

Cost Allocation





FRINGE BENEFIT & INDIRECT COST RATE AGREEMENT
Between
The Ohio Department of Transportation and
The Ohio-Kentucky-Indiana Regional Council of Governments

March 12, 2007

The rates approved in this agreement are for use on grants, contracts and other agreement with the Federal and State Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES

RATE TYPE: The Ohio-Kentucky-Indiana Regional Council of Governments has adopted the **PROVISIONAL** method of calculating the Fringe Benefit and Indirect Cost Rates. The rates are calculated based on the most recently audited Fiscal Year with adjustments for projected changes. Once approved, the provisional rates are billed for the fiscal year. At the end of the Fiscal Year, an actual rate is calculated and the difference between the estimated and actual cost for the period covered by the rate is identified to the specific contracts. Any variance is either billed as an additional cost or refunded to the granting agency. No carry forward provision is permitted to adjust the future rates for the variance.

TYPE	EFFECTIVE PERIOD		RATE (%)	APPLICATION
	FROM	TO		
PROVISIONAL	7/1/05	6/30/06	54.4846	FRINGE BENEFIT RATE
PROVISIONAL	7/1/05	6/30/06	115.5575	INDIRECT COST RATE
FINAL ***	7/1/05	6/30/06	47.00	FRINGE BENEFIT RATE
FINAL ***	7/1/05	6/30/06	108.53	INDIRECT COST RATE
PROVISIONAL	7/1/06	6/30/07	54.90	FRINGE BENEFIT RATE
PROVISIONAL	7/1/06	6/30/07	110.52	INDIRECT COST RATE
FINAL	7/1/06	6/30/07		FRINGE BENEFIT RATE
FINAL	7/1/06	6/30/07		INDIRECT COST RATE
PROVISIONAL	7/1/07	6/30/08	55.66	FRINGE BENEFIT RATE
PROVISIONAL	7/1/07	6/30/08	110.97	INDIRECT COST RATE
FINAL	7/1/07	6/30/08		FRINGE BENEFIT RATE
FINAL	7/1/07	6/30/08		INDIRECT COST RATE

BASE: For the calculation of the Fringe Benefit Rate the base is total direct and indirect labor. For the Indirect Cost Rate, the base is total direct labor (excluding direct labor fringe benefits).

*** The FINAL FY 2006 rates have not been audited by ODOT.

SECTION II: SPECIAL REMARKS

- A. TREATMENT OF FRINGE BENEFITS:**
 Fringe benefits include Holiday, Sick and Vacation Leave, Retirement, Hospitalization, Workers Compensation, etc. These expenses are billed to contract(s) based on the applicable fringe benefit rate times the direct labor expenses incurred for the contract(s).
- B. TREATMENT OF INDIRECT COSTS:**
 Indirect costs are not specifically identified to a cost objective. These include operational and administrative expenses (e.g., payroll processing, building rent, depreciation, etc.) These expenses are billed to contract(s) based on the applicable indirect cost rate times the direct labor expenses incurred for the contract(s).

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract, or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted: such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal or State Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the governmental entity.

B. ACCOUNTING CHANGES:

This agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the Ohio Department of Transportation. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATE:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL/STATE AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-87, and should be applied to grants, contracts, and other agreement covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE DEPARTMENT/AGENCY:

OKI Regional Council of Governments
(DEPARTMENT/AGENCY)

Mark R. Policinski
(SIGNATURE)

Mark R. Policinski
(PRINTED NAME)

Executive Director
(TITLE)

March 13, 2007
(DATE)

BY THE COGNIZANT AGENCY ON BEHALF OF THE
FEDERAL GOVERNMENT:

Ohio Department of Transportation
(DEPARTMENT/AGENCY)

James G. Beasley, Jr
(SIGNATURE)

James G. Beasley
(PRINTED NAME)

Director
(TITLE)

4-2-07
(DATE)

OHIO KENTUCKY INDIANA REGIONAL COUNCIL OF GOVERNMENTS

COST ALLOCATION PLAN - CALCULATION OF OVERHEAD RATE

(July 1, 2007 - June 30, 2008)

	Estimated FY 2006	Actual FY 2006	Difference (Over Bdgt.) Under Bdgt.	ODOT Adjustments	Estimated FY 2008
Wages paid for time worked:					
Direct Labor	\$ 1,420,794	\$ 1,308,157	\$ 112,637	\$ -	\$ 1,512,513
Indirect Labor	\$ 468,470	\$ 462,209	\$ 6,261	\$ -	\$ 547,432
Total Labor - base for fringe allocation	\$ 1,889,264	\$ 1,770,366	\$ 118,898	\$ -	\$ 2,059,945
Fringe Benefits					
Holidays (Net of Liability Adjustment)	\$ 80,100	\$ 75,256	\$ 4,844	\$ -	\$ 89,028
Sick Leave (Net of Liability Adjustment)	\$ 75,000	\$ 55,552	\$ 19,448	\$ -	\$ 72,770
Vacation (Net of Entitlement & Liability Adjust.)	\$ 100,000	\$ 160,489	\$ (60,489)	\$ -	\$ 173,516
Administrative	\$ 11,000	\$ 8,494	\$ 2,506	\$ -	\$ 11,986
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Fringe Benefit Wages	\$ 266,100	\$ 299,791	\$ (33,691)	\$ -	\$ 347,299
Other Fringe Benefits					
Retirement	\$ 168,736	\$ 142,034	\$ 26,702	\$ -	\$ 197,233
Group Health (includes HSA contributions)	\$ 411,651	\$ 282,589	\$ 129,062	\$ -	\$ 414,050
FICA	\$ 159,870	\$ 149,044	\$ 10,826	\$ -	\$ 172,117
Workers Comp	\$ 5,000	\$ 4,155	\$ 845	\$ -	\$ 4,500
Unemployment	\$ 10,000	\$ 10,437	\$ (437)	\$ -	\$ 3,000
Employee Incentives	\$ 8,000	\$ 6,317	\$ 1,683	\$ -	\$ 8,280
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Period Audit Adjustments	\$ -	\$ (62,269)	\$ 62,269	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>					\$ -
Subtotal Other Fringe Benefits	\$ 763,257	\$ 532,307	\$ 230,950	\$ -	\$ 799,180
TOTAL FRINGE BENEFITS	\$ 1,029,357	\$ 832,098	\$ 197,259	\$ -	\$ 1,146,479
Indirect Costs					
Salaries - Indirect Only	\$ 468,470	\$ 462,209	\$ 6,261	\$ -	\$ 547,432
Fringe Benefits for Indirect Salaries	\$ 255,244	\$ 217,245	\$ 37,999	\$ -	\$ 304,678
Auto Allowance paid as Indirect Salary	\$ -	\$ 6,300	\$ (6,300)	\$ -	\$ 6,300
Travel and Professional Development	\$ 26,000	\$ 18,047	\$ 7,953	\$ -	\$ 19,903
Memberships	\$ 20,000	\$ 15,794	\$ 4,206	\$ -	\$ 16,125
Meetings	\$ 13,000	\$ 119	\$ 12,881	\$ -	\$ -
Printing	\$ 5,000	\$ 1,149	\$ 3,851	\$ -	\$ 3,550
Repairs and Maintenance	\$ 25,000	\$ 14,612	\$ 10,388	\$ -	\$ 16,278
Equipment Lease	\$ 13,000	\$ -	\$ 13,000	\$ -	\$ -
Office Supplies	\$ 70,000	\$ 50,748	\$ 19,252	\$ -	\$ 66,000
Postage	\$ 25,000	\$ 12,884	\$ 12,116	\$ -	\$ 10,000
Rent	\$ 447,560	\$ 436,862	\$ 10,698	\$ -	\$ 467,067
Telephone - basic and Long Distance	\$ 16,000	\$ 11,849	\$ 4,151	\$ -	\$ 9,320
Subscriptions	\$ 2,000	\$ 642	\$ 1,358	\$ -	\$ 1,041
Legal and Audit	\$ 80,000	\$ 58,662	\$ 21,338	\$ -	\$ 63,850
Reproduction	\$ 13,000	\$ 10,180	\$ 2,820	\$ -	\$ 11,604
Insurance	\$ 21,000	\$ 23,116	\$ (2,116)	\$ -	\$ 25,560
Professional Services	\$ 66,000	\$ 44,747	\$ 21,253	\$ -	\$ 48,000
Advertising	\$ 6,000	\$ 1,806	\$ 4,194	\$ -	\$ 1,650
Depreciation & Loss on Disposal of Assets	\$ 40,000	\$ 32,905	\$ 7,095	\$ -	\$ 43,000
Payroll processing	\$ 4,500	\$ 3,898	\$ 602	\$ -	\$ 4,775
Internet	\$ 7,560	\$ 6,425	\$ 1,135	\$ -	\$ 5,700
Web Site management	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 1,500
Retirement Plan Admin & Education Fees	\$ 6,000	\$ 2,725	\$ 3,275	\$ -	\$ 2,750
Other	\$ 5,000	\$ 1,195	\$ 3,805	\$ -	\$ 2,100
Interest - Capital Lease	\$ 1,500	\$ 67	\$ 1,433	\$ -	\$ 186
Prior Period Audit Adjustments	\$ -	\$ (14,497)	\$ 14,497	\$ -	\$ -
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>					\$ -
TOTAL INDIRECT COSTS	\$ 1,641,834	\$ 1,419,689	\$ 222,145	\$ -	\$ 1,678,369