

KITTITAS COUNTY

BOARD OF COUNTY COMMISSIONERS

RESOLUTION NO. 2011- 038

**A Resolution adopting Central Services Simplified Indirect Cost Allocation Plan for Year Ended December 31, 2010**

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 11.33%, based on the distribution base of direct salaries & wages of each department/fund, and;

WHEREAS, the County Auditor has approved 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 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 11.25%, based on the distribution base of direct salaries & wages, for federal grant reimbursement.

ADOPTED this 5<sup>th</sup> day of April, 2011.

BOARD OF COUNTY COMMISSIONERS  
KITTITAS COUNTY, WASHINGTON

  
Chairman

  
Vice-Chairman

  
Commissioner



  
Clerk of the Board



Kittitas County  
Central Services  
Simplified Indirect Cost Allocation Plan  
For Year Ended December 31, 2010

**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 2010 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 2010 fiscal year end salaries & wages for each department

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.

Total Costs – the 2010 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 2010 actual expenses were \$390,136.88. 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 these other districts/funds is 4.97% of the total hours. The amount of salaries and benefits allocated, as an indirect cost is 95.03%. All other operating expenses were allocated at 100%. The amounts of unallowable costs are \$21,101.52, which includes salaries reimbursed by other funding source.

### Information Services

Information Services is responsible to maintain the county computer equipment and software for all departments. Total 2010 actual expenses for Computer Services were \$679,233.58 of those expenses \$135,187.49 are unallowable costs. These unallowable costs include the following:

All GIS Services	\$ 95,770.68
Operating Supplies for GIS	\$ 157.11
Telephone line for GIS	\$ 151.20
Computer Equipment	<u>\$ 39,108.50</u>
Total Unallowable Costs	\$135,187.49

### 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 2010 actual expenses for Communications were \$78,125.85, of the expenses \$59,374.01 are unallowable costs. These unallowable costs include the following:

Paper – purchased for the copier	\$ 163.75
Telephone – DIS for Scan line	\$ 8,445.62
Postage – postage reimbursement	\$ 50,000.00
Equipment Maintenance – copier	<u>\$ 764.64</u>
Total Unallowable Costs	\$ 59,374.01

### Human Resource

The Human Resource Department administers various programs involving recruitment, compensation, benefits, collective bargaining, and personnel policy. The 2010 actual expenses are \$221,528.44. The Human Resource 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 (Revenues Generated)	\$ 3,414.36
Civil Service	<u>\$ 9,744.13</u>
Total Unallowable Costs	\$13,158.49

## **DEPARTMENTS THAT PROVIDE DIRECT SERVICES**

### Auditor- Administration

The total Auditor's Administration 2010 expenses are \$91,525.26. The Auditor is responsible for 5 divisions; Accounting, Recording, Vehicle Licensing; Elections and Voter Registration. There are 14 employees in the office. During 2010, the accounting staff had 6 full time employees. The total paid hours for the accounting staff was 12,642.06 out of 29,023.28 or 44%, the accounting staff salaries were \$260,209.81 out of \$565,967.86 or 46%; the average of both is 45%. The expenses were distributed by the 45% except for the costs related to other divisions within the office. The amount of depreciation expense was added for \$2,053.86 (\$924.24 = 45%) for capitalized equipment. The amount for the indirect allowable costs is **\$41,186.37**.

### Facilities Maintenance – Motor pool

The facilities maintenance expenses for the motor pool was \$15,437.00. The total mileage used by each employee was divided into the total miles used for all pool cars. The 2010 amount of indirect usage for Auditor's Accounting, Human Resource, Information Services and Treasurer is **\$1,229.87**.

### Facilities Maintenance

The facilities maintenance expenses for the Courthouse were \$536,703.22; plus \$25,006 for capitalized expenses for a total of \$334,629.94 allowable costs. The 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 \$4.54 per square foot. The following is the breakdown of the \$21,594.99 allowed indirect costs.

Room	Square Footage	% allowed	Amount
Auditor's Accounting	345.00	100	1,566.30
Accounting Manager	74.00	100	335.96
Human Resource	916.40	100	4,160.46
Treasurer's Office	1,892.84	32	2,749.92
County Auditor	152.10	45	310.74
Information Services	2,668.00	100	12,112.73
Mail Room	79.05	100	358.89
		<b>TOTAL</b>	<b>21,594.99</b>

### Non-Departmental

This department's expense for 2010 is \$757,479.90. The indirect cost from this department is for the state auditor, insurance and dues. The state auditor costs for 2010 were \$56,241.70; insurance premiums are billed directly to the county funds for the liability, auto and property. The amount of insurance is based upon the Central Services departments, for employee liability and specialized equipment. 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 **\$89,899.35**.

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 total receipts collected for just county funds was 32.55% and the amount of county warrants issued was 31.67%. The average of these functions is 32%. The total expenses for 2010 were \$494,985.68. The total expenses were calculated at the 32%, less costs that dealt with tax collection. The Treasurer also had a REET Grant in 2010 with expenses of \$53,273.10 and these were unallowable expenses. The total amount of allowable indirect costs for the Treasurer is **\$125,952.27**.

### Computer Replacement

The total computer replacement 2010 expenses were \$54,282.00, of this amount **\$4,530.06** was the amount of indirect purchases for Auditor's Accounting, Human Resource and Information Services.

## **CENTRAL SERVICES INDIRECT COST CALCULATION**

The Central Services Departments; Auditor's Accounting, Information Services, Communications, and Human Resources had indirect costs of \$1,140,203.26. With the other indirect costs from other departments totaling \$284,392.91 the total county indirect costs are \$1,424,596.17.

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 2010 were \$12,578,487.66

### **Indirect Cost Rate Computation:**

Indirect Costs divided by	1,424,596.17	Indirect Cost Rate =	11.33%
Direct Salaries & Wages	12,578,487.66		

**Adopted Rate = 11.25%**

Notes: Apply this rate to allowable salaries

**Kittitas County**  
**Central Services**  
**Simplified Indirect Cost Allocation**

For the Year Ended December 31, 2010

Department	Sub Department	Total Costs 12-31-2010	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	All Other Direct Costs
<b>Indirect Functions that Provide Services to the Service Providing Units</b>						
0011	Auditor					
0017	Information Services	390,136.88	(21,101.52)	369,035.36	0.00	0.00
0020	Communications	679,233.58	(135,187.49)	544,046.09	0.00	0.00
0038	Human Resource	78,125.85	(59,374.01)	18,751.84	0.00	0.00
		221,528.46	(13,158.49)	208,369.97	0.00	0.00
<b>Departments that Provide Direct Services to the Citizens of the County</b>						
0010	Assessor	910,995.00	0.00	0.00	637,628.09	273,366.91
0011	Auditor	89,471.00	0.00	41,186.37	62,652.00	68,005.37
0011	Auditor	124,617.00	0.00	0.00	112,025.52	12,591.48
0011	Auditor	139,396.00	0.00	0.00	96,131.07	43,264.93
0011	Auditor	147,519.00	0.00	0.00	34,949.46	112,569.54
0011	Auditor	36,635.00	0.00	0.00	0.00	36,635.00
0011	Auditor	65,591.00	0.00	0.00	0.00	65,591.00
0012	Board Equalization	14,172.00	0.00	0.00	7,875.00	6,297.00
0013	Fire Marshal/Code Enforcement	131,984.00	0.00	0.00	94,324.00	37,660.00
0014	Community Development	723,797.00	0.00	0.00	288,434.21	435,362.79
0015	County Clerk	307,076.00	0.00	0.00	231,588.00	75,488.00
0016	Commissioners	401,540.00	0.00	0.00	318,212.07	83,327.93
0018	Cooperative Extension	189,253.00	0.00	0.00	88,585.52	100,667.48
0019	Disability Board	17,251.00	0.00	0.00	0.00	17,251.00
0021	Judge - Superior Court	597,084.00	0.00	0.00	260,256.67	336,827.33
0022	Juvenile	512,214.00	0.00	0.00	335,724.98	176,489.02
0023	Law Library	18,711.00	0.00	0.00	0.00	18,711.00

Kittitas County  
Central Services  
Simplified Indirect Cost Allocation

For the Year Ended December 31, 2010

Department	Sub Department	Total Costs 12-31-2010	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	All Other Direct Costs
0024	Lower District Court	977,345.00	0.00	0.00	553,748.74	423,596.26
0025	Facilities Maintenance	15,437.00	0.00	1,229.87	0.00	16,666.87
0025	Facilities Maintenance	536,703.00	0.00	21,594.99	190,860.05	0.00
0025	Facilities Maintenance	77,182.00	0.00	0.00	0.00	0.00
0025	Facilities Maintenance	135,977.00	0.00	0.00	0.00	0.00
0025	Facilities Maintenance	171,728.00	0.00	0.00	0.00	0.00
0025	Facilities Maintenance	30,388.00	0.00	0.00	0.00	0.00
0026	Non-Departmental	757,480.00	0.00	89,899.35	50,424.00	796,955.35
0029	Prosecutor	1,767,325.00	0.00	0.00	1,209,489.02	557,835.98
0030	Sheriff	6,077,318.00	0.00	0.00	3,024,268.94	3,053,049.06
0031	Treasurer	494,975.30	0.00	125,952.27	246,574.63	374,352.94
0032	Upper District Court	685,556.00	0.00	0.00	358,949.19	326,606.81
0033	Pest Control	9,534.00	0.00	0.00	0.00	9,534.00
0035	Flood Control	21,533.00	0.00	0.00	0.00	21,533.00
0036	Library Advisory Board	125,000.00	0.00	0.00	0.00	125,000.00
0037	Emergency Management	132,245.00	0.00	0.00	65,656.06	66,588.94
0040	Criminal Justice	66,295.00	0.00	0.00	0.00	66,295.00
0044	Post Employment Benefits	86,913.00	0.00	0.00	0.00	86,913.00
0045	Historical Document Program	23,983.00	0.00	0.00	0.00	23,983.00
0060	Computer Replacement	54,282.00	0.00	4,530.06	0.00	58,812.06
109	County Fair	862,039.00	0.00	0.00	310,403.82	551,635.18
101	Airport	792,065.00	0.00	0.00	0.00	792,065.00
105	Community Services	968,939.00	0.00	0.00	0.00	968,939.00
106	County Road	5,522,392.00	0.00	0.00	1,896,131.23	3,626,260.77
108	Public Facilities	600,555.00	0.00	0.00	0.00	600,555.00
110	EIS Trust	50,916.00	0.00	0.00	0.00	50,916.00
112	Low Income Housing	108,693.00	0.00	0.00	0.00	108,693.00
113	Recreation	111,069.00	0.00	0.00	0.00	111,069.00
114	Homelessness Housing	234,617.00	0.00	0.00	0.00	234,617.00
115	Trial Court Improvements	44,996.00	0.00	0.00	0.00	44,996.00
116	Public Health	1,336,769.00	0.00	0.00	740,878.48	595,890.52
118	Veterans Assistance	62,464.00	0.00	0.00	0.00	62,464.00
119	911 Excise	463,548.00	0.00	0.00	0.00	463,548.00
120	3/10s Clerk	48,918.00	0.00	0.00	31,485.01	17,432.99
120	3/10s Juvenile	19,123.00	0.00	0.00	7,191.97	11,931.03
120	3/10s Prosecutor	140,059.00	0.00	0.00	98,503.85	41,555.15
120	3/10s Sheriff	576,403.00	0.00	0.00	362,279.75	214,123.25
121	Treasurer ULID	197.00	0.00	0.00	0.00	197.00

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 Central Services  
 Simplified Indirect Cost Allocation

For the Year Ended December 31, 2010

Department	Sub Department	Total Costs 12-31-2010	Unallowable Costs	Indirect Costs	Direct Salaries/Wages	All Other Direct Costs
122	Treasurers M&O	51,525.00	0.00	0.00	0.00	51,525.00
123	Noxious Weed	306,468.00	0.00	0.00	168,055.14	138,412.86
125	Auditor Centennial Doc	49,565.00	0.00	0.00	0.00	49,565.00
127	Misdemeanant Probation	686,916.00	0.00	0.00	354,088.25	332,827.75
130	Prosecutor Victim Witness	81,384.00	0.00	0.00	0.00	81,384.00
131	Drug Enforcement	54,209.00	0.00	0.00	0.00	54,209.00
134	Public Defense	47,501.00	0.00	0.00	0.00	47,501.00
135	Forfeited Drug Proceeds	4,113.70	0.00	0.00	0.00	4,113.70
140	Hotel Motel	250,060.00	0.00	0.00	0.00	250,060.00
201	Fair Bond	168,374.00	0.00	0.00	0.00	168,374.00
206	CRID	68,933.00	0.00	0.00	0.00	68,933.00
301	Capital Improvements	882,269.00	0.00	0.00	0.00	882,269.00
302	Courthouse Jail Expansion	1,657,202.00	0.00	0.00	0.00	1,657,202.00
401	Solid Waste	2,983,014.00	0.00	0.00	341,112.94	2,641,901.06
501	ER&R	2,443,991.00	0.00	0.00	0.00	2,443,991.00
511	Unemployment	92,376.00	0.00	0.00	0.00	92,376.00
<b>TOTAL</b>		<b>39,815,192.77</b>	<b>(228,821.51)</b>	<b>1,424,596.17</b>	<b>12,578,487.66</b>	<b>25,369,360.31</b>

Indirect Cost Rate Computation:

$$\frac{\text{Indirect Costs divided by}}{\text{Direct Salaries \& Wages}}$$

$$\frac{1,424,596.17}{12,578,487.66}$$

11.33%

Indirect Cost Rate =

11.25%

Adopted Rate =

Notes:

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