

**Certificate of Cost Allocation Plan
(State/Local Government)**

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 October 1, 2017 to establish cost allocations or billings for 10/1/2017 – 9/30/2018 are allowable in accordance with the requirements of Appendix V to 2 CFR Part 200 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: Capital Area Council of Governments

Signature: 

Name of Authorized Official: Lisa Byrd

Title: Director of Finance

Email Address and Phone: lbyrd@capcog.org 512-916-6174

Date of Execution: 10/01/2017

This certification:

- Is a requirement per 2 CFR Part 200 Appendix V Section E.4.;
- Must be submitted as part of each cost allocation plan; and
- Must be signed on behalf of the non-Federal entity by an individual at a level no lower than vice president or chief financial officer of the organization.

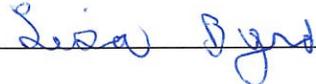
**Certificate of Indirect Costs
For State & Local Governments and Indian Tribes**

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

- (1) All costs included in this proposal October 1, 2017 to establish billing or final indirect cost rates for 10/1/2017 – 9/30/2018 are allowable in accordance with the requirements of the Federal award(s) to which they apply and the provisions of 2 CFR Part 200 Subpart E-Cost Principles. Unallowable costs have been adjusted for in allocating costs as indicated in the indirect cost proposal.
- (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 agreements 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 and the Federal government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit: Capital Area Council of Governments

Signature: 

Name of Authorized Official: Lisa Byrd

Title: Director of Finance

Email Address and Phone: lbyrd@capcog.org 512-916-6174

Date of Execution: 10/01/2017

This certification:

- Is a requirement per 2 CFR Part 200 Subpart E Subsection 200.415 and Appendix VII Section D.3.;
- Must be submitted as part of the annual indirect cost rate proposal; and
- Must be signed on behalf of the non-Federal entity by an individual at a level no lower than vice president or chief financial officer of the organization.



Capital Area Council of Governments FY 2018 Cost Policy Statement and Cost Allocation Plan

The Capital Area Council of Governments uses the cost allocation method prescribed in OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 C.F.R. Part 200,; *Review Guide for State and Local Governments State/Local-Wide Central Service Cost Allocation Plans and Indirect Cost Rates*; *U.S. Economic Development Administration Indirect Cost Instructions (08/10/2015)*; and the Texas Uniform Grants Management Standards (UGMS) to distribute shared costs throughout the grants and programs that it administers. Six direct cost pools have been established for common services: Accounting Services, Payroll & Personnel Services, Information Technology Services, Copier, Telephone, and Office Space. Actual accumulated costs are pooled into separate cost pools and these costs are distributed directly to programs each month. The allocation method for:

- Accounting Services is number of labor hours per program
- Payroll & Personnel Services is the number of labor hours per program
- Information Technology Services is the number of network connections and devices per program.
- Copier and Telephone is a proportional share of copies and phone charges
- Office Space is based on actual square footage per program.

COST POLICY STATEMENT

Basis of Accounting:

CAPCOG uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CAPCOG considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Grant revenues, state financial assistance, membership dues and interest are susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the CAPCOG.

Indirect Cost Rate Allocation Base: Total Salaries and Wages.

Fringe Benefits: Fringe benefits are charged to each Program Cost Pool in direct proportion to the actual salaries charged to each.

Internal Control: Capital Area Council of Governments maintains adequate internal controls to insure that no cost is charged both directly and indirectly to Federal and State contracts or grants. CAPCOG uses Abila Software's MIP Fund Accounting software which has built in internal control features such as password security, restricted access, levels of authorization, dual entry, date restriction and designated approval processes. In the Navigator mode, accounting transactions are laid out in flow chart fashion so that all steps in a process can be followed.

Accumulated Indirect Costs: CAPCOG accumulates all indirect costs and revenues in MIP fund account 100 titled, "General Fund", and program codes 110 "General Management" and 130 "General Services."

Other policies and guidelines:

CAPCOG Fixed Assets Policy
CAPCOG Fund Balance Policy
CAPCOG Investment Policy
CAPCOG Internal Controls Policy
CAPCOG Personnel Policies
CAPCOG Travel Guidelines

DESCRIPTION OF COST ALLOCATION METHODOLOGY:

Salaries and Wages:

All time is accounted for on employee time sheets, reviewed by supervisors and/or managers and submitted electronically to the Finance Department for processing. Timesheets are submitted on a bi-weekly basis. The MIP Fund Accounting software distributes the cost to the general ledger of the appropriate grant or pool. Program salaries are charged directly to the appropriate program budget. Salaries and benefits for the Executive Director's staff or other staff services that benefit all program areas are allocated to Indirect Costs. No payroll costs can be duplicated.

Fringe Benefits:

The following is a list of fringe benefits paid for all regular full time employees:

Payroll Taxes-FICA
Payroll Taxes – Medicare
Unemployment Insurance
Workman's Compensation
Retirement Contribution (401K match for those participating)
Health Insurance
Dental Insurance
Vision Insurance
Long Term Disability Insurance
Term Life Insurance
Wellness Program
Merit Pay
Vacation
Sick time
Holidays
Personal Day

Fringe benefits are tracked through the payroll module of the MIP accounting software. Charges to grants and programs are in direct proportion with compensation charges. Release Time (Annual leave, sick leave, holiday leave, and personal day) is included in the fringe benefit calculation. A wellness program contribution and a finite amount for merit, when available, are also included.

Travel:

Travel is charged directly to the program or cost pool that it benefits. The purpose of the travel is documented by travel request forms, which the employee prepares and signs prior to receiving payment. Travel costs are finalized with an after-travel form that documents final expenses. Travel complies with state and federal guidelines and with CAPCOG's Travel Guidelines.

Copies:

CAPCOG uses leased copiers, each of which has been programmed with preset codes used to identify the program and grant where appropriate using the machine and the number of copies produced. Actual costs related to this pool are charged out monthly.

Postage:

Metered postage is charged directly based on actual postage cost. The cost of the leased postage meter is allocated to programs based on the number of items mailed.

Communications:

Telephone service and the costs are computed and allocated to the program to which the employee is assigned. All long distance calls require the use of an access code for tracking calls by each program, as do conference calls.

Space Costs:

Office rental is allocated based on actual square foot costs of space used by each program. This rental cost includes proportionate share of conference room used for Committee meetings, etc., and ancillary areas. Average rental cost and estimated Common Area Maintenance charges are at an annual rate of \$21.47 per square foot (monthly at \$1.79 per square foot). Any overage for Common Area Maintenance charges or costs for maintenance or repairs are pooled and charged out monthly in proportion to the space used by each program.

Other Expenditures:

The remaining expenditure categories (such as consumable supplies, meeting registrations, dues, membership and publications, etc.) are costs for which each program directly pays. Documentation to support program allocations includes items such as purchase requisitions, receiving reports and vendor invoices.

Capital Equipment:

Equipment purchases are expensed directly to programs. Documentation to support program allocations includes items such as purchase requisitions, receiving reports and vendor invoices. Capital purchases are made in accordance with the CAPCOG Procurement Policy and are maintained in the fixed asset inventory.

Contracts:

Contracts procured for the benefit of grants, programs or cost pools are charged directly to the grants, programs or cost pools that they benefit. Costs are supported by signed contracts, and where expending more than \$25,000, with Executive Committee approval. Audit fees are allocated to the grants or programs through the Accounting Services allocation.

Accounting Services Allocation:

These services comprise the overall financial management function for all grants and programs. These services include: recording all cash receipts, processing vendor and subcontractor disbursements, accounts receivable, invoicing, periodic reporting to funding agencies and internal management; budget support, cash management, purchasing and procurement functions, and support for all independent fiscal and operational audit teams and monitoring teams from all funding agencies. Costs are allocated monthly, based on the number of labor hours per program.

Information Technology (IT) Allocation:

Services for this function primarily relate to the Information Technology (IT) support of the local and wide-area computer network systems, which are centralized at CAPCOG's offices. IT support includes all maintenance of the network servers, all peripheral equipment used in the connectivity of the local and wide-area computer network systems, maintenance of all network and PC operating systems and all software applications, maintenance of all PC workstations at all locations, ensuring proper licensing, the maintenance of the software library, GIS technical support, and providing technical support and some software training to all employees of CAPCOG. The telephone infrastructure costs are also allocated through IT, although the individual phone usage is allocated to programs directly as noted above in Communications. Contracted IT services to sub-contractors and third parties help to subsidize expenses and reduce costs to the programs and grants. Costs are allocated monthly based on the number of network connections and devices supported in each program or grant.

Payroll and Personnel Services Allocation:

These services comprise payroll and human resources functions for CAPCOG. These include the physical processing of a bi-weekly payroll run, disbursement and periodic payroll tax reporting, orientation for new employees, organizing required training, enrollment support for all benefits paid by CAPCOG, maintenance of a CAPCOG-sponsored defined contribution retirement plan, maintenance and control of all personnel records, and compliance with all federal and state employment laws. The allocation method for Payroll & Personnel Services is the number of labor hours per program.

Indirect Costs Allocation:

The Indirect Cost pool is used to allocate the general costs of the Capital Area Council of Governments that cannot be directly assigned to a specific department, program or grant. Indirect Cost Pools were established by OMB Circular A-87, updated in OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, and further defined by the Uniform Grants Management Standards (UGMS). These services comprise the overall management function for all grants and programs.

The budget for the indirect cost pool includes salary and benefits for the CAPCOG Executive Director, the Director of Administration, Member Services Coordinator, Administrative Assistant to the Director's office, and Receptionist, employee development and training, executive travel, training, general insurance, general membership dues, Executive Committee meetings and travel, General Assembly

meetings costs, postage and printing for announcements, meetings and general mailing, software maintenance and direct supplies.

Costs for any of the employees that can be readily identifiable as associated with a particular program or cost pool will be directly charged to that program. Indirect costs are allocated based on the actual accumulated expenditures in the indirect cost pool. Using the Simplified Allocation Method, the total allowable indirect costs are divided by an equitable distribution base. For CAPCOG, the distribution base is the total salaries and wages. The result of this process is an indirect cost rate, expressed as the percentage which the total amount of allowable indirect costs bears to the base (total salaries and wages). The rate provides a monthly charge to all programs to insure that all programs are equally charged a proportionate share of the Indirect Costs.

CAPCOG uses the Indirect Cost with Carry forward method.

Allocations within individual programs:

Indirect costs and other cost allocations are made at the program level. In some cases, such as in Aging Services programs, costs must be allocated between various funding streams within a program which permit the same expenditures. When this is necessary, the individual programs have developed allocations that are acceptable to their granting agencies.

Pass Through:

Pass Through is the distribution of goods and services directly for the benefit of the intended purpose of the grants or programs where the contracting entity acts merely as a conduit. Since CAPCOG exercises total administrative, managerial and financial control and oversight, very little of its funds can be considered as pass through funds.

Unallowable Costs:

CAPCOG recognizes that unallowable costs, as defined by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200 and UGMS, unless exempted or otherwise allowed, cannot be charged to state or federal awards and has internal controls in place to insure that this is followed.



CAPITAL AREA COUNCIL OF GOVERNMENTS
INDIRECT COST ALLOCATION PLAN
October 1, 2017 - September 30, 2018

EXPENDITURES	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Salaries	287,964	287,964	295,054
Temporary Services	2,640	2,640	2,700
Release Time & Benefits	148,193	148,193	156,387
TOTAL PERSONNEL COSTS	438,797	438,797	454,141
Accounting	32,870	32,870	34,127
Communications	6,716	6,716	2,727
Insurance	12,000	12,000	12,000
Legal	2,500	1,500	2,500
Postage	7,000	7,000	7,000
Printing	1,500	1,500	1,500
Photocopy Expense	12,000	12,000	12,000
Contractual Services	0	0	0
Professional Services	0	0	0
Advertising	500	500	500
Prof. Development	3,350	3,350	4,610
Meeting Expense	0	0	0
Subscriptions, Dues	34,375	34,375	34,460
Travel	12,475	12,475	9,200
Office Space	91,334	91,334	91,959
Buildout Expenses	56,902	56,902	0
Equipment Maintenance	500	500	500
Consumable Supplies	19,000	15,000	9,000
Furniture Maintenance	0	0	0
Personnel/Payroll Services	12,141	12,141	13,355
Computer Support Services	27,933	19,180	31,554
GIS Services	0	0	0
Indirect Carryover	-4,828	-4,828	-1,527
Cost Recovery CAECD	(248,756)	(248,756)	(248,756)
TOTAL EXPENDITURES	518,310	504,557	470,850
Basis for Allocation	1,723,642	1,723,642	1,710,036
INDIRECT RATE	30.07%	29.27%	27.53%

Indirect costs are not to be considered Administrative or Overhead Costs. It is an accounting method used when costs are: (a) incurred for a common joint purpose benefiting more than one cost objective; and (b) not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved. This method is outlined in OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (codified at 2 C.F.R. Part 200) as an allowable method of cost distribution. CAPCOG uses total direct salaries and wages as the basis for distributing indirect costs to individual program areas, resulting in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs. Separate costs pools have been established for Accounting, Personnel/Payroll, and Information Technology Services, and are allocated as direct costs to program areas based on allocation methods included in the approved Cost Allocation Plan.



CAPITAL AREA COUNCIL OF GOVERNMENTS

FRINGE BENEFITS

October 1, 2017 - September 30, 2018

RELEASE TIME

Vacation	167,143	
Sick Leave	104,464	
Holidays	167,143	
Total Release Time	438,750	13.79%

BENEFITS

FICA	277,039	
Employee Insurance	646,397	
Retirement	246,257	
Unemployment Insurance	14,486	
Workman's Compensation	12,736	
Wellness Program	5,500	
Merit Pool	45,747	
Total Benefits	1,248,162	39.22%

TOTAL RELEASE TIME AND BENEFITS 1,686,912 53.00%

Total Salaries	3,621,430	
Less: Release Time	438,750	
	3,182,679	

BASIS FOR BENEFIT ALLOCATION:

1,686,912 / 3,182,679 53.00%