT COST POOL (B)	7,883,260

**Must agree with AFR Statement of Revenues, Expenditures and Changes in Fund Balance
Only fields which require input*



Common Pitfalls

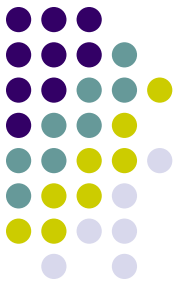
- Capital Outlay
- Food Service – Supplies
- Indirect Cost Expenditure Obj 700
- Additional Documentation
 - For 7100 & 7200 Terminal Leave Payouts
- Terminal Leave Payouts
 - Unallowable as Direct Costs to Federal Programs
 - Salary Costs Associated with School Board, Superintendent & Immediate Officers Should Follow with Leave Payouts



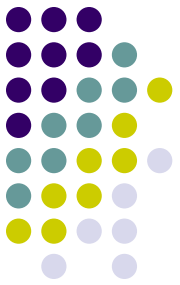
Application of Rate

- Program Limitations
- Allowable Costs (Base)
- Plan B – Unallowable Costs
- Obj 310 in 5000 & 7800
- Rate in Effect: July 1 – June 30
- Verification of Costs

Summary



- Q & A
- Definition
- Subagreements
- Plan B
- Developing your Indirect Cost Rate
- Common Pitfalls
- Application of Rate



Contact Information

- Indirect Costs & CARDS
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 - David.Keele@fldoe.org
 - (850) 245-9147
 - Laura Castaño, Operations & Mgmt Consultant II
 - Laura.Castano@fldoe.org
 - (850) 245-9205