



RECEIVED
February 11, 2016
**Commission on
State Mandates**

December 17, 2015

Ms. Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

LATE FILING

Re: Response/Rebuttal to SCO November 10, 2015 letter (SEAACA Animal Adoption IRC)

Dear Ms. Halsey,

Please accept SEAACA's rebuttal to the State Controller's Office (SCO) November 10, 2015 response.

Issue 1) Understated Care and Maintenance Cost Calculation: Direct and Indirect Costs

The SCO insists that their method of calculating direct and indirect costs required to providing "Care and Maintenance" to the eligible animals is correct. However, we believe that the end results speak for themselves: Can Commission staff believe that SCO calculated rate of approximately \$1 per animal per day is a reasonable and accurate result for a large, urban agency, serving about a dozen cities in the heart of LA County? Or is the SEAACA's amount of approximately \$5 per animal per day more reasonable?

Prior SCO audits for the City of Los Angeles allowed an average of \$10 per animal per day. Even El Dorado County's audited allowed rates were approximately \$5 per animal per day. Something is amiss in the SCO calculations and we believe we have identified where the miscalculations were made.

We have demonstrated in our examples how the calculation should have been done correctly under both methods allowed. In theory, both methods (Actual Cost and Time Study Methods) should yield roughly the same result. Both calculation methods matched, suggesting that our result and method is correct.

The first check in all mathematical computations is to review the result yielded to determine if it seems reasonable. If the result does not pass the "smell test" and if logically, something seems off, one must assume that there was an error in some aspect of the calculation.

Indirect vs. Direct Costs

Definitions:

Pursuant to OMB-A87 and State Claiming Instructions:

"Direct Costs are those that can be identified specifically with a particular final cost objective (or program)."

"Indirect Costs are (a) incurred for a common or joint purpose benefiting more than most cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved."

"Indirect costs can originate in the department performing the mandate or in the departments that supply the department performing the mandate with good, services, and facilities."

A position can be both direct and indirect. OMB A-87: "Where employees work on multiple activities or cost objectives, a distribution of their salaries and wages shall be supported by personnel activity reports of equivalent documentation."

SCO ERROR 1: DID NOT INCLUDE 100% OF ANIMAL CARE TAKERS COSTS IN THE FORMULA

The following positions are the direct care takers of the animals and their duties are exclusively dedicated to the care and maintenance of animals. As such they should have either been designated as 100% direct (our preference) or the balance of their time/cost should be allowed in the indirect cost rate calculations (ICRP). (See Job Descriptions in Attachment 1)

The following positions were identified by the SCO as partially eligible direct costs related to provide animal care and maintenance (NOTE – this example uses FY 2008-09 information):

8 - Animal Control Technician (ACT) (89% direct for Care and Maint. per SCO determination or **1,851** hr/yr per person)

PLUS:

+ 728 hrs/yr found directly billable in Holding Period
+ 214 hrs/yr found direct billable for Maintaining Non-Med Records
+ 67 hrs/yr found direct billable for Wellness Vaccine

= 1,009 hr/yr found directly billable / 8 ACTs = **126** hrs/yr per person or

== 1,851 hrs + 126 hrs = 1,977 hrs/hr OR 1,977 / 2,080 = 95% = **DIRECT**

Balance of 5% of 8 Animal Control Tech Positions time was unaccounted for.
All duties listed in the Job Description are directly or indirectly related to Care & Maint.
The remaining 5% should be classified as DIRECT or INDIRECT

1 - Senior Animal Control Technician (60% direct for Care and Maint per SCO determination)

Balance of 40% Senior Animal Control Position time was unaccounted for.
All duties listed in the Job Description are directly or indirectly related to Care & Maint.
The remaining 40% should be classified as DIRECT or INDIRECT

1 - Lead Animal Control Technician (60% direct for Care and Maint per SCO determination)

Balance of 40% of Lead Animal Control Tech Position time was unaccounted for.
All duties listed in the Job Description are directly or indirectly related to Care & Maint.
The remaining 40% should be classified as DIRECT or INDIRECT

SCO ERROR 2: DID NOT INCLUDE ANY SHELTER DEPARTMENT CLERICAL SUPPORT IN THE INDIRECT COST RATE

Providing animal care and maintenance is not just a function of warehousing and feeding them. Operating a shelter requires clerical support personnel to answer telephones, assist customers, and process paperwork related to care and maintenance of animals.

Clerical support is considered an allowable indirect cost item according to OMB A-87 guidelines as their costs "benefit more than one cost objective". Clerical positions have routinely been allowed by the SCO in calculation of other ICRP rates for other City reimbursement programs. We would be happy to provide examples if desired.

NONE of the clerical support staff (Clerk/Dispatcher employees) in the shelter department were included in the overhead/ICRP rate by SCO, however about a half of one Clerk (out of 7 Clerk/Dispatcher positions) was included as direct costs as follows:

7 - Clerk/Dispatchers were employed in the Shelter in FY 2008-09

SCO FOUND ELIGIBLE DIRECT CLERK TIME OF:

1,092 hrs/yr found to be direct billable by SCO for Holding Period
+ 60 hrs/yr found to be directly billable by SCO for Lost and Found Lists
+ 77 hrs/yr found to be directly billable for Maintaining Non Med Records
+ 548 hrs/yr found directly billable for Final Disposition Records

1,009 hr/yr found directly billable, therefore

1 Clerk/Dispatcher = 1,009/2,080 hrs/year = 49% DIRECT and 51% INDIRECT
The remaining 51% should be classified as INDIRECT

6 Clerk/Dispatcher Positions were unaccounted for and should be 100% Indirect
The remaining 6 Clerical personnel should be classified as INDIRECT

(Note: Office Supervisor was allowed by SCO to be included in the INDIRECT cost pool)

SCO ERROR 3: DID NOT INCLUDE ALL OMB A-87 ELIGIBLE SERVICE/SUPPLY SUPPORT COSTS IN THE INDIRECT COST RATE

Other expenditure such as Office Equipment, Clothing/Uniforms, etc are considered allowable indirect costs by OMB standards – all these types of costs are allowable and support the function of the department. For example the department needs printers to generate the intake and adoption paperwork, lost and found lists, employee time cards, etc. Working in a kennel is often a dirty and messy business. Employee uniforms are necessary to protect the health and safety of employees.

SCO ERROR 4: CALCULATING THE INDIRECT COST RATE FOR THE ENTIRE AGENCY RATHER THAN THE APPLICABLE DEPARTMENT

SCO's method of calculating one ICRP rate for the ENTIRE AGENCY is equivalent to calculating one rate for the ENTIRE CITY and apply it to a Police Department claim. Since 99% of the allowable costs are incurred in the Shelter Department, it is appropriate to calculate a rate specific to that department.

By calculating a SEAACA Agency-wide ICRP rate, the true Shelter Department rate is diluted by allocating their costs to the entire agency, while not including any other reciprocal administrative and support staff costs from the other departments that contribute to the overall agency benefit. Other

Department's (VET, LICENSING, and CONTROL) support staff time and additional indirect service/supply costs should have been factored into agency wide ICRP.

Claimant recommends using a rate unique to the SHELTER Department. If an agency wide rate is desired, we would be happy to work on providing this and whatever support info SCO deems necessary.

It should be noted that SEAACA made these requests of the SCO via numerous emails, phone calls, and even meetings at their offices. SCO made a few compromises by adding the Office Supervisor and some supply and services to the rate, however we believe that there is so much added overhead overlooked, that it is creating an artificially low daily cost to provide care and maintenance to animals.

SCO stated in their rebuttal that documentation was not provided to support the inclusion of some time for indirect costs, however, typically job descriptions alone are enough to determine which positions are support (such as secretaries and clerks). Standard amount of time for supervisory functions range between 10 – 25%. It is not clear what additional documentation the SCO desires. (See Attachments)

Issue 2) Application of Purifoy v. Howell. Should the 2010 court decision finding that Saturday should not be considered a business day for purposes of determining the required holding period be applied retroactively (as much as 10 years in arrears in the case of SEAACA's FY 01-02 claim)?

The authors of the Hayden Bill specifically desired that animal shelters should provide greater access to the public by requiring them to stay open one weekday until 7 pm or on a weekend day. It was generally interpreted in the animal services industry that this change in law implied that if an agency kept their shelters open on a weekend day, that this would constitute a valid business day in the subsequent calculation of holding periods. This interpretation was industry standard at the time. It is clear from all the objections from other audited agencies that SCO's retroactive application of the Purifoy decision is not unique to SEAACA. If it was such an obvious point – legal action and clarification would not have been necessary.

We note that in this claim, it is not possible to perform a simple accounting correction for the SCO's new interpretation. This whole claim hinges on specific days when services were provided. Claimants cannot shift the euthanasia dates to fit in with the new set of guidelines being imposed by SCO by this retroactive application of the law. Such a decision is unnecessary, punitive, and unfair.

The SCO notes in its own analysis:

“The Legislature acknowledged the Appellant Court's interpretation of Food and Agriculture Code section 31108, subd (a) and made the necessary changes to AV 222 to redefine **prospectively** a “business day”.

Issue 3) Are claimants allowed partial credit for proving a portion of the additional holding days? Or are claimants forced to forego all reimbursement for actual days of mandated care and maintenance provided in compliance with the law if they had to euthanize an animal before the full holding period was complete?

SCO believes that determining whether an animal is “adoptable”, “treatable”, or “irremediably suffering” is determined during a one-time only, initial assessment when the animal is first admitted into the shelter.

This classification, once made, is fixed and irrevocable. SCO interpretation is that an animal's health condition cannot change during the course of the holding period.

SCO interpretation is that if the animal is initially appraised as "adoptable and treatable" it must remain in that condition for the entire holding period and must be kept alive at all cost, and despite all suffering, in order to qualify for State reimbursement. This is unreasonable and punishes good shelters and staff for trying to do everything they can to treat and make an animal adoptable. If a shelter has to euthanize an animal midway through their mandated stay, they are punished by loss of reimbursement for even the days of eligible service provided.

The SCO's discussion and defense of their interpretation because of what that would mean in terms of the impact it would have on the formula for determining eligible shelter construction or renovation is irrelevant and further illustrates that their concern is mainly cost to the State rather than in doing what is correct and fair.

Issue 4) Are claimants to be punished for keeping animals alive longer than the mandated holding period? Are agencies owed \$0 for the eligible days of "Care and Maintenance" mandated and provided if they keep an animal for longer than is required and if that animal eventually dies?

SCO audited interpretation means that shelters only get credit for providing the additional mandated care and maintenance days IF AND ONLY IF the animal dies precisely on the day their mandated holding period ends. An animal can only die prior to, but not a moment after their mandated holding period ends in order to qualify for any reimbursement for eligible days of care and maintenance provided.

Agencies that were able to (had space) and did keep the stray animals longer than was mandated are punished by being denied their entire reimbursement for qualifying days of care and maintenance if that animal ends up dying later. The SCO interpretation contradicts the stated goal and purpose of the Hayden Bill legislation: "to end the euthanasia of adoptable and treatable animals". By this logic, agencies would be forced to euthanize adoptable animals by the end of the holding period or risk losing their entire reimbursement for legitimately incurred care and maintenance costs.

Issue 5 – Calculation of extended Hours of Operation required (one weeknight or weekend day).

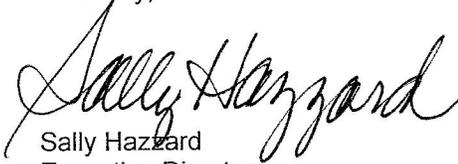
State law and claiming instructions require the reimbursement of "actual" costs incurred. Instead of using the actual costs based on fact (who was actually present at the shelter on those days) – SCO created an arbitrary standard of what minimal staffing *might have been* required to accomplish the mandated activity. SCO audit staff interviewed an agency representative and asked them to speculate what their *minimal* staffing level *could* have been.

Claiming instructions dictate the reimbursement of actual cost incurred. We request the addition of 1 Lead Animal Care Technician who is actually present and required to assist and manage any customer issues or concerns and 1 Veterinarian who is present to assist with any medical issues related to animals being claimed by the owners.

As the employer determined that the presence of these employees was required to comply with the mandated hours of operation, the State should be obligated to reimburse for the actual costs incurred.

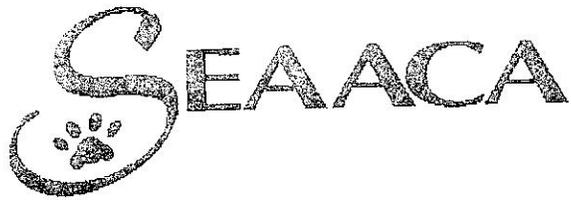
We appreciate this opportunity to comment and provide additional clarification. Please feel free to contact us with any questions. Our consultant would be happy to schedule an appointment with your staff and SCO staff to go over any questions regarding calculations or other topics.

Sincerely,

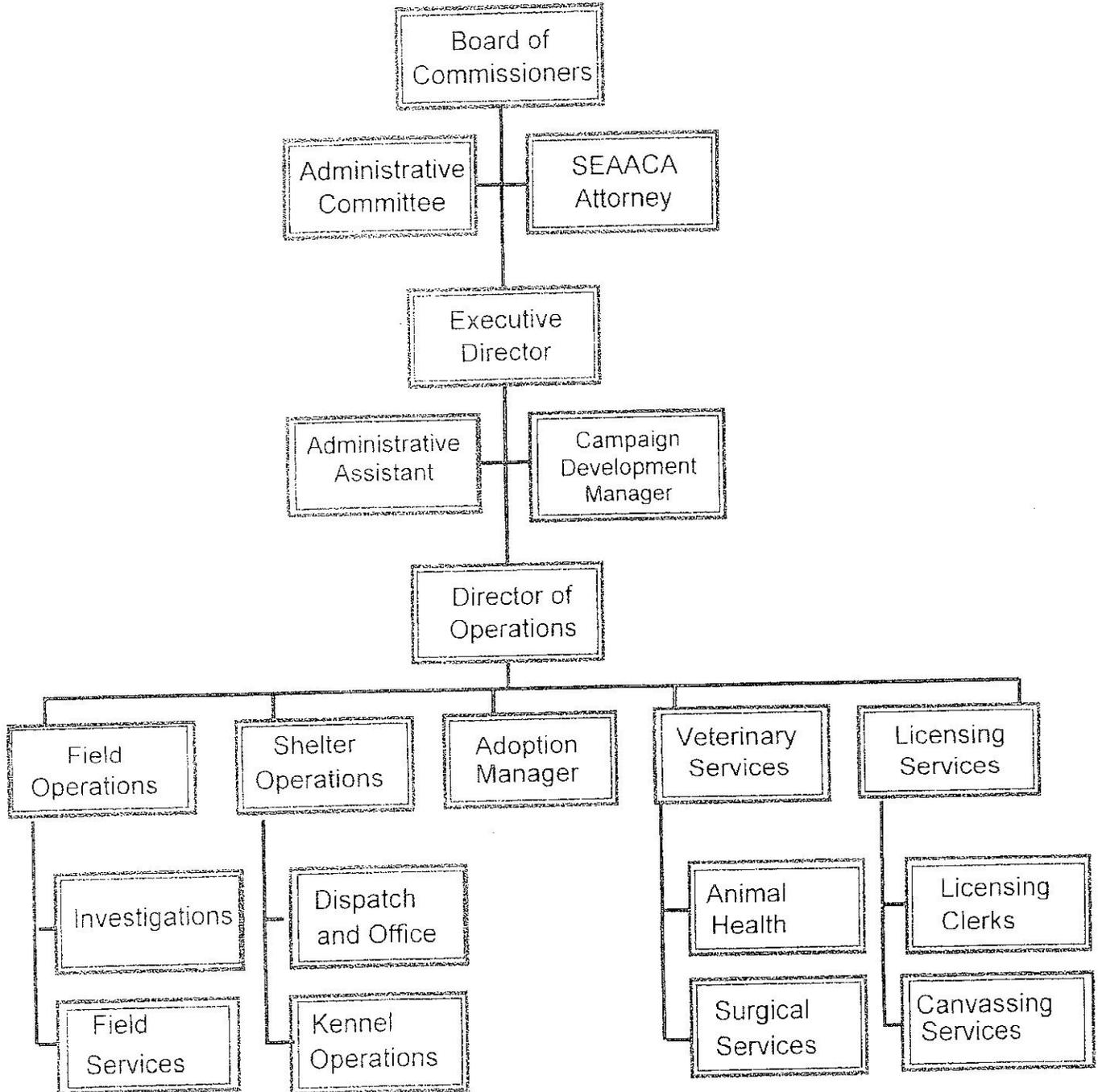
A handwritten signature in black ink that reads "Sally Hazard". The signature is written in a cursive, flowing style.

Sally Hazard
Executive Director
SEAACA

Attachment 1: Job Descriptions



ORGANIZATIONAL CHART



PERSONNEL MANNING TABLE
FY 2008-09

Adopted	Adopted
2008-2009	2008-2009
<u>Regular</u>	<u>Part Time</u>

DIVISIONS

ADMINISTRATIVE SUPPORT

1	0	Executive Director
1	0	Director of Operations
0	1	Campaign Development Manager
1	0	Adoption Manager
<u>1</u>	<u>0</u>	Administrative Assistant
4	1	Division Total

FIELD OPERATIONS

1	0	Animal Control Corporals
2	0	Sr. Animal Control Officers
<u>13</u>	<u>0</u>	Animal Control Officers
16	0	Division Total

SHELTER OPERATIONS

1	0	Lead Animal Care Technician
1	0	Sr. Animal Care Technician
8	0	Animal Care Technicians
1	0	Office Supervisor
2	0	Dispatchers
<u>5</u>	<u>0</u>	Clerk/Cashiers
18	0	Division Total

VETERINARY SERVICES

1	0	Veterinarian
2	0	Registered Veterinary Technician
1	0	Senior Veterinary Assistant
2	0	Veterinary Assistants
<u>1</u>	<u>0</u>	Clerk/Cashier
7	0	Division Total

LICENSING SERVICES

1	0	Licensing Supervisor
3	1	Clerk
<u>0</u>	<u>8</u>	Canvassers
<u>4</u>	<u>9</u>	Division Total

<u>49</u>	<u>10</u>	ORGANIZATIONAL TOTAL
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SHELTER DEPT.

Labor - Salaries, Benefits FY 2008/2009

Position Title	No. Positions	Salaries	Annual Health Premium	Annual Dental Premium	Annual Retirement Benefits
Clerical	5	\$ 150,225.65	\$ 17,155.20	\$ 423.12	
Dispatch	2	\$ 61,142.73	\$ 11,409.00	\$ 211.56	
Front Office Supervisor	1	\$ 45,491.65	\$ 4,620.00	\$ -	
Animal Care Technicians	8	\$ 221,795.71	\$ -	\$ -	
Sr. ACT	1	\$ 29,448.12	\$ -	\$ -	
Lead ACT	1	\$ 49,759.43	\$ 4,178.40	\$ -	
	18	\$ 557,863.29	\$ 37,362.60	\$ 634.68	\$ 48,035.16

(01) SEACA generated

Auditor Analysis	Salaries	Benefits	Salaries and Benefits	% of Care Allowable	
Animal Care Technicians	\$ 221,795.71	4,731.57	\$ 226,527.28	89%	\$ 201,609.00
Sr. ACT	\$ 29,448.12	2,061.37	31,509.49	89%	28,043.00
Lead ACT	49,759.43	9,559.98	59,319.41	60%	35,592.00
	\$ 301,003.26	\$ 16,352.92	\$ 317,356.18		\$ 265,244.00

A.4.2



Hourly Rate: \$13.04 - \$16.15
ANIMAL CARE TECHNICIAN

JOB DESCRIPTION

DEFINITION:

Under direct supervision of the Lead and Senior Animal Care Technicians, cares for the animals that come into the SEAACA Animal Care Center and maintains the facility.

REPRESENTATIVE DUTIES:

- Provides food and water for domestic, exotic and wild animals at shelter.
- Cleans and disinfects animal enclosures (some outside of the building) and feed bowls.
- Impounds in to animal care center and releases animals to owners and new adopters.
- Euthanizes animals.
- Maintains facility.
- Computer data entry, record keeping, and scanning animals for microchips.
- Observes animals for signs of illness or injury and reports these to Veterinary Division.
- Other work as assigned.

MINIMUM QUALIFICATIONS / EXAMINATIONS:

- No felony convictions or recent convictions of driving while under the influence of drugs or alcohol.
- Valid California Drivers License or the ability to obtain one, and a good driving record.
- Ability to pass a specified written test with a minimum score of 70%.
- Must pass a pre-employment physical examination.
- Must pass a background investigation.
- Minimum 18 years of age.

KNOWLEDGE AND ABILITIES:

- Animal breeds and knowledge of behavior traits.
- Proper methods of safely handling and restraining a wide variety of animals.
- Animal nutritional needs.
- Symptoms of common diseases of dogs and cats.

PHYSICAL CLASSIFICATIONS/ESSENTIAL JOB FUNCTIONS:

- Ability to lift 75 pounds as demonstrated by a challenge test.
- Extensive direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Extensive stooping, bending and carrying.
- Communicate effectively with citizens, staff and city contacts in person and by telephone.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient to prepare handwritten records and for computer data entry.
- Must be able to tolerate loud animal noises and objectionable odors.
- Endurance sufficient for standing and walking during entire duty shift.
- Occasional running to apprehend loose animals evading capture.

SPECIAL INFORMATION

Working hours and days off are rotated 7 days per week. Hours may be for various durations.

**Final Filing Date: Saturday, August 7, 2010 at 4:30 p.m.
or when the first 40 complete applications are received.**

*A resume in lieu of a completed employment application, facsimile,
and/or postmark will not be accepted*

(4)



JOB DESCRIPTION

LEAD ANIMAL CARE TECHNICIAN

Compensation: \$2,413.00 to \$2,990.00 monthly + liberal benefits package

DEFINITION:

Under the direction of the Director of Operations, responsible for managing daily kennel operations, supervising Animal Care Technician staff and occasionally performing typical ACT duties, as needed.

REPRESENTATIVE DUTIES:

- Supervises the proper daily care and handling of all animals in SEAACA's care and custody.
- Supervises kennel operations to ensure excellent customer and animal care.
- Performs animal inventory for accountability of all animals in SEAACA's care.
- Coordinates recruiting, training and scheduling of Animal Care Technicians.
- Preparation and authorization of paperwork for animals scheduled for euthanasia.
- Handles customer complaints.
- Handles disciplinary issues involving kennel staff.
- Prepares or oversees preparation of payroll records for kennel staff.
- Coordinates pick ups and deliveries of pet and kennel supplies as needed.
- Performs duties of animal care technician as needed.
- Maintains facility, interior and exterior.
- Attends administrative staff meetings.
- Other duties as assigned.

MINIMUM QUALIFICATIONS/EXAMINATIONS:

- High School Graduation, G.E.D., or a combination of education and related experience totaling twelve years.
- Minimum of three years experience as an animal care technician (kennel worker) at an outside agency or one year at SEAACA with favorable performance evaluations.
- No felony convictions or convictions of driving while under the influence of drugs or alcohol.
- Valid California Driver's License, or the ability to obtain one, and a good driving record.
- Must pass a pre-employment physical examination and background investigation.

KNOWLEDGE AND ABILITIES:

- Establish and maintain effective, cooperative relations with the public and fellow employees.
- Equitably supervise staff and provide guidance and feedback to staff.
- Familiar with animal shelter operations.
- Knowledge of the proper care, handling and feeding of domestic and exotic animals.
- Knowledge of proper cleaning and disinfecting of an animal housing facility.
- Animal disease recognition.
- Organize and delegate duties.
- Sound supervisory skills.
- Compassionate and professional approach to all duties.

PHYSICAL CLASSIFICATIONS / ESSENTIAL JOB FUNCTIONS:

- Ability to lift 75 pounds as demonstrated by a challenge test.
- Frequent direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Stooping and bending.
- Communicate effectively with citizens, staff and city contacts in person, by telephone, two-way radio and in writing.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient for handwritten records and for computer entry.
- Must be able to tolerate loud animal noises and odors.
- Endurance sufficient for standing and walking during entire duty shift.

SPECIAL INFORMATION:

Posted 1/7/08 - Open until filled. Submit completed application to:

SEAACA

9777 SEAACA Street, Downey, California 90241

Attn. Human Resources

(562) 803-3301 ext. 221 or Fax # (562) 803-3676

administration@seaaca.org



JOB DESCRIPTION

Hourly Rate: \$14.51 - \$17.91, plus benefits
SENIOR ANIMAL CARE TECHNICIAN

DEFINITION:

Under the supervision of the Lead Animal Care Technician, responsible for managing daily kennel operations, assists with supervising Animal Care Technician staff and occasionally performing typical ACT duties, as needed.

REPRESENTATIVE DUTIES:

- Assists with the supervision of the proper daily care and handling of all animals in SEAACA's care and custody.
- Assists with the supervision of kennel operations to ensure excellent customer and animal care.
- Assists and/or performs animal inventory for accountability of all animals in SEAACA's care.
- Assists with the training and scheduling of Animal Care Technicians.
- Preparation and authorization of paperwork for animals scheduled for euthanasia.
- Handles customer complaints.
- Handles disciplinary issues involving kennel staff.
- Assists with or oversees preparation of payroll records for kennel staff.
- Performs duties of animal care technician as needed.
- Maintains facility, interior and exterior.
- Other duties as assigned.

MINIMUM QUALIFICATIONS/EXAMINATIONS:

- High School Graduation, G.E.D., or a combination of education and related experience totaling twelve years.
- Minimum of three years experience as an animal care technician (kennel worker) at an outside agency or one year at SEAACA with favorable performance evaluations.
- No felony convictions or convictions of driving while under the influence of drugs or alcohol.
- Valid California Driver's License, or the ability to obtain one, and a good driving record.
- Must pass a pre-employment physical examination and background investigation.

KNOWLEDGE AND ABILITIES:

- Establish and maintain effective, cooperative relations with the public and fellow employees.
- Familiar with animal shelter operations.
- Knowledge of the proper care, handling and feeding of domestic and exotic animals.
- Knowledge of proper cleaning and disinfecting of an animal housing facility.
- Animal disease recognition.
- Organize and delegate duties.
- Sound supervisory skills.
- Compassionate and professional approach to all duties.

PHYSICAL CLASSIFICATIONS / ESSENTIAL JOB FUNCTIONS:

- Ability to lift 75 pounds as demonstrated by a challenge test.
- Frequent direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Stooping and bending.
- Communicate effectively with citizens, staff and city contacts in person, by telephone, two-way radio and in writing.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient for handwritten records and for computer entry.
- Must be able to tolerate loud animal noises and odors.
- Endurance sufficient for standing and walking during entire duty shift.

SPECIAL INFORMATION

Working hours and days off rotate. Hours may be for various durations, up to 12 hours a day, however, normally do not exceed eighty (80) hours in any two week period.



JOB DESCRIPTION

CLERK/DISPATCHER

DEFINITION

Under the direct supervision of the Front Office Supervisor, receives requests for animal control services over the telephone; communicates with field officers by two-way radio dispatching officers to respond to requests; responsible for monitoring the activities of field officers and deployment of manpower in the field; a variety of clerical and record keeping duties. Assists customers at the front counter and rotates from telephone to front counter work on a regular basis.

REPRESENTATIVE DUTIES

- Answers telephones, coordinates requests for animal control services from citizens and other agencies.
- Work is frequently quick paced and involves multi-tasking, all the while providing compassionate customer service.
- Operates on-line computer system.
- Inputting of field requests and impound records into computer.
- Gives routine information over the counter and telephone.
- Processes animal adoptions, collects fees, and gives written information and instructions to public at the front counter.
- Performs animal license records checks to locate owners of animals with identification.
- Performs filing duties.
- Relays requests for service to field officers via two-way radio.
- Process cash transactions for animal adoptions, redemptions and other veterinary services.
- Other duties as assigned.

MINIMUM QUALIFICATIONS/EXAMINATIONS:

- High School Graduation, G.E.D., or a combination of education and related experience with a total of twelve years
- No felony convictions.
- Ability to pass a specified written test with a minimum score of 70%.
- Applicants must have a working knowledge of typing keyboard.
- Must pass a pre-employment physical examination and background investigation.

KNOWLEDGE AND ABILITIES

- Knowledge of general office practices and procedures, including business correspondence, filing, spelling and a good command of the English language.
- Ability to establish and maintain effective, cooperative relations with the public and fellow employees.
- Knowledge or ability to learn to operate a multi-line telephone system and on-line computerized record-keeping system within a short period of time.
- Knowledge or ability to learn standard public safety radio code system.
- Ability to deal tactfully with the public, with City Officials and with fellow employees.

PHYSICAL CLASSIFICATIONS/ESSENTIAL JOB FUNCTIONS

- Communicate effectively with citizens, staff and city contacts in person, by telephone and by two-way radio.
- Read typewritten or handwritten documents.
- Stooping and bending.
- Manual dexterity sufficient for hand written records and communications, and for extensive computer entry.

SPECIAL INFORMATION

Working hours and days off rotate. Hours may be for various durations, up to 12 hours a day, however, normally do not exceed eighty (80) hours in any two week period.



JOB DESCRIPTION

Office Supervisor
Confidential

DEFINITION:

- Provides supervision and direction for the operation of the clerical functions necessary to deliver positive, responsive and accurate services to the public and animals in the communities served by SEAACA. Directs the proper utilization of all agency resources to provide front office, licensing clerical and dispatch services to the public and employees of the agency.
- Ensures that all staff that provide services to the animals and communities served by SEAACA is ethical, responsive and in accordance with SEAACA's mission, goals and management philosophy.

REPRESENTATIVE DUTIES:

- Sets an example, manages and supervises staff in the performance of their assigned responsibilities. Assures staff is trained and coached to a level necessary to perform their duties, be contributing members of the SEAACA team and support the overall operations of the agency.
- Ensure that communication is open, direct and supportive of employees and the public.
- Manages and provides guidance to staff to problem solve; to plan/anticipate and reduce incidents of potential customer service issues.
- Ensure the coordination of front office, licensing and dispatch activities tasks to support the humane care of animals in the center
- Identifies equipment, personnel and staffing allocations that need attention, support and potential restructuring to improve services to animals and the communities served by SEAACA.
- Supervises and manages employees assigned to designated functions with personnel issues that include but are not limited to enforcement of agency policy; interviewing; recommending hiring; training; evaluations; corrective and progressive discipline; assignment and tracking of duties; safety; motivation; positive communication and team work.
- Assures accuracy of daily revenue process for front office, vet and licensing units.
- Process petty cash and officer collected revenue.
- Programs cash registers, monitors photos on web sites, impound reports
- Can act as dispatcher as necessary
- Acts as single point of contact with foundations for scheduling of animals and activities
- Is flexible with scheduling and is available when away from the facility as needed to meet the needs of the agency.

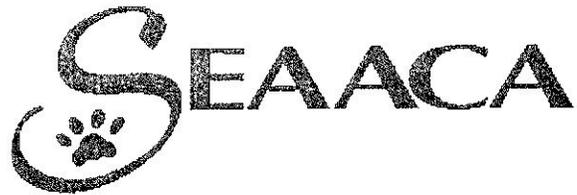
MINIMUM QUALIFICATIONS/EXAMINATIONS:

- High School graduate and a minimum of 4 years clerical supervisory experience.
- Proven ability to communicate effectively orally and in writing.
- Demonstrated ability to assemble and analyze facts and devise solutions or plans.
- Excellent interpersonal, team building, management and leadership skills.
- Computer proficient in a Windows environment.

KNOWLEDGE AND ABILITIES:

- Experience in a variety of clerical functions.
- Possession of good analytical skills, including the ability to identify and resolve unit issues and to solve problems within existing resources.
- Ability to motivate and lead subordinates.
- Ability to manage problems which may be controversial at times and to deal effectively with the public.

Attachment 2: SEAACA Adopted Budget
Fiscal Year 2008-09



ADOPTED BUDGET

FISCAL YEAR

2008 - 2009

Prepared by:

Dan Morrison

Presented:

June 4, 2008

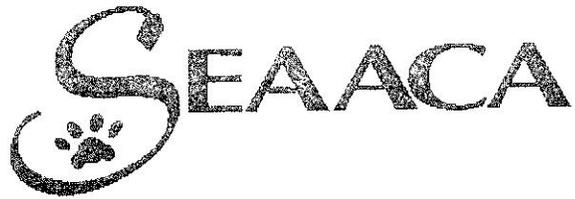
Adopted:

June 19, 2008

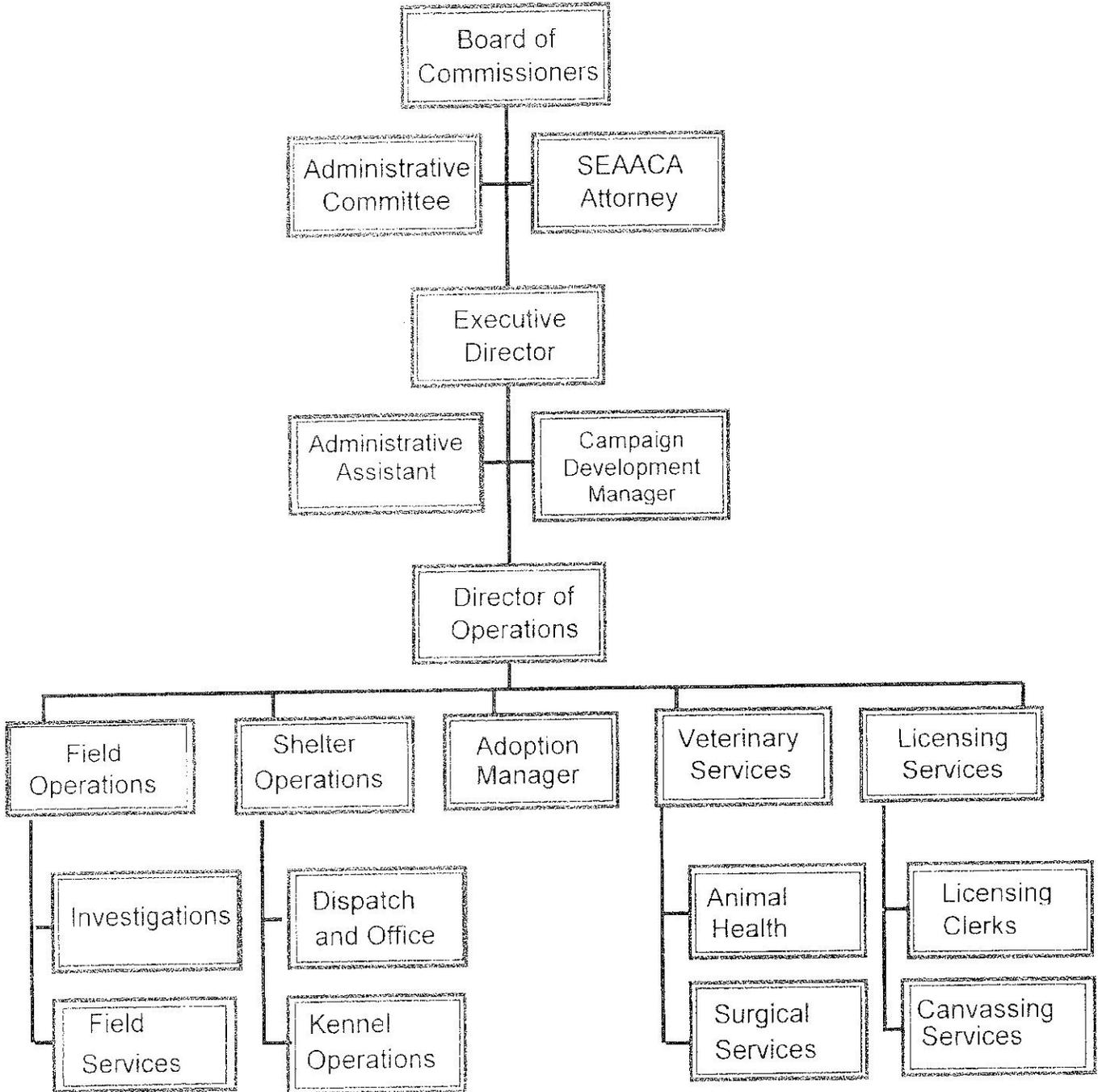
Resolution No. 144

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ORGANIZATIONAL CHART



PERSONNEL MANNING TABLE
FY 2008-09

Adopted 2008-2009	Adopted 2008-2009
<u>Regular</u>	<u>Part Time</u>

DIVISIONS

ADMINISTRATIVE SUPPORT

1	0	Executive Director
1	0	Director of Operations
0	1	Campaign Development Manager
1	0	Adoption Manager
<u>1</u>	<u>0</u>	Administrative Assistant
4	1	Division Total

FIELD OPERATIONS

1	0	Animal Control Corporals
2	0	Sr. Animal Control Officers
<u>13</u>	<u>0</u>	Animal Control Officers
16	0	Division Total

SHELTER OPERATIONS

1	0	Lead Animal Care Technician
1	0	Sr. Animal Care Technician
8	0	Animal Care Technicians
1	0	Office Supervisor
2	0	Dispatchers
<u>5</u>	<u>0</u>	Clerk/Cashiers
18	0	Division Total

VETERINARY SERVICES

1	0	Veterinarian
2	0	Registered Veterinary Technician
1	0	Senior Veterinary Assistant
2	0	Veterinary Assistants
<u>1</u>	<u>0</u>	Clerk/Cashier
7	0	Division Total

LICENSING SERVICES

1	0	Licensing Supervisor
3	1	Clerk
<u>0</u>	<u>8</u>	Canvassers
4	<u>9</u>	Division Total

<u>49</u>	<u>10</u>	ORGANIZATIONAL TOTAL
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SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF EXPENDITURES

Division	Adopted Fiscal Year 2008-2009
Administrative Support	
Personnel Services	\$ 444,095
Maintenance and Operations	911,726
Capital Outlay	14,000
Subtotal	<u>\$ 1,369,821</u>
Field Operations	
Personnel Services	\$ 699,077
Maintenance and Operations	215,000
Capital Outlay	162,000
Subtotal	<u>\$ 1,076,077</u>
Shelter Operations	
Personnel Services	\$ 667,970
Maintenance and Operations	142,500
Capital Outlay	23,000
Subtotal	<u>\$ 833,470</u>
Veterinary Services	
Personnel Services	\$ 379,816
Maintenance and Operations	145,000
Capital Outlay	4,161
Subtotal	<u>\$ 528,977</u>
Licensing Services	
Personnel Services	\$ 302,081
Maintenance and Operations	47,466
Capital Outlay	-
Subtotal	<u>\$ 349,547</u>
TOTAL EXPENDITURES	
Personnel Services	\$ 2,493,039
Maintenance and Operations	1,461,692
Capital Outlay	203,161
TOTAL EXPENDITURES	<u><u>\$ 4,157,892</u></u>

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF REVENUES**

	Adopted Fiscal Year 2008-2009
MEMBER CONTRIBUTIONS	
Bell Gardens	\$ 127,114
Downey	308,174
Montebello	178,491
Norwalk	298,160
Paramount	156,822
Pico Rivera	181,750
Santa Fe Springs	48,355
South El Monte	60,861
Subtotal	\$ 1,359,727
CONTRACTS	
<u>Dedicated Officers for:</u>	
Paramount	\$ 35,392
<u>Member City License Canvasses</u>	
Bell Gardens	-
Downey	-
Montebello	-
Norwalk	20,300
Paramount	20,300
Pico Rivera	20,300
Santa Fe Springs	4,480
South El Monte	-
Bellflower	307,686
Buena Park	398,273
Lakewood	395,331
South Gate	444,088
Vernon	7,800
Subtotal	\$ 1,653,950
OPERATING REVENUES	
Shelter	\$ 240,000
Veterinary	600,000
Interest	43,000
Resale Products	6,500
Contributions & Forfeitures	-
Capital Replacement Fund	-
Insurance Refunds	92,715
Vehicle Replacement Fund	162,000
Subtotal	\$ 1,144,215
TOTAL FUNDS AVAILABLE FOR APPROPRIATION	\$ 4,157,892

PERSONNEL SERVICES DIVISION: ADMINISTRATIVE SUPPORT FUND: 2510

	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
Executive Director	1	\$ 120,996
Director of Operations	1	97,392
Adoption Manager	1	54,469
Administrative Assistant	1	50,854
Campaign Development Manager	1	30,670
Retirement		51,794
PARS Part Time Retirement		6,710
Medicare		<u>31,210</u>
 TOTAL PERSONNEL SERVICES	 <u>5</u>	 <u>\$ 444,095</u>

MAINTENANCE AND OPERATIONS DIVISION: ADMINISTRATIVE SUPPORT FUND: 2510

Line Item	OPERATING MATERIALS AND SUPPLIES	Adopted Fiscal Year 2008-2009
130	Office Supplies	\$ 6,500
140	Special Activities	5,500
144	Computer Software and Licensing	10,000
160	Books and Publications	500
	<u>Subtotal</u>	<u>\$ 22,500</u>
	OPERATING CHARGES AND SERVICES	
310	Advertising	\$ 1,500
320	Printing and Binding-Private	3,100
340	In-House Print Shop Charges	4,000
361	Building Lease/Purchase Payment	30,009
407	Computer Maintenance	7,000
450	Auditing	7,500
451	Administrative/Financial Svcs.	40,000
470	Legal Services	4,000
530	Independent Contractors	5,300
580	Travel & Meeting Expenses	6,500
590	Commissioners Reimbursement	23,400
630	Unemployment Insurance	19,000
640	Postage	2,700
670	Professional/Membership Fees	3,900
690	Medical Examination Fees	1,400
700	Contract Services	114,495
710	Liability & Property Insurances	116,011
740	Health/Life/Dental Insurances	312,752
760	Workers' Comp. Insurance	108,550
765	Long Term Disability	13,000
861	Capital Replacement Fund	50,000
	<u>Subtotal</u>	<u>\$ 874,117</u>
	EQUIPMENT RENTAL	
870	Equipment Rental-Private	\$ 15,109
	<u>Subtotal</u>	<u>\$ 15,109</u>
	TOTAL MAINTENANCE AND OPERATIONS	\$ 911,726

ADMINISTRATIVE SUPPORT
MAINTENANCE AND OPERATIONS SUPPORT DATA

- 130 OFFICE SUPPLIES:**
Paper, pens, pencils, filing materials, printer ribbons and ink cartridges, photocopy paper and inks, staplers, tape, calendars, paper clips and various office supplies.
- 140 SPECIAL ACTIVITIES:**
Supplies for special programs including: public relations, adoption programs, special recognition plaques, employee recognition awards, volunteer program and employee Christmas event.
- 144 COMPUTER SOFTWARE AND LICENSING:**
Expenditures for Computer Software and Program Licensing Microsoft: Microsoft SQL, Microsoft Windows, Microsoft Office, Citrix Metaframe XP; Symantec Antivirus Enterprise Edition; Sonic Wall; Novell GroupWise; Novell Netware; BrightStor ARCserve Backup for Netware; Network Solutions.
- 310 ADVERTISING:**
Employment recruitment and spay/neuter program advertisements.
- 320 PRINTING AND BINDING - PRIVATE:**
Edon Printing - Stationery, business cards, brochures printed by outside contractors.
- 340 PRINTING AND BINDING - CITY OF DOWNEY PRINT SHOP:**
Brochures and in-house forms for record-keeping and public information.
- 361 BUILDING RENTAL**
Leaseback amount paid to Citizen's Business Bank for the financing of the renovation of the SEAACA Shelter.
- 407 COMPUTER MAINTENANCE:**
Computer Maintenance service, Novacoast, General Networks, J.R. Sitman
- 450 AUDITING:**
Diehl, Evans & Associates Certified Public Accountant fee for audit of Fiscal Year 2008-2009 (\$7,500).
- 451 ADMINISTRATIVE / FINANCIAL SERVICES:**
Outside financial services provided by the City of Downey including accounting and payroll reporting and various computer services.
- 470 LEGAL SERVICES:**
Legal Consulting fees and State of California background investigations services.
- 530 INDEPENDENT CONTRACTORS:**
Services provided by: Animal Legal & Veterinary Consulting Service; Jan Elster; John Vinson; John Wilson; John Adams & Associates; Carlos Lopez and SPCALA

580 TRAVEL AND MEETING EXPENSES:

Expenses for Commission meetings, staff meetings & training. California Animal Control Directors' Association, American Humane Association, Society of Animal Welfare Administrators. Staff training.

590 COMMISSIONERS REIMBURSEMENT:

Reimbursement for Commission meetings.

630 UNEMPLOYMENT INSURANCE:

Based on actual cost.

640 POSTAGE:

Postage for outgoing correspondence and packages for all (excludes Licensing Division).

670 PROFESSIONAL AND MEMBERSHIP FEES:

Professional fees to State of California for Staff Veterinarian's license; membership dues to National Animal Control Association, American Humane Association, Humane Society of the United States, California Animal Control Directors' Association, Society of Animal Welfare Administrators, California State Humane Association, California Public-Safety Radio Association, Southern California Veterinary Medical Association, California Veterinary Medical Association, American Veterinary Medical Association and Veterinary Medical Board Permit.

690 MEDICAL EXAMINATION FEES:

Pre-employment physical examinations.

700 CONTRACT SERVICES:

Admiral Pest Control - Pest control (\$1,188/yr.); Advance Fire Protection - Annual Testing of Emergency Fire System (\$500/yr.); Automatic Doors.com - automatic door maintenance (\$1,250/yr.); Cost Recovery Systems, Inc. - State Mandate Program (\$6,000/yr.); County of Los Angeles - Emergency night-time dispatch services (\$14,160/yr.); D&D Disposal Services - shelter disposal services (\$850/mo.); Jani-King - Janitorial Services (\$487.78/mo.); Loomis - Armored vehicle transport (\$163.00/Mo.); Mar-Co - Floor cleaning machine maintenance (\$95/Mo.); McDermott Communications - Radio communications; air time and contract to maintain and repair radio equipment (\$8,500/yr.); Nextel Communications - Pager system (\$7,150.00/yr.); McNeill Security System - Fire/CCTV security system (\$405/mo /\$500/mo.); Mission Uniform - floor mats for lobby/reception areas (\$31.37/wk); PARS - Administration Fees to process employee part time retirement contributions (\$750/yr.); Public Storage - Off Site Equipment & record storage (\$186/mo); RK Web Development - SEAACA Website Hosting (\$420/yr.) Safeserv - OSHA Compliance (\$2,065/yr.); SPCALA - Paw Trax maintenance contract (1,500/yr.); Sunwest Air Conditioning - Air conditioning/heating/water system maintenance and repair (\$4,712/yr.); TALX - Unemployment claims processing - \$138/yr); Water Techniques - Water cooler lease (\$960/yr); Water Techniques - Water cooler maintenance (\$750/yr.); West Coast Power Wash - Power washing of sidewalks (\$1440/yr.); Wurzel Landscape - landscape maintenance (\$840/mo.)

710 LIABILITY INSURANCE:

SEAACA is self-insured through the California Joint Powers Insurance Authority (CJPIA). Liability insurance is based on actual experience over the history of SEAACA's participation in the CJPIA program. Also included are automotive liability and all-risks property insurance.

712 RETRO BILLED LIABILITY INSURANCE:

SEAACA is self-insured through the California Joint Powers.

Administrative Support Date (con't)

740 GROUP INSURANCE:

Blue Shield of California, Kaiser Foundation Health Plan, Inc., Safeguard Dental Plans and Standard Life Assurance Company – Health, dental, vision, life and accidental death and dismemberment insurances for SEAACA Employees.

760 WORKER'S COMPENSATION INSURANCE:

SEAACA is self-insured through the California Joint Powers Insurance Authority (CJPIA).

765 DISABILITY INSURANCE:

Reliance Standard Benefits Insurance Company - Long Term and Short Term Disability Insurance for employees.

870 EQUIPMENT RENTAL - PRIVATE:

IKON Office Solutions & Pitney Bowes - Contract & Supplies of leased office equipment.

CAPITAL OUTLAY
DIVISION: ADMINISTRATIVE SUPPORT
FUND: 2510

Line Item	Adopted Fiscal Year 2008-2009
900 Computers	\$ 14,000
910 No capital requests	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>\$ 14,000</u>

PERSONNEL SERVICES DIVISION: FIELD OPERATIONS FUND: 2520

	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
Animal Control Corporal	1	\$ 50,150
Sr. Animal Control Officers	2	90,352
Animal Control Officers	13	465,839
Overtime		17,000
Retirement		<u>75,736</u>
TOTAL PERSONNEL SERVICES	<u>16</u>	<u>\$ 699,077</u>

MAINTENANCE AND OPERATIONS DIVISION: FIELD OPERATIONS FUND: 2520

Line Item		Adopted Fiscal Year 2008-2009
	OPERATING MATERIALS AND SUPPLIES	
140	Patrol Service Supplies	\$ 6,000
180	Uniforms and Accessories	7,200
	Subtotal	\$ 13,200
	 OPERATING CHARGES AND SERVICES	
330	Photography	\$ 400
480	Staff Development	2,400
700	Contract Services	-
	Subtotal	\$ 2,800
	 VEHICLE MAINTENANCE	
860	Vehicle Maintenance	\$ 79,000
861	Vehicle Replacement Fund	120,000
	Subtotal	\$ 199,000
	 TOTAL MAINTENANCE AND OPERATIONS	\$ 215,000

FIELD OPERATIONS
MAINTENANCE AND OPERATIONS SUPPORT DATA

140 **PATROL SERVICE SUPPLIES:**

Traps, carrying cages, flash lights, batteries, leashes, gloves, immobilization equipment, first aid supplies, Thomas Guide Maps, keys, training and reference guides, restraint equipment and other field service supplies.

180 **UNIFORMS AND ACCESSORIES:**

Five uniforms, boots and accessories for Field Officers and Corporal.

330 **PHOTOGRAPHY:**

Supplies, cameras and film processing for investigations, slide presentations and employee identification cards.

480 **STAFF DEVELOPMENT:**

Special training seminars for Animal Control Officers and Corporals. Education Allowances.

860 **VEHICLE MAINTENANCE:**

Maintenance including labor, parts, service, gasoline and oil for all SEAACA vehicles. Gasoline provided on an at-cost basis by the City of Downey Public Works Yard.

861 **VEHICLE REPLACEMENT FUND:**

During Fiscal Year 2008-2009 we will continue our program of building a fund for vehicle replacement.

CAPITAL OUTLAY
DIVISION: FIELD OPERATIONS
FUND: 2520

Line Item	Adopted Fiscal Year 2008-2009
940 Vehicle	<u>\$ 162,000</u>
TOTAL CAPITAL OUTLAY	<u>\$ 162,000</u>

940 - Vehicle Purchase: Three (3) Trucks with Animal
Transport Units and One (1) Sedan

PERSONNEL SERVICES DIVISION: SHELTER OPERATIONS FUND:2530
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	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
Office Supervisor	1	\$ 41,539
Lead Animal Care Technicians	1	38,118
Sr. Animal Care Technician	1	31,351
Dispatcher	2	69,938
Clerk/Cashier	5	168,719
Animal Care Technician	8	233,263
Overtime		10,000
Retirement		<u>75,042</u>
 TOTAL PERSONNEL SERVICES	 <u>18</u>	 <u>\$ 667,970</u>

MAINTENANCE AND OPERATIONS DIVISION: SHELTER OPERATIONS FUND: 2530

Line Item	OPERATING MATERIALS AND SUPPLIES	Adopted Fiscal Year 2008-2009
140	Shelter/Custodial Supplies	\$ 41,000
141	Euthanasia Supplies	6,500
142	Products for Re-Sale	2,500
180	Uniforms and Accessories	4,000
	<u>Subtotal</u>	<u>54,000</u>
	 OPERATING CHARGES AND SERVICES	
360	Shelter Maintenance	\$ 16,000
480	Staff Development	2,000
550	Electricity	39,000
556	Gas	7,000
560	Telephone	22,000
570	Water	2,500
	<u>Subtotal</u>	<u>\$ 88,500</u>
	 EQUIPMENT RENTAL	
870	Equipment Rental	\$ -
	<u>Subtotal</u>	<u>\$ -</u>
	 TOTAL MAINTENANCE AND OPERATIONS	
		<u>\$ 142,500</u>

SHELTER OPERATIONS
MAINTENANCE AND OPERATIONS SUPPORT DATA

- 140 **SHELTER/CUSTODIAL SUPPLIES:**
Animal foods, carrying cages, identification banding materials, cat litter, air conditioning filters, light bulbs, cleaning and sanitizing chemicals, various supplies for operation of the shelter.
- 141 **EUTHANASIA SUPPLIES:**
Drugs and Supplies
- 142 **PRODUCTS FOR RE-SALE**
Leashes, collars, animal carriers, etc. purchased wholesale for the purpose of resale.
- 180 **UNIFORMS AND ACCESSORIES:**
Uniforms, boots and accessories for shelter personnel.
- 360 **SHELTER MAINTENANCE:**
Services and supplies for maintenance of building and equipment, including plumbing and electrical systems. inspection of equipment and other needed maintenance of equipment.
- 480 **STAFF DEVELOPMENT:**
Seminars and classes for training of Shelter Operations personnel. Education Allowances.
- 550 **ELECTRICITY:**
Southern California Edison Company.
- 556 **GAS:**
Southern California Gas Company
- 560 **TELEPHONE:**
Includes Telepacific Communications, AT&T and cellular telephone services.
- 570 **WATER:**
City of Downey Water Department
- 870 **EQUIPMENT RENTAL:**
Rental of miscellaneous equipment as needed.

CAPITAL OUTLAY
DIVISION: SHELTER OPERATIONS
FUND: 2530

Line Item	Adopted Fiscal Year 2008-2009
970 No capital requests	<u>\$ 23,000</u>
TOTAL CAPITAL OUTLAY	<u>\$ 23,000</u>

970 Purchase of kennel panels for existing cages and
Purchase of one (1) kennel floor cleaning machine

PERSONNEL SERVICES DIVISION: VETERINARY SERVICES FUND: 2540
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	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
Veterinarian	1	\$ 94,272
Registered Veterinary Technician	2	98,965
Senior Veterinary Assistant	1	43,813
Veterinary Assistant	2	65,047
Clerk/Cashier	1	28,544
Overtime		1,000
Retirement		<u>48,175</u>
TOTAL PERSONNEL SERVICES	<u>7</u>	<u>\$ 379,816</u>

MAINTENANCE AND OPERATIONS DIVISION: VETERINARY SERVICES FUND: 2540
--

Line Item	OPERATING MATERIALS AND SUPPLIES	Adopted Fiscal Year 2008-2009
140	Medical Supplies	\$ 130,000
180	Uniforms and Accessories	1,500
290	Small Instruments	500
	<u>Subtotal</u>	<u>\$ 132,000</u>
	 OPERATING CHARGES AND SERVICES	
480	Staff Development	\$ 2,000
700	Contract Services	11,000
	<u>Subtotal</u>	<u>\$ 13,000</u>
	 TOTAL MAINTENANCE AND OPERATIONS	 <u>\$ 145,000</u>

VETERINARY SERVICES
MAINTENANCE AND OPERATIONS DATA

140 MEDICAL SUPPLIES:

Bandaging materials, needles, syringes, Identification chips, medications (including antibiotics, anesthetics, antiseptics and vaccines), and other supplies necessary for the treatment of animals.

180 UNIFORMS:

Uniforms for Veterinarian and Veterinary Assistants, including shoes, smocks and surgical garments.

290 SMALL INSTRUMENTS:

Replacement of surgical instruments which become worn or broken during Fiscal Year 2008/2009.

480 STAFF DEVELOPMENT:

Seminars for staff and continuing education conference for Veterinarian including the Western Veterinary Conference.

700 CONTRACT SERVICES:

Antech Diagnostics - Laboratory diagnostic services: Arrowhead Drinking Water – Distilled Water for Veterinary Division; Enserv West LLC – Medical Waste disposal; Ashton Animal Hospital, Crossroads Emergency Hospital and After Hours Animal Hospital - outside veterinary services in emergencies.

CAPITAL OUTLAY
DIVISION: VETERINARY SERVICES
FUND: 2540

Line Item	Adopted Fiscal Year 2008-2009
900 Veterinary Equipment	<u>\$ 4,161</u>
 TOTAL CAPITAL OUTLAY	 <u>\$ 4,161</u>
 900 Purchase of One (1) Autoclave M11	

PERSONNEL SERVICES
 DIVISION: LICENSING SERVICES
 FUND: 2560

	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
Supervisor	1	\$ 62,791
Licensing Clerk	3	91,015
Part Time Licensing Clerk	1	15,612
Overtime		1,200
Canvassers	8	108,675
Retirement		<u>22,788</u>
TOTAL PERSONNEL SERVICES	<u>13</u>	<u>\$ 302,081</u>

MAINTENANCE AND OPERATIONS DIVISION: LICENSING SERVICES FUND: 2560

		Adopted Fiscal Year 2008-2009
OPERATING MATERIALS		
130	Office Supplies	\$ 735
140	Licensing Tags	2,000
180	Uniforms	3,000
	Subtotal	\$ 5,735
OPERATION CHARGES AND SERVICES		
320	Printing and Binding-Private	\$ 7,000
600	Mileage	6,731
640	Postage	20,000
700	Contract Services	8,000
	Subtotal	\$ 41,731
TOTAL MAINTENANCE AND OPERATIONS		\$ 47,466

L I C E N S I N G S E R V I C E S
M A I N T E N A N C E A N D O P E R A T I O N S S U P P O R T D A T A

- 130 **OFFICE SUPPLIES:**
Paper, pens, pencils, paper clips, tape, calendars and various office supplies for this division.
- 140 **LICENSE TAGS**
New/replacement dog license tags.
- 180 **UNIFORMS:**
Uniforms for Clerks, License Canvassers.
- 310 **ADVERTISING:**
Employment advertisements.
- 320 **PRINTING AND BINDING - PRIVATE**
Forms necessary for canvassing and processing of animal licenses.
- 600 **MILEAGE:**
Mileage reimbursements for employees.
- 640 **POSTAGE:**
Postage necessary for mailing of license renewal forms, tags, warnings, and business incidental to the licensing division
- 700 **CONTRACT SERVICES**
Mailing service for licensing renewal forms.

CAPITAL OUTLAY
DIVISION: LICENSING SERVICES
FUND: 2560

Line Item	Adopted Fiscal Year 2008-2009
900 No capital requests	\$ -
TOTAL CAPITAL OUTLAY	\$ -

Attachment 3: Federal OMB-A87



ABOUT

[Leadership](#)[OMB Organization Chart](#)[Open Government Plan](#)[RSS Feeds](#)[Agency Info](#)[Bulletins](#)[Circulars](#)[Budget](#)[State and Local Governments](#)[Educational and Non-Profit Institutions](#)[Federal](#)[Procurement](#)[Federal Financial Management](#)[Federal Information Resources / Data Collection](#)[Memoranda](#)[Privacy Guidance](#)[Reports](#)[Federal Register](#)[FOIA](#)[NDA](#)[No FEAD](#)[OMB Locator](#)

OMB CIRCULAR A-87 REVISED

Revised 05/10/04**TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS****SUBJECT:** Cost Principles for State, Local, and Indian Tribal Governments

1. **Purpose.** This Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian tribal governments (governmental units).

2. **Authority.** This Circular is issued under the authority of the Budget and Accounting Act of 1921, as amended; the Budget and Accounting Procedures Act of 1950, as amended; the Chief Financial Officers Act of 1990; Reorganization Plan No. 2 of 1970; and Executive Order No. 11541 ("Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President").

3. **Background.** As part of the governmentwide grant streamlining effort under P.L. 106-107, Federal Financial Award Management Improvement Act of 1999, OMB led an interagency workgroup to simplify and make consistent, to the extent feasible, the various rules used to award Federal grants. An interagency task force was established in 2001 to review existing cost principles for Federal awards to State, local, and Indian tribal governments; Colleges and Universities; and Non-Profit organizations. The task force studied Selected items of Cost in each of the three cost principles to determine which items of costs could be stated consistently and/or more clearly. A proposed revised Circular reflecting the results of those efforts was issued on August 12, 2002 at 67 FR 52558. Extensive comments on the proposed revisions, discussions with interest groups, and related developments were considered in developing this revision.

4. **Rescissions.** This Circular rescinds and supersedes Circular A 87, as amended, issued May 4, 1995.

5. **Policy.** This Circular establishes principles and standards to provide a uniform approach for determining costs and to promote effective program delivery, efficiency, and better relationships between governmental units and the Federal Government. The principles are for determining allowable costs only. They are not intended to identify the circumstances or to dictate the extent of Federal and governmental unit participation in the financing of a particular Federal award. Provision for profit or other increment above cost is outside the scope of this Circular.

6. **Definitions.** Definitions of key terms used in this Circular are contained in Attachment A, Section B.

7. **Required Action.** Agencies responsible for administering programs that involve cost reimbursement contracts, grants, and other agreements with governmental units shall issue regulations to implement the provisions of this Circular and its Attachments.

8. **OMB Responsibilities.** The Office of Management and Budget (OMB) will review agency regulations and implementation of this Circular, and will provide policy interpretations and assistance to insure effective and efficient implementation. Any exceptions will be subject to approval by OMB. Exceptions will only be made in particular cases where adequate justification is presented.

9. **Information Contact.** Further information concerning this Circular may be obtained by contacting the Office of Federal Financial Management, Financial Standards and Reporting Branch, Office of Management and Budget, Washington, DC 20503, telephone 202 395 3993.

10. **Policy Review Date.** OMB Circular A 87 will have a policy review three years from the date of issuance.

- Except as otherwise provided herein, these rules are effective June 9, 2004.

Attachment A General Principles for Determining Allowable Costs

Attachment B Selected Items of Cost

Attachment C State/Local Wide Central Service Cost Allocation Plans

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ATTACHMENT A
Circular No. A 87

GENERAL PRINCIPLES FOR DETERMINING ALLOWABLE COSTS

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A. Purpose and Scope

1. Objectives. This Attachment establishes principles for determining the allowable costs incurred by State, local, and federally recognized Indian tribal governments (governmental units) under grants, cost reimbursement contracts, and other agreements with the Federal Government (collectively referred to in this Circular as "Federal awards"). The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal or governmental unit participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by law. Provision for profit or other increment above cost is outside the scope of this Circular.

2. Policy guides.

a. The application of these principles is based on the fundamental premises that:

(1) Governmental units are responsible for the efficient and effective administration of Federal awards through the application of sound management practices.

(2) Governmental units assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

(3) Each governmental unit, in recognition of its own unique combination of staff, facilities, and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration of Federal awards.

b. Federal agencies should work with States or localities which wish to test alternative mechanisms for paying costs for administering Federal programs. The Office of Management and Budget (OMB) encourages Federal agencies to test fee for service alternatives as a replacement for current cost reimbursement payment methods in response to the National Performance Review's (NPR) recommendation. The NPR recommended the fee for service approach to reduce the burden associated with maintaining systems for charging administrative costs to Federal programs and preparing and approving cost allocation plans. This approach should also increase incentives for administrative efficiencies and improve outcomes.

3. Application.

a. These principles will be applied by all Federal agencies in determining costs incurred by governmental units under Federal awards (including subawards) except those with (1) publicly financed educational institutions subject to OMB Circular A 21, "Cost Principles for Educational Institutions," and (2) programs administered by publicly owned hospitals and other providers of

medical care that are subject to requirements promulgated by the sponsoring Federal agencies. However, this Circular does apply to all central service and department/agency costs that are allocated or billed to those educational institutions, hospitals, and other providers of medical care or services by other State and local government departments and agencies.

- b. All subawards are subject to those Federal cost principles applicable to the particular organization concerned. Thus, if a subaward is to a governmental unit (other than a college, university or hospital), this Circular shall apply; if a subaward is to a commercial organization, the cost principles applicable to commercial organizations shall apply; if a subaward is to a college or university, Circular A 21 shall apply; if a subaward is to a hospital, the cost principles used by the Federal awarding agency for awards to hospitals shall apply, subject to the provisions of subsection A.3.a. of this Attachment; if a subaward is to some other non profit organization, Circular A 122, "Cost Principles for Non Profit Organizations," shall apply.
- c. These principles shall be used as a guide in the pricing of fixed price arrangements where costs are used in determining the appropriate price.
- d. Where a Federal contract awarded to a governmental unit incorporates a Cost Accounting Standards (CAS) clause, the requirements of that clause shall apply. In such cases, the governmental unit and the cognizant Federal agency shall establish an appropriate advance agreement on how the governmental unit will comply with applicable CAS requirements when estimating, accumulating and reporting costs under CAS covered contracts. The agreement shall indicate that OMB Circular A 87 requirements will be applied to other Federal awards. In all cases, only one set of records needs to be maintained by the governmental unit.
- e. Conditional exemptions.

(1) OMB authorizes conditional exemption from OMB administrative requirements and cost principles circulars for certain Federal programs with statutorily authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

(2) To promote efficiency in State and local program administration, when Federal non entitlement programs with common purposes have specific statutorily authorized consolidated planning and consolidated administrative funding and where most of the State agency's resources come from non Federal sources, Federal agencies may exempt these covered State administered, non entitlement grant programs from certain OMB grants management requirements. The exemptions would be from all but the allocability of costs provisions of OMB Circulars A 87 (Attachment A, subsection C.3), "Cost Principles for State, Local, and Indian Tribal Governments," A 21 (Section C, subpart 4), "Cost Principles for Educational Institutions," and A 122 (Attachment A, subsection A.4), "Cost Principles for Non Profit Organizations," and from all of the administrative requirements provisions of OMB Circular A 110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non Profit Organizations," and the agencies' grants management common rule.

(3) When a Federal agency provides this flexibility, as a prerequisite to a State's exercising this option, a State must adopt its own written fiscal and administrative requirements for expending and accounting for all funds, which are consistent with the provisions of OMB Circular A 87, and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure that: funds are used in compliance with all applicable Federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not be used for general expenses required to carry out other responsibilities of a State or its subrecipients.

B. Definitions

1. "Approval or authorization of the awarding or cognizant Federal agency" means documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a Federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a State/local wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.

2. "Award" means grants, cost reimbursement contracts and other agreements between a State, local and Indian tribal government and the Federal Government.

3. "Awarding agency" means (a) with respect to a grant, cooperative agreement, or cost reimbursement contract, the Federal agency, and (b) with respect to a subaward, the party that awarded the subaward.
4. "Central service cost allocation plan" means the documentation identifying, accumulating, and allocating or developing billing 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.
5. "Claim" means a written demand or written assertion by the governmental unit or grantor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of award terms, or other relief arising under or relating to the award. A voucher, invoice or other routine request for payment that is not a dispute when submitted is not a claim. Appeals, such as those filed by a governmental unit in response to questioned audit costs, are not considered claims until a final management decision is made by the Federal awarding agency.
6. "Cognizant agency" means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this Circular on behalf of all Federal agencies. OMB publishes a listing of cognizant agencies.
7. "Common Rule" means the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; Final Rule" originally issued at 53 FR 8034 8103 (March 11, 1988). Other common rules will be referred to by their specific titles.
8. "Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to): awards and notices of awards; job orders or task orders issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and, bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C. 6301 et seq.
9. "Cost" means an amount as determined on a cash, accrual, or other basis acceptable to the Federal awarding or cognizant agency. It does not include transfers to a general or similar fund.
10. "Cost allocation plan" means central service cost allocation plan, public assistance cost allocation plan, and indirect cost rate proposal. Each of these terms are further defined in this section.
11. "Cost objective" means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.
12. "Federally recognized Indian tribal government" means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 85 Stat. 688) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.
13. "Governmental unit" means the entire State, local, or federally recognized Indian tribal government, including any component thereof. Components of governmental units may function independently of the governmental unit in accordance with the term of the award.
14. "Grantee department or agency" means the component of a State, local, or federally recognized Indian tribal government which is responsible for the performance or administration of all or some part of a Federal award.
15. "Indirect cost rate proposal" means the documentation prepared by a governmental unit or component thereof to substantiate its request for the establishment of an indirect cost rate as described in Attachment E of this Circular.
16. "Local government" means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a non profit corporation under State law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

17. "Public assistance cost allocation plan" means a narrative description of the procedures that will be used in identifying, measuring and allocating all administrative costs to all of the programs administered or supervised by State public assistance agencies as described in Attachment D of this Circular.

18. "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments.

C. **Basic Guidelines**

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- b. Be allocable to Federal awards under the provisions of this Circular.
- c. Be authorized or not prohibited under State or local laws or regulations.
- d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.
- h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- i. Be the net of all applicable credits.
- j. Be adequately documented.

2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally funded. In determining reasonableness of a given cost, consideration shall be given to:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.
- b. The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.
- c. Market prices for comparable goods or services.
- d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
- e. Significant deviations from the established practices of the governmental unit which may

unjustifiably increase the Federal award's cost.

3. Allocable costs.

- a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.
- b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.
- c. Any cost allocable to a particular Federal award or cost objective under the principles provided for in this Circular may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.
- d. Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Attachments C, D, and E.

4. Applicable credits.

- a. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.
- b. In some instances, the amounts received from the Federal Government to finance activities or service operations of the governmental unit should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) should be recognized in determining the rates or amounts to be charged to Federal awards. (See Attachment B, item 11, "Depreciation and use allowances," for areas of potential application in the matter of Federal financing of activities.)

D. Composition of Cost

1. Total cost. The total cost of Federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits.
2. Classification of costs. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost. Guidelines for determining direct and indirect costs charged to Federal awards are provided in the sections that follow.

E. Direct Costs

1. General. Direct costs are those that can be identified specifically with a particular final cost objective.
2. Application. Typical direct costs chargeable to Federal awards are:
 - a. Compensation of employees for the time devoted and identified specifically to the performance of those awards.
 - b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.
 - c. Equipment and other approved capital expenditures.
 - d. Travel expenses incurred specifically to carry out the award.
3. Minor items. Any direct cost of a minor amount may be treated as an indirect cost for reasons of

practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

F. Indirect Costs

1. General. Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. The term "indirect costs," as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs within a governmental unit department or in other agencies providing services to a governmental unit department. Indirect cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

2. Cost allocation plans and indirect cost proposals. Requirements for development and submission of cost allocation plans and indirect cost rate proposals are contained in Attachments C, D, and E.

3. Limitation on indirect or administrative costs.

- a. In addition to restrictions contained in this Circular, there may be laws that further limit the amount of administrative or indirect cost allowed.
- b. Amounts not recoverable as indirect costs or administrative costs under one Federal award may not be shifted to another Federal award, unless specifically authorized by Federal legislation or regulation.

G. Interagency Services. The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro rate share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Attachment C.

H. Required Certifications. Each cost allocation plan or indirect cost rate proposal required by Attachments C and E must comply with the following:

1. No proposal to establish a cost allocation plan or an indirect cost rate, whether submitted to a Federal cognizant agency or maintained on file by the governmental unit, shall be acceptable unless such costs have been certified by the governmental unit using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Attachments C and E. The certificate must be signed on behalf of the governmental unit by an individual at a level no lower than chief financial officer of the governmental unit that submits the proposal or component covered by the proposal.

2. No cost allocation plan or indirect cost rate shall be approved by the Federal Government unless the plan or rate proposal has been certified. Where it is necessary to establish a cost allocation plan or an indirect cost rate and the governmental unit has not submitted a certified proposal for establishing such a plan or rate in accordance with the requirements, the Federal Government may either disallow all indirect costs or unilaterally establish such a plan or rate. Such a plan or rate may be based upon audited historical data or such other data that have been furnished to the cognizant Federal agency and for which it can be demonstrated that all unallowable costs have been excluded. When a cost allocation plan or indirect cost rate is unilaterally established by the Federal Government because of failure of the governmental unit to submit a certified proposal, the plan or rate established will be set to ensure that potentially unallowable costs will not be reimbursed.

ATTACHMENT B
Circular No. A 87

SELECTED ITEMS OF COST

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1. Advertising and public relations costs
2. Advisory councils
3. Alcoholic beverages
4. Audit costs and related services
5. Bad debts
6. Bonding costs
7. Communication costs
8. Compensation for personal services
9. Contingency provisions
10. Defense and prosecution of criminal and civil proceedings, and claims
11. Depreciation and use allowances
12. Donations and contributions
13. Employee morale, health, and welfare costs
14. Entertainment costs
15. Equipment and other capital expenditures
16. Fines and penalties
17. Fund raising and investment management costs
18. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs
19. General government expenses
20. Goods or services for personal use
21. Idle facilities and idle capacity
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23. Interest
24. Lobbying
25. Maintenance, operations, and repairs
26. Materials and supplies costs
27. Meetings and conferences
28. Memberships, subscriptions, and professional activity costs
29. Patent costs
30. Plant and homeland security costs
31. Pre award costs
32. Professional service costs
33. Proposal costs
34. Publication and printing costs
35. Rearrangement and alteration costs
36. Reconversion costs
37. Rental costs of building and equipment
38. Royalties and other costs for the use of patents
39. Selling and marketing
40. Taxes
41. Termination costs applicable to sponsored agreements
42. Training costs
43. Travel costs

Sections 1 through 43 provide principles to be applied in establishing the allowability or unallowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. A cost is allowable for Federal reimbursement only to the extent of benefits received by Federal awards and its conformance with the general policies and principles stated in Attachment A to this Circular. Failure to mention a particular item of cost in these sections is not intended to imply that it is either allowable or unallowable; rather, determination of allowability in each case should be based on the treatment or standards provided for similar or related items of cost.

1. Advertising and public relations costs.

- a. The term advertising costs means the costs of advertising media and corollary administrative costs.

Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like.

- b. The term public relations includes community relations and means those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

- c. The only allowable advertising costs are those which are solely for:

- (1) The recruitment of personnel required for the performance by the governmental unit of obligations arising under a Federal award;
- (2) The procurement of goods and services for the performance of a Federal award;
- (3) The disposal of scrap or surplus materials acquired in the performance of a Federal award except when governmental units are reimbursed for disposal costs at a predetermined amount; or
- (4) Other specific purposes necessary to meet the requirements of the Federal award.

- d. The only allowable public relations costs are:

- (1) Costs specifically required by the Federal award;
- (2) Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of Federal awards (these costs are considered necessary as part of the outreach effort for the Federal award); or
- (3) Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.

- e. Costs identified in subsections c and d if incurred for more than one Federal award or for both sponsored work and other work of the governmental unit, are allowable to the extent that the principles in Attachment A, sections E. ("Direct Costs") and F. ("Indirect Costs") are observed.

- f. Unallowable advertising and public relations costs include the following:

- (1) All advertising and public relations costs other than as specified in subsections c, d, and e;
- (2) Costs of meetings, conventions, convocations, or other events related to other activities of the governmental unit, including:
 - (a) Costs of displays, demonstrations, and exhibits;
 - (b) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and
 - (c) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;
- (3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs;
- (4) Costs of advertising and public relations designed solely to promote the governmental unit.

2. **Advisory councils.** Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency or as an indirect cost where allocable to Federal awards.

3. **Alcoholic beverages.** Costs of alcoholic beverages are unallowable.

4. Audit costs and related services.

- a. The costs of audits required by, and performed in accordance with, the Single Audit Act, as implemented by Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Also see 31 USC 7505(b) and section 230 ("Audit Costs") of Circular A-133.
- b. Other audit costs are allowable if included in a cost allocation plan or indirect cost proposal, or if specifically approved by the awarding agency as a direct cost to an award.
- c. The cost of agreed-upon procedures engagements to monitor subrecipients who are exempted from A-133 under section 200(d) are allowable, subject to the conditions listed in A-133, section 230 (b)(2).

5. **Bad debts.** Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs, are unallowable.

6. Bonding costs.

- a. Bonding costs arise when the Federal Government requires assurance against financial loss to itself or others by reason of the act or default of the governmental unit. They arise also in instances where the governmental unit requires similar assurance. Included are such bonds as bid, performance, payment, advance payment, infringement, and fidelity bonds.
- b. Costs of bonding required pursuant to the terms of the award are allowable.
- c. Costs of bonding required by the governmental unit in the general conduct of its operations are allowable to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

7. **Communication costs.** Costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like are allowable.

8. Compensation for personal services.

- a. General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this Circular, and that the total compensation for individual employees:
 - (1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non Federal activities;
 - (2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and
 - (3) Is determined and supported as provided in subsection h.
- b. Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the governmental unit. In cases where the kinds of employees required for Federal awards are not found in the other activities of the governmental unit, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.
- c. Unallowable costs. Costs which are unallowable under other sections of these principles shall not be allowable under this section solely on the basis that they constitute personnel compensation.
- d. Fringe benefits.

(1) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, governmental unit employee agreement, or an established policy of the governmental unit.

(2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including Federal awards; and, (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

(3) When a governmental unit uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component.

(4) The accrual basis may be only used for those types of leave for which a liability as defined by Generally Accepted Accounting Principles (GAAP) exists when the leave is earned. When a governmental unit uses the accrual basis of accounting, in accordance with GAAP, allowable leave costs are the lesser of the amount accrued or funded.

(5) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in section 22, Insurance and indemnification); pension plan costs (see subsection e.); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities.

e. Pension plan costs. Pension plan costs may be computed using a pay as you go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For pension plans financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) Pension costs calculated using an actuarial cost based method recognized by GAAP are allowable for a given fiscal year if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursement and the governmental unit's contribution to the pension fund. Adjustments may be made by cash refund or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the pension fund.

(3) Amounts funded by the governmental unit in excess of the actuarially determined amount for a fiscal year may be used as the governmental unit's contribution in future periods.

(4) When a governmental unit converts to an acceptable actuarial cost method, as defined by GAAP, and funds pension costs in accordance with this method, the unfunded liability at the time of conversion shall be allowable if amortized over a period of years in accordance with GAAP.

(5) The Federal Government shall receive an equitable share of any previously allowed pension costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

f. Post retirement health benefits. Post retirement health benefits (PRHB) refers to costs of health insurance or health services not included in a pension plan covered by subsection e. for retirees and their spouses, dependents, and survivors. PRHB costs may be computed using a pay as you

go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For PRHB financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) PRHB costs calculated using an actuarial cost method recognized by GAAP are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursements and the governmental unit's contributions to the PRHB fund. Adjustments may be made by cash refund, reduction in current year's PRHB costs, or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the PRHB fund.

(3) Amounts funded in excess of the actuarially determined amount for a fiscal year may be used as the government's contribution in a future period.

(4) When a governmental unit converts to an acceptable actuarial cost method and funds PRHB costs in accordance with this method, the initial unfunded liability attributable to prior years shall be allowable if amortized over a period of years in accordance with GAAP, or, if no such GAAP period exists, over a period negotiated with the cognizant agency.

(5) To be allowable in the current year, the PRHB costs must be paid either to:

(a) An insurer or other benefit provider as current year costs or premiums, or

(b) An insurer or trustee to maintain a trust fund or reserve for the sole purpose of providing post retirement benefits to retirees and other beneficiaries.

(6) The Federal Government shall receive an equitable share of any amounts of previously allowed post retirement benefit costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

g. Severance pay.

(1) Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employee agreement, or (c) established written policy.

(2) Severance payments (but not accruals) associated with normal turnover are allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.

(3) Abnormal or mass severance pay will be considered on a case by case basis and is allowable only if approved by the cognizant Federal agency.

h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see

subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after the fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
 - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

- (i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection (c);
- (ii) The entire time period involved must be covered by the sample; and
- (iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(c) Less than full compliance with the statistical sampling standards noted in subsection (a) may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of

Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

i. Donated services.

(1) Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the provisions of the Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

9 Contingency provisions. Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable. The term "contingency reserve" excludes self-insurance reserves (see Attachment B, section 22.c.), pension plan reserves (see Attachment B, section 8.e.), and post-retirement health and other benefit reserves (see Attachment B, section 8.f.) computed using acceptable actuarial cost methods.

10. Defense and prosecution of criminal and civil proceedings, and claims.

a. The following costs are unallowable for contracts covered by 10 U.S.C. 2324(k), "Allowable costs under defense contracts."

(1) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of false certification brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of a false certification)).

(2) Costs incurred by a contractor in connection with any criminal, civil or administrative proceedings commenced by the United States or a State to the extent provided in 10 U.S.C. 2324(k).

b. Legal expenses required in the administration of Federal programs are allowable. Legal expenses for prosecution of claims against the Federal Government are unallowable.

11. Depreciation and use allowances.

a. Depreciation and use allowances are means of allocating the cost of fixed assets to periods benefiting from asset use. Compensation for the use of fixed assets on hand may be made through depreciation or use allowances. A combination of the two methods may not be used in connection with a single class of fixed assets (e.g., buildings, office equipment, computer equipment, etc.) except as provided for in subsection g. Except for enterprise funds and internal service funds that are included as part of a State/local cost allocation plan, classes of assets shall be determined on the same basis used for the government-wide financial statements.

b. The computation of depreciation or use allowances shall be based on the acquisition cost of the assets involved. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used. The value of an asset donated to the governmental unit by an unrelated third party shall be its fair market value at the time of donation. Governmental or quasi-governmental organizations located within the same State shall not be considered unrelated third parties for this purpose.

c. The computation of depreciation or use allowances will exclude:

(1) The cost of land;

(2) Any portion of the cost of buildings and equipment borne by or donated by the Federal

Government irrespective of where title was originally vested or where it presently resides; and

(3) Any portion of the cost of buildings and equipment contributed by or for the governmental unit, or a related donor organization, in satisfaction of a matching requirement.

- d. Where the depreciation method is followed, the period of useful service (useful life) established in each case for usable capital assets must take into consideration such factors as type of construction, nature of the equipment used, historical usage patterns, technological developments, and the renewal and replacement policies of the governmental unit followed for the individual items or classes of assets involved. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life, the straight line method of depreciation shall be used.

Depreciation methods once used shall not be changed unless approved by the Federal cognizant or awarding agency. When the depreciation method is introduced for application to an asset previously subject to a use allowance, the annual depreciation charge thereon may not exceed the amount that would have resulted had the depreciation method been in effect from the date of acquisition of the asset. The combination of use allowances and depreciation applicable to the asset shall not exceed the total acquisition cost of the asset or fair market value at time of donation.

- e. When the depreciation method is used for buildings, a building's shell may be segregated from the major component of the building (e.g., plumbing system, heating, and air conditioning system, etc.) and each major component depreciated over its estimated useful life, or the entire building (i.e., the shell and all components) may be treated as a single asset and depreciated over a single useful life.

- f. Where the use allowance method is followed, the use allowance for buildings and improvements (including land improvements, such as paved parking areas, fences, and sidewalks) will be computed at an annual rate not exceeding two percent of acquisition costs. The use allowance for equipment will be computed at an annual rate not exceeding 6 2/3 percent of acquisition cost. When the use allowance method is used for buildings, the entire building must be treated as a single asset; the building's components (e.g., plumbing system, heating and air condition, etc.) cannot be segregated from the building's shell.

The two percent limitation, however, need not be applied to equipment which is merely attached or fastened to the building but not permanently fixed to it and which is used as furnishings or decorations or for specialized purposes (e.g., dentist chairs and dental treatment units, counters, laboratory benches bolted to the floor, dishwashers, modular furniture, carpeting, etc.). Such equipment will be considered as not being permanently fixed to the building if it can be removed without the destruction of, or need for costly or extensive alterations or repairs, to the building or the equipment. Equipment that meets these criteria will be subject to the 6 2/3 percent equipment use allowance limitation.

- g. A reasonable use allowance may be negotiated for any assets that are considered to be fully depreciated, after taking into consideration the amount of depreciation previously charged to the government, the estimated useful life remaining at the time of negotiation, the effect of any increased maintenance charges, decreased efficiency due to age, and any other factors pertinent to the utilization of the asset for the purpose contemplated.
- h. Charges for use allowances or depreciation must be supported by adequate property records. Physical inventories must be taken at least once every two years (a statistical sampling approach is acceptable) to ensure that assets exist, and are in use. Governmental units will manage equipment in accordance with State laws and procedures. When the depreciation method is followed, depreciation records indicating the amount of depreciation taken each period must also be maintained.

12. **Donations and contributions.**

- a. Contributions or donations rendered. Contributions or donations, including cash, property, and services, made by the governmental unit, regardless of the recipient, are unallowable.

- b. Donated services received:

(1) Donated or volunteer services may be furnished to a governmental unit by professional and

technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the Federal Grants Management Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

13. Employee morale, health, and welfare costs.

- a. The costs of employee information publications, health or first-aid clinics and/or infirmaries, recreational activities, employee counseling services, and any other expenses incurred in accordance with the governmental unit's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance are allowable.
- b. Such costs will be equitably apportioned to all activities of the governmental unit. Income generated from any of these activities will be offset against expenses.

14. Entertainment. Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rental's, transportation, and gratuities) are unallowable.

15. Equipment and other capital expenditures.

- a. For purposes of this subsection 15, the following definitions apply:

(1) "Capital Expenditures" means expenditures for the acquisition cost of capital assets (equipment, buildings, land), or expenditures to make improvements to capital assets that materially increase their value or useful life. Acquisition cost means the cost of the asset including the cost to put it in place. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in, or excluded from the acquisition cost in accordance with the governmental unit's regular accounting practices.

(2) "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5000.

(3) "Special purpose equipment" means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.

(4) "General purpose equipment" means equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

- b. The following rules of allowability shall apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the awarding agency.

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5000 or more have the prior approval of the awarding agency.

(3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior approval

of the awarding agency.

(4) When approved as a direct charge pursuant to Attachment B, section 15.b (1), (2), and (3) above, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the awarding agency. In addition, Federal awarding agencies are authorized at their option to waive or delegate the prior approval requirement.

(5) Equipment and other capital expenditures are unallowable as indirect costs. However, see section 11, Depreciation and use allowance, for rules on the allowability of use allowances or depreciation on buildings, capital improvements, and equipment. Also, see section 37, Rental costs, concerning the allowability of rental costs for land, buildings, and equipment.

(6) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable use allowances or depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the cognizant agency.

(7) When replacing equipment purchased in whole or in part with Federal funds, the governmental unit may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

16. Fines and penalties. Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the Federal award or written instructions by the awarding agency authorizing in advance such payments.

17. Fund raising and investment management costs.

- a. Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable, regardless of the purpose for which the funds will be used.
- b. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable. However, such costs associated with investments covering pension, self insurance, or other funds which include Federal participation allowed by this Circular are allowable.
- c. Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subsection C.3.b. of Attachment A.

18. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs.

a. (1) Gains and losses on the sale, retirement, or other disposition of depreciable property shall be included in the year in which they occur as credits or charges to the asset cost grouping(s) in which the property was included. The amount of the gain or loss to be included as a credit or charge to the appropriate asset cost grouping(s) shall be the difference between the amount realized on the property and the undepreciated basis of the property.

(2) Gains and losses on the disposition of depreciable property shall not be recognized as a separate credit or charge under the following conditions:

(a) The gain or loss is processed through a depreciation account and is reflected in the depreciation allowable under sections 11 and 15.

(b) The property is given in exchange as part of the purchase price of a similar item and the gain or loss is taken into account in determining the depreciation cost basis of the new item.

(c) A loss results from the failure to maintain permissible insurance, except as otherwise provided in subsection 22.d.

(d) Compensation for the use of the property was provided through use allowances in lieu of depreciation.

- b. Substantial relocation of Federal awards from a facility where the Federal Government participated in the financing to another facility prior to the expiration of the useful life of the financed facility requires Federal agency approval. The extent of the relocation, the amount of the Federal participation in the financing, and the depreciation charged to date may require negotiation of space charges for Federal awards.
- c. Gains or losses of any nature arising from the sale or exchange of property other than the property covered in subsection a., e.g., land or included in the fair market value used in any adjustment resulting from a relocation of Federal awards covered in subsection b. shall be excluded in computing Federal award costs.

19. **General government expenses.**

- a. The general costs of government are unallowable (except as provided in Attachment B, section 43, Travel costs). These include:
 - (1) Salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision or the chief executive of federally recognized Indian tribal government;
 - (2) Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;
 - (3) Costs of the judiciary branch of a government;
 - (4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by program statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General); and
 - (5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.
- b. For federally recognized Indian tribal governments and Councils Of Governments (COGs), the portion of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his staff is allowable.

20. **Goods or services for personal use.** Costs of goods or services for personal use of the governmental unit's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

21. **Idle facilities and idle capacity.**

- a. As used in this section the following terms have the meanings set forth below:
 - (1) "Facilities" means land and buildings or any portion thereof, equipment individually or collectively, or any other tangible capital asset, wherever located, and whether owned or leased by the governmental unit.
 - (2) "Idle facilities" means completely unused facilities that are excess to the governmental unit's current needs.
 - (3) "Idle capacity" means the unused capacity of partially used facilities. It is the difference between: (a) that which a facility could achieve under 100 percent operating time on a one-shift basis less operating interruptions resulting from time lost for repairs, setups, unsatisfactory materials, and other normal delays; and (b) the extent to which the facility was actually used to meet demands during the accounting period. A multi-shift basis should be used if it can be shown that this amount of usage would normally be expected for the type of facility involved.
 - (4) "Cost of idle facilities or idle capacity" means costs such as maintenance, repair, housing, rent, and other related costs, e.g., insurance, interest, property taxes and depreciation or use allowances.

- b. The costs of idle facilities are unallowable except to the extent that:

- (1) They are necessary to meet fluctuations in workload; or
 - (2) Although not necessary to meet fluctuations in workload, they were necessary when acquired and are now idle because of changes in program requirements, efforts to achieve more economical operations, reorganization, termination, or other causes which could not have been reasonably foreseen. Under the exception stated in this subsection, costs of idle facilities are allowable for a reasonable period of time, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of such facilities.
- c. The costs of idle capacity are normal costs of doing business and are a factor in the normal fluctuations of usage or indirect cost rates from period to period. Such costs are allowable, provided that the capacity is reasonably anticipated to be necessary or was originally reasonable and is not subject to reduction or elimination by use on other Federal awards, subletting, renting, or sale, in accordance with sound business, economic, or security practices. Widespread idle capacity throughout an entire facility or among a group of assets having substantially the same function may be considered idle facilities.

22. **Insurance and indemnification.**

- a. Costs of insurance required or approved and maintained, pursuant to the Federal award, are allowable.
- b. Costs of other insurance in connection with the general conduct of activities are allowable subject to the following limitations:
 - (1) Types and extent and cost of coverage are in accordance with the governmental unit's policy and sound business practice.
 - (2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are unallowable except to the extent that the awarding agency has specifically required or approved such costs.
- c. Actual losses which could have been covered by permissible insurance (through a self insurance program or otherwise) are unallowable, unless expressly provided for in the Federal award or as described below. However, the Federal Government will participate in actual losses of a self insurance fund that are in excess of reserves. Costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, and minor losses not covered by insurance, such as spoilage, breakage, and disappearance of small hand tools, which occur in the ordinary course of operations, are allowable.
- d. Contributions to a reserve for certain self insurance programs including workers compensation, unemployment compensation, and severance pay are allowable subject to the following provisions:
 - (1) The type of coverage and the extent of coverage and the rates and premiums would have been allowed had insurance (including reinsurance) been purchased to cover the risks. However, provision for known or reasonably estimated self insured liabilities, which do not become payable for more than one year after the provision is made, shall not exceed the discounted present value of the liability. The rate used for discounting the liability must be determined by giving consideration to such factors as the governmental unit's settlement rate for those liabilities and its investment rate of return.
 - (2) Earnings or investment income on reserves must be credited to those reserves.
 - (3) Contributions to reserves must be based on sound actuarial principles using historical experience and reasonable assumptions. Reserve levels must be analyzed and updated at least biennially for each major risk being insured and take into account any reinsurance, coinsurance, etc. Reserve levels related to employee related coverages will normally be limited to the value of claims (a) submitted and adjudicated but not paid, (b) submitted but not adjudicated, and (c) incurred but not submitted. Reserve levels in excess of the amounts based on the above must be identified and justified in the cost allocation plan or indirect cost rate proposal.
 - (4) Accounting records, actuarial studies, and cost allocations (or billings) must recognize any significant differences due to types of insured risk and losses generated by the various insured

activities or agencies of the governmental unit. If individual departments or agencies of the governmental unit experience significantly different levels of claims for a particular risk, those differences are to be recognized by the use of separate allocations or other techniques resulting in an equitable allocation.

(5) Whenever funds are transferred from a self insurance reserve to other accounts (e.g., general fund), refunds shall be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer.

- e. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., subsection 8.f. for post retirement health benefits), are allowable in the year of payment provided (1) the governmental unit follows a consistent costing policy and (2) they are allocated as a general administrative expense to all activities of the governmental unit.
- f. Insurance refunds shall be credited against insurance costs in the year the refund is received.
- g. Indemnification includes securing the governmental unit against liabilities to third persons and other losses not compensated by insurance or otherwise. The Federal Government is obligated to indemnify the governmental unit only to the extent expressly provided for in the Federal award, except as provided in subsection d.
- h. Costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship are unallowable.

23. **Interest.**

- a. Costs incurred for interest on borrowed capital or the use of a governmental unit's own funds, however represented, are unallowable except as specifically provided in subsection b. or authorized by Federal legislation.
- b. Financing costs (including interest) paid or incurred which are associated with the otherwise allowable costs of building acquisition, construction, or fabrication, reconstruction or remodeling completed on or after October 1, 1980 is allowable subject to the conditions in (1) through (4) of this section 23. Financing costs (including interest) paid or incurred on or after September 1, 1995 for land or associated with otherwise allowable costs of equipment is allowable, subject to the conditions in (1) through (4).

(1) The financing is provided (from other than tax or user fee sources) by a bona fide third party external to the governmental unit;

(2) These assets are used in support of Federal awards;

(3) Earnings on debt service reserve funds or interest earned on borrowed funds pending payment of the construction or acquisition costs are used to offset the current period's cost or the capitalized interest, as appropriate. Earnings subject to being reported to the Federal Internal Revenue Service under arbitrage requirements are excludable.

(4) For debt arrangements over \$1 million, unless the governmental unit makes an initial equity contribution to the asset purchase of 25 percent or more, the governmental unit shall reduce claims for interest cost by an amount equal to imputed interest earnings on excess cash flow, which is to be calculated as follows. Annually, non-Federal entities shall prepare a cumulative (from the inception of the project) report of monthly cash flows that includes inflows and outflows, regardless of the funding source. Inflows consist of depreciation expense, amortization of capitalized construction interest, and annual interest cost. For cash flow calculations, the annual inflow figures shall be divided by the number of months in the year (i.e., usually 12) that the building is in service for monthly amounts. Outflows consist of initial equity contributions, debt principal payments (less the pro rata share attributable to the unallowable costs of land) and interest payments. Where cumulative inflows exceed cumulative outflows, interest shall be calculated on the excess inflows for that period and be treated as a reduction to allowable interest cost. The rate of interest to be used to compute earnings on excess cash flows shall be the three-month Treasury bill closing rate as of the last business day of that month.

(5) Interest attributable to fully depreciated assets is unallowable.

24. Lobbying.

- a. General. The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is an unallowable cost. Lobbying with respect to certain grants, contracts, cooperative agreements, and loans shall be governed by the common rule, "New Restrictions on Lobbying" published at 55 FR 6736 (February 26, 1990), including definitions, and the Office of Management and Budget "Government wide Guidance for New Restrictions on Lobbying" and notices published at 54 FR 52306 (December 20, 1989), 55 FR 24540 (June 15, 1990), and 57 FR 1772 (January 15, 1992), respectively.
- b. Executive lobbying costs. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable. Improper influence means any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a federally sponsored agreement or regulatory matter on any basis other than the merits of the matter.

25. Maintenance, operations, and repairs. Unless prohibited by law, the cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like are allowable to the extent that they: (1) keep property (including Federal property, unless otherwise provided for) in an efficient operating condition, (2) do not add to the permanent value of property or appreciably prolong its intended life, and (3) are not otherwise included in rental or other charges for space. Costs which add to the permanent value of property or appreciably prolong its intended life shall be treated as capital expenditures (see sections 11 and 15).

26. Materials and supplies costs.

- a. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.
- b. Purchased materials and supplies shall be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs.
- c. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs.
- d. Where federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.

27. Meetings and conferences. Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. But see Attachment B, section 14, Entertainment costs.

28. Memberships, subscriptions, and professional activity costs.

- a. Costs of the governmental unit's memberships in business, technical, and professional organizations are allowable.
- b. Costs of the governmental unit's subscriptions to business, professional, and technical periodicals are allowable.
- c. Costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal awarding agency.
- d. Costs of membership in organizations substantially engaged in lobbying are unallowable.

29. Patent costs.

- a. The following costs relating to patent and copyright matters are allowable:

(i) cost of preparing disclosures, reports, and other documents required by the Federal award and of searching the art to the extent necessary to make such disclosures;

(ii) cost of preparing documents and any other patent costs in connection with the filing and prosecution of a United States patent application where title or royalty-free license is required by the Federal Government to be conveyed to the Federal Government; and

(iii) general counseling services relating to patent and copyright matters, such as advice on patent and copyright laws, regulations, clauses, and employee agreements (but see Attachment B, sections 32, Professional service costs, and 38, Royalties and other costs for use of patents and copyrights).

b. The following costs related to patent and copyright matter are unallowable:

(i) Cost of preparing disclosures, reports, and other documents and of searching the art to the extent necessary to make disclosures not required by the award

(ii) Costs in connection with filing and prosecuting any foreign patent application, or (ii) any United States patent application, where the Federal award does not require conveying title or a royalty-free license to the Federal Government (but see Attachment B, section 38., Royalties and other costs for use of patents and copyrights).

30. **Plant and homeland security costs.** Necessary and reasonable expenses incurred for routine and homeland security to protect facilities, personnel, and work products are allowable. Such costs include, but are not limited to, wages and uniforms of personnel engaged in security activities; equipment; barriers; contractual security services; consultants; etc. Capital expenditures for homeland and plant security purposes are subject to section 15., Equipment and other capital expenditures, of this Circular.

31. **Pre award costs.** Pre award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

32. **Professional service costs.**

a. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the governmental unit, are allowable, subject to subparagraphs b and c when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government.

In addition, legal and related services are limited under Attachment B, section 10.

b. In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:

(1) The nature and scope of the service rendered in relation to the service required.

(2) The necessity of contracting for the service, considering the governmental unit's capability in the particular area

(3) The past pattern of such costs, particularly in the years prior to Federal awards.

(4) The impact of Federal awards on the governmental unit's business (i.e., what new problems have arisen).

(5) Whether the proportion of Federal work to the governmental unit's total business is such as to influence the governmental unit in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal grants and contracts.

(6) Whether the service can be performed more economically by direct employment rather than

contracting.

(7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-Federal awards.

(8) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

- c. In addition to the factors in subparagraph b, retainer fees to be allowable must be supported by available or rendered evidence of bona fide services available or rendered.

33. **Proposal costs.** Costs of preparing proposals for potential Federal awards are allowable. Proposal costs should normally be treated as indirect costs and should be allocated to all activities of the governmental unit utilizing the cost allocation plan and indirect cost rate proposal. However, proposal costs may be charged directly to Federal awards with the prior approval of the Federal awarding agency.

34. **Publication and printing costs.**

- a. Publication costs include the costs of printing (including the processes of composition, plate-making, press work, binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional publications.
- b. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the governmental unit.
- c. Page charges for professional journal publications are allowable as a necessary part of research costs where:
- (1) The research papers report work supported by the Federal Government; and
 - (2) The charges are levied impartially on all research papers published by the journal, whether or not by federally sponsored authors

35. **Rearrangement and alteration costs.** Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable. Special arrangements and alterations costs incurred specifically for a Federal award are allowable with the prior approval of the Federal awarding agency.

36. **Reconversion costs.** Costs incurred in the restoration or rehabilitation of the governmental unit's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear, are allowable.

37. **Rental costs of buildings and equipment.**

- a. Subject to the limitations described in subsections b. through d. of this section, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.
- b. Rental costs under "sale and lease back" arrangements are allowable only up to the amount that would be allowed had the governmental unit continued to own the property. This amount would include expenses such as depreciation or use allowance, maintenance, taxes, and insurance.
- c. Rental costs under "less-than-arms-length" leases are allowable only up to the amount (as explained in Attachment B, section 37.b) that would be allowed had title to the property vested in the governmental unit. For this purpose, a less-than-arms-length lease is one under which one party to the lease agreement is able to control or substantially influence the actions of the other. Such leases include, but are not limited to those between (i) divisions of a governmental unit; (ii) governmental units under common control through common officers, directors, or members; and (iii) a governmental unit and a director, trustee, officer, or key employee of the

governmental unit or his immediate family, either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. For example, a governmental unit may establish a separate corporation for the sole purpose of owning property and leasing it back to the governmental unit.

- d. Rental costs under leases which are required to be treated as capital leases under GAAP are allowable only up to the amount (as explained in subsection b) that would be allowed had the governmental unit purchased the property on the date the lease agreement was executed. The provisions of Financial Accounting Standards Board Statement 13, Accounting for Leases, shall be used to determine whether a lease is a capital lease. Interest costs related to capital leases are allowable to the extent they meet the criteria in Attachment B, section 23. Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the governmental unit purchased the facility.

38. Royalties and other costs for the use of patents.

- a. Royalties on a patent or copyright or amortization of the cost of acquiring by purchase a copyright, patent, or rights thereto, necessary for the proper performance of the award are allowable unless:
 - (1) The Federal Government has a license or the right to free use of the patent or copyright.
 - (2) The patent or copyright has been adjudicated to be invalid, or has been administratively determined to be invalid.
 - (3) The patent or copyright is considered to be unenforceable.
 - (4) The patent or copyright is expired.
- b. Special care should be exercised in determining reasonableness where the royalties may have been arrived at as a result of less-than-arm's-length bargaining, e.g.:
 - (1) Royalties paid to persons, including corporations, affiliated with the governmental unit.
 - (2) Royalties paid to unaffiliated parties, including corporations, under an agreement entered into in contemplation that a Federal award would be made.
 - (3) Royalties paid under an agreement entered into after an award is made to a governmental unit.
- c. In any case involving a patent or copyright formerly owned by the governmental unit, the amount of royalty allowed should not exceed the cost which would have been allowed had the governmental unit retained title thereto.

39. Selling and marketing. Costs of selling and marketing any products or services of the governmental unit are unallowable (unless allowed under Attachment B, section 1, as allowable public relations costs or under Attachment B, section 33, as allowable proposal costs).

40. Taxes.

- a. Taxes that a governmental unit is legally required to pay are allowable, except for self assessed taxes that disproportionately affect Federal programs or changes in tax policies that disproportionately affect Federal programs. This provision becomes effective for taxes paid during the governmental unit's first fiscal year that begins on or after January 1, 1998, and applies thereafter.
- b. Gasoline taxes, motor vehicle fees, and other taxes that are in effect user fees for benefits provided to the Federal Government are allowable.
- c. This provision does not restrict the authority of Federal agencies to identify taxes where Federal participation is inappropriate. Where the identification of the amount of unallowable taxes would require an inordinate amount of effort, the cognizant agency may accept a reasonable approximation thereof.

41. Termination costs applicable to sponsored agreements. Termination of awards generally gives

rise to the incurrence of costs, or the need for special treatment of costs, which would not have arisen had the Federal award not been terminated. Cost principles covering these items are set forth below. They are to be used in conjunction with the other provisions of this Circular in termination situations

- a. The cost of items reasonably usable on the governmental unit's other work shall not be allowable unless the governmental unit submits evidence that it would not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the governmental unit, the awarding agency should consider the governmental unit's plans and orders for current and scheduled activity.

Contemporaneous purchases of common items by the governmental unit shall be regarded as evidence that such items are reasonably usable on the governmental unit's other work. Any acceptance of common items as allocable to the terminated portion of the Federal award shall be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirements of other work.

- b. If in a particular case, despite all reasonable efforts by the governmental unit, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in this Circular, except that any such costs continuing after termination due to the negligent or willful failure of the governmental unit to discontinue such costs shall be unallowable.

- c. Loss of useful value of special tooling, machinery, and equipment is generally allowable if:

- (1) Such special tooling, special machinery, or equipment is not reasonably capable of use in the other work of the governmental unit.

- (2) The interest of the Federal Government is protected by transfer of title or by other means deemed appropriate by the awarding agency, and

- (3) The loss of useful value for any one terminated Federal award is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the Federal award bears to the entire terminated Federal award and other Federal awards for which the special tooling, machinery, or equipment was acquired.

- d. Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated Federal award less the residual value of such leases, if:

- (1) the amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the Federal award and such further period as may be reasonable, and

- (2) the governmental unit makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease. There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the Federal award, and of reasonable restoration required by the provisions of the lease.

- e. Settlement expenses including the following are generally allowable:

- (1) Accounting, legal, clerical, and similar costs reasonably necessary for:

- (a) The preparation and presentation to the awarding agency of settlement claims and supporting data with respect to the terminated portion of the Federal award, unless the termination is for default (see Subpart ____44 of the Grants Management Common Rule implementing OMB Circular A-102); and

- (b) The termination and settlement of subawards.

- (2) Reasonable costs for the storage, transportation, protection, and disposition of property provided by the Federal Government or acquired or produced for the Federal award, except when grantees or contractors are reimbursed for disposals at a predetermined amount in accordance with Subparts ____31 and ____32 of the Grants Management Common Rule implementing OMB Circular A-102.

- f. Claims under subawards, including the allocable portion of claims which are common to the Federal award, and to other work of the governmental unit are generally allowable.

An appropriate share of the governmental unit's indirect expense may be allocated to the amount of settlements with subcontractors and/or subgrantees, provided that the amount allocated is otherwise consistent with the basic guidelines contained in Attachment A. The indirect expense so allocated shall exclude the same and similar costs claimed directly or indirectly as settlement expenses.

42. **Training costs.** The cost of training provided for employee development is allowable.

43. **Travel costs.**

a. General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the governmental unit. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the governmental unit's non-federally sponsored activities. Notwithstanding the provisions of Attachment B, section 19, General government expenses, travel costs of officials covered by that section are allowable with the prior approval of an awarding agency when they are specifically related to Federal awards.

b. Lodging and subsistence. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the governmental unit in its regular operations as the result of the governmental unit's written travel policy. In the absence of an acceptable, written governmental unit policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter shall apply to travel under Federal awards (48 CFR 31.205-46(a)).

c. Commercial air travel.

(1) Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare (where authorized and available), or the lowest commercial discount airfare are unallowable except when such accommodations would:

- (a) require circuitous routing;
- (b) require travel during unreasonable hours;
- (c) excessively prolong travel;
- (d) result in additional costs that would offset the transportation savings; or
- (e) offer accommodations not reasonably adequate for the traveler's medical needs. The governmental unit must justify and document these conditions on a case-by-case basis in order for the use of first-class airfare to be allowable in such cases.

(2) Unless a pattern of avoidance is detected, the Federal Government will generally not question a governmental unit's determinations that customary standard airfare or other discount airfare is unavailable for specific trips if the governmental unit can demonstrate either of the following: (a) that such airfare was not available in the specific case; or (b) that it is the governmental unit's overall practice to make routine use of such airfare.

d. Air travel by other than commercial carrier. Costs of travel by governmental unit-owned, -leased, or -chartered aircraft include the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, insurance, and other related costs. The portion of such costs that exceeds the cost of allowable commercial air travel, as provided for in subsection c., is unallowable.

e. Foreign travel. Direct charges for foreign travel costs are allowable only when the travel has received prior approval of the awarding agency. Each separate foreign trip must receive such approval. For purposes of this provision, "foreign travel" includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term "foreign travel" for a governmental unit located in a foreign country means travel outside that country.

STATE/LOCAL WIDE CENTRAL SERVICE COST ALLOCATION PLANS

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A. General.

1. Most governmental units provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally supported awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process. All costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

2. Guidelines and illustrations of central service cost allocation plans are provided in a brochure published by the Department of Health and Human Services entitled "A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government." A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office.

B. Definitions.

1. "Billed central services" means central services that are billed to benefitted agencies and/or

programs on an individual fee for service or similar basis. Typical examples of billed central services include computer services, transportation services, insurance, and fringe benefits.

2. "Allocated central services" means central services that benefit operating agencies but are not billed to the agencies on a fee for service or similar basis. These costs are allocated to benefitted agencies on some reasonable basis. Examples of such services might include general accounting, personnel administration, purchasing, etc.

3. "Agency or operating agency" means an organizational unit or sub division within a governmental unit that is responsible for the performance or administration of awards or activities of the governmental unit.

C. Scope of the Central Service Cost Allocation Plans. The central service cost allocation plan will include all central service costs that will be claimed (either as a billed or an allocated cost) under Federal awards and will be documented as described in section E. Costs of central services omitted from the plan will not be reimbursed.

D. Submission Requirements.

1. Each State will submit a plan to the Department of Health and Human Services for each year in which it claims central service costs under Federal awards. The plan should include (a) a projection of the next year's allocated central service cost (based either on actual costs for the most recently completed year or the budget projection for the coming year), and (b) a reconciliation of actual allocated central service costs to the estimated costs used for either the most recently completed year or the year immediately preceding the most recently completed year.

2. Each local government that has been designated as a "major local government" by the Office of Management and Budget (OMB) is also required to submit a plan to its cognizant agency annually. OMB periodically lists major local governments in the Federal Register.

3. All other local governments claiming central service costs must develop a plan in accordance with the requirements described in this Circular and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub recipient, the primary recipient will be responsible for negotiating indirect cost rates and/or monitoring the sub recipient's plan.

4. All central service cost allocation plans will be prepared and, when required, submitted within six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs. Extensions may be granted by the cognizant agency on a case by case basis.

E. Documentation Requirements for Submitted Plans. The documentation requirements described in this section may be modified, expanded, or reduced by the cognizant agency on a case by case basis. For example, the requirements may be reduced for those central services which have little or no impact on Federal awards. Conversely, if a review of a plan indicates that certain additional information is needed, and will likely be needed in future years, it may be routinely requested in future plan submissions. Items marked with an asterisk (*) should be submitted only once; subsequent plans should merely indicate any changes since the last plan.

1. General. All proposed plans must be accompanied by the following: an organization chart sufficiently detailed to show operations including the central service activities of the State/local government whether or not they are shown as benefiting from central service functions; a copy of the Comprehensive Annual Financial Report (or a copy of the Executive Budget if budgeted costs are being proposed) to support the allowable costs of each central service activity included in the plan; and, a certification (see subsection 4.) that the plan was prepared in accordance with this Circular, contains only allowable costs, and was prepared in a manner that treated similar costs consistently among the various Federal awards and between Federal and non Federal awards/activities.

2. Allocated central services. For each allocated central service, the plan must also include the following: a brief description of the service*, an identification of the unit rendering the service and the operating agencies receiving the service, the items of expense included in the cost of the service, the method used to distribute the cost of the service to benefitted agencies, and a summary schedule showing the allocation of each service to the specific benefitted agencies. If any self insurance funds or fringe benefits costs are treated as allocated (rather than billed) central services, documentation discussed in subsections 3.b. and c. shall also be included.

3. Billed services.

a. a. General. The information described below shall be provided for all billed central services, including internal service funds, self insurance funds, and fringe benefit funds.

b. Internal service funds.

(1) For each internal service fund or similar activity with an operating budget of \$5 million or more, the plan shall include: a brief description of each service; a balance sheet for each fund based on individual accounts contained in the governmental unit's accounting system; a revenue/expenses statement, with revenues broken out by source, e.g., regular billings, interest earned, etc.; a listing of all non operating transfers (as defined by Generally Accepted Accounting Principles (GAAP)) into and out of the fund; a description of the procedures (methodology) used to charge the costs of each service to users, including how billing rates are determined; a schedule of current rates; and, a schedule comparing total revenues (including imputed revenues) generated by the service to the allowable costs of the service, as determined under this Circular, with an explanation of how variances will be handled.

(2) Revenues shall consist of all revenues generated by the service, including unbilled and uncollected revenues. If some users were not billed for the services (or were not billed at the full rate for that class of users), a schedule showing the full imputed revenues associated with these users shall be provided. Expenses shall be broken out by object cost categories (e.g., salaries, supplies, etc.).

c. Self insurance funds. For each self insurance fund, the plan shall include: the fund balance sheet; a statement of revenue and expenses including a summary of billings and claims paid by agency; a listing of all non operating transfers into and out of the fund; the type(s) of risk(s) covered by the fund (e.g., automobile liability, workers' compensation, etc.); an explanation of how the level of fund contributions are determined, including a copy of the current actuarial report (with the actuarial assumptions used) if the contributions are determined on an actuarial basis; and, a description of the procedures used to charge or allocate fund contributions to benefitted activities. Reserve levels in excess of claims (1) submitted and adjudicated but not paid, (2) submitted but not adjudicated, and (3) incurred but not submitted must be identified and explained.

d. Fringe benefits. For fringe benefit costs, the plan shall include: a listing of fringe benefits provided to covered employees, and the overall annual cost of each type of benefit; current fringe benefit policies; and procedures used to charge or allocate the costs of the benefits to benefitted activities. In addition, for pension and post retirement health insurance plans, the following information shall be provided: the governmental unit's funding policies, e.g., legislative bills, trust agreements, or State mandated contribution rules, if different from actuarially determined rates; the pension plan's costs accrued for the year; the amount funded, and date(s) of funding; a copy of the current actuarial report (including the actuarial assumptions); the plan trustee's report; and, a schedule from the activity showing the value of the interest cost associated with late funding.

4. Required certification. Each central service cost allocation plan will be accompanied by a certification in the following form:

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 [identify date] to establish cost allocations or billings for [identify period covered by plan] are allowable in accordance with the requirements of OMB Circular A 87, "Cost Principles for State, Local, and Indian Tribal Governments," 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 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: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

F. *Negotiation and Approval of Central Service Plans.*

1. All proposed central service cost allocation plans that are required to be submitted will be reviewed, negotiated, and approved by the Federal cognizant agency on a timely basis. The cognizant agency will review the proposal within six months of receipt of the proposal and either negotiate/approve the proposal or advise the governmental unit of the additional documentation needed to support/evaluate the proposed plan or the changes required to make the proposal acceptable. Once an agreement with the governmental unit has been reached, the agreement will be accepted and used by all Federal agencies, unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special consideration, the funding agency will, prior to the time the plans are negotiated, notify the cognizant agency.

2. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the governmental unit. This agreement will be subject to re opening if the agreement is subsequently found to violate a statute or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. The results of the negotiation shall be made available to all Federal agencies for their use.

3. Negotiated cost allocation plans based on a proposal later found to have included costs that: (a) are unallowable (i) as specified by law or regulation, (ii) as identified in Attachment B of this Circular, or (iii) by the terms and conditions of Federal awards, or (b) are unallowable because they are clearly not allocable to Federal awards, shall be adjusted, or a refund shall be made at the option of the Federal cognizant agency. These adjustments or refunds are designed to correct the plans and do not constitute a reopening of the negotiation.

G. *Other Policies.*

1. Billed central service activities. Each billed central service activity must separately account for all revenues (including imputed revenues) generated by the service, expenses incurred to furnish the service, and profit/loss.

2. Working capital reserves. Internal service funds are dependent upon a reasonable level of working capital reserve to operate from one billing cycle to the next. Charges by an internal service activity to provide for the establishment and maintenance of a reasonable level of working capital reserve, in addition to the full recovery of costs, are allowable. A working capital reserve as part of retained earnings of up to 60 days cash expenses for normal operating purposes is considered reasonable. A working capital reserve exceeding 60 days may be approved by the cognizant Federal agency in exceptional cases.

3. Carry forward adjustments of allocated central service costs. Allocated central service costs are usually negotiated and approved for a future fiscal year on a "fixed with carry forward" basis. Under this procedure, the fixed amounts for the future year covered by agreement are not subject to adjustment for that year. However, when the actual costs of the year involved become known, the differences between the fixed amounts previously approved and the actual costs will be carried forward and used as an adjustment to the fixed amounts established for a later year. This "carry forward" procedure applies to all central services whose costs were fixed in the approved plan. However, a carry forward adjustment is not permitted, for a central service activity that was not included in the approved plan, or for unallowable costs that must be reimbursed immediately.

4. Adjustments of billed central services. Billing rates used to charge Federal awards shall be based on the estimated costs of providing the services, including an estimate of the allocable central service costs. A comparison of the revenue generated by each billed service (including total revenues whether or not billed or collected) to the actual allowable costs of the service will be made at least annually, and an adjustment will be made for the difference between the revenue

and the allowable costs. These adjustments will be made through one of the following adjustment methods: (a) a cash refund to the Federal Government for the Federal share of the adjustment, (b) credits to the amounts charged to the individual programs, (c) adjustments to future billing rates, or (d) adjustments to allocated central service costs. Adjustments to allocated central services will not be permitted where the total amount of the adjustment for a particular service (Federal share and non Federal) share exceeds \$500,000.

5. Records retention. All central service cost allocation plans and related documentation used as a basis for claiming costs under Federal awards must be retained for audit in accordance with the records retention requirements contained in the Common Rule.

6. Appeals. If a dispute arises in the negotiation of a plan between the cognizant agency and the governmental unit, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

7. OMB assistance. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, OMB will lend assistance, as required, to resolve such problems in a timely manner.

ATTACHMENT D
Circular No. A 87

PUBLIC ASSISTANCE COST ALLOCATION PLANS

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F. Unallowable Costs

A. **General.** Federally financed programs administered by State public assistance agencies are funded predominately by the Department of Health and Human Services (HHS). In support of its stewardship requirements, HHS has published requirements for the development, documentation, submission, negotiation, and approval of public assistance cost allocation plans in Subpart E of 45 CFR Part 95. All administrative costs (direct and indirect) are normally charged to Federal awards by implementing the public assistance cost allocation plan. This Attachment extends these requirements to all Federal agencies whose programs are administered by a State public assistance agency. Major federally financed programs typically administered by State public assistance agencies include: Temporary Assistance to Needy Families (TANF), Medicaid, Food Stamps, Child Support Enforcement, Adoption Assistance and Foster Care, and Social Services Block Grant.

B. **Definitions.**

1. "State public assistance agency" means a State agency administering or supervising the administration of one or more public assistance programs operated by the State as identified in Subpart E of 45 CFR Part 95. For the purpose of this Attachment, these programs include all programs administered by the State public assistance agency.

2. "State public assistance agency costs" means all costs incurred by, or allocable to, the State public assistance agency, except expenditures for financial assistance, medical vendor

payments, food stamps, and payments for services and goods provided directly to program

recipients.

C. **Policy.** State public assistance agencies will develop, document and implement, and the Federal Government will review, negotiate, and approve, public assistance cost allocation plans in accordance with Subpart E of 45 CFR Part 95. The plan will include all programs administered by the State public assistance agency. Where a letter of approval or disapproval is transmitted to a State public assistance agency in accordance with Subpart E, the letter will apply to all Federal agencies and programs. The remaining sections of this Attachment (except for the requirement for certification) summarize the provisions of Subpart E of 45 CFR Part 95.

D. Submission, Documentation, and Approval of Public Assistance Cost Allocation Plans.

1. State public assistance agencies are required to promptly submit amendments to the cost allocation plan to HHS for review and approval.
2. Under the coordination process outlined in subsection E, affected Federal agencies will review all new plans and plan amendments and provide comments, as appropriate, to HHS. The effective date of the plan or plan amendment will be the first day of the quarter following the submission of the plan or amendment, unless another date is specifically approved by HHS. HHS, as the cognizant agency acting on behalf of all affected Federal agencies, will, as necessary, conduct negotiations with the State public assistance agency and will inform the State agency of the action taken on the plan or plan amendment.

E. Review of Implementation of Approved Plans.

1. Since public assistance cost allocation plans are of a narrative nature, the review during the plan approval process consists of evaluating the appropriateness of the proposed groupings of costs (cost centers) and the related allocation bases. As such, the Federal Government needs some assurance that the cost allocation plan has been implemented as approved. This is accomplished by reviews by the funding agencies, single audits, or audits conducted by the cognizant audit agency.
2. Where inappropriate charges affecting more than one funding agency are identified, the cognizant HHS cost negotiation office will be advised and will take the lead in resolving the issue(s) as provided for in Subpart E of 45 CFR Part 95.
3. If a dispute arises in the negotiation of a plan or from a disallowance involving two or more funding agencies, the dispute shall be resolved in accordance with the appeals procedures set out in 45 CFR Part 75. Disputes involving only one funding agency will be resolved in accordance with the funding agency's appeal process.
4. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, the Office of Management and Budget will lend assistance, as required, to resolve such problems in a timely manner.

F. **Unallowable Costs.** Claims developed under approved cost allocation plans will be based on allowable costs as identified in this Circular. Where unallowable costs have been claimed and reimbursed, they will be refunded to the program that reimbursed the unallowable cost using one of the following methods: (a) a cash refund, (b) offset to a subsequent claim, or (c) credits to the amounts charged to individual awards.

ATTACHMENT E
Circular No. A 87

STATE AND LOCAL INDIRECT COST RATE PROPOSALS

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A. **General.**

1. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

2. Indirect costs include (a) the indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and (b) the costs of central governmental services distributed through the central service cost allocation plan (as described in Attachment C) and not otherwise treated as direct costs.

3. Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards. Guidelines and illustrations of indirect cost proposals are provided in a brochure published by the Department of Health and Human Services entitled "A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government." A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office.

4. Because of the diverse characteristics and accounting practices of governmental units, the types of costs which may be classified as indirect costs cannot be specified in all situations. However, typical examples of indirect costs may include certain State/local wide central service costs, general administration of the grantee department or agency, accounting and personnel services performed within the grantee department or agency, depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, etc.

5. This Attachment does not apply to State public assistance agencies. These agencies should refer instead to Attachment D.

B. Definitions.

1. "Indirect cost rate proposal" means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate.
2. "Indirect cost rate" is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs to a direct cost base.
3. "Indirect cost pool" is the accumulated costs that jointly benefit two or more programs or other cost objectives.
4. "Base" means the accumulated direct costs (normally either total direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures) used to distribute indirect costs to individual Federal awards. The direct cost base selected should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs.
5. "Predetermined rate" means an indirect cost rate, applicable to a specified current or future period, usually the governmental unit's fiscal year. This rate is based on an estimate of the costs to be incurred during the period. Except under very unusual circumstances, a predetermined rate is not subject to adjustment. (Because of legal constraints, predetermined rates are not permitted for Federal contracts; they may, however, be used for grants or cooperative agreements.) Predetermined rates may not be used by governmental units that have not submitted and negotiated the rate with the cognizant agency. In view of the potential advantages offered by this procedure, negotiation of predetermined rates for indirect costs for a period of two to four years should be the norm in those situations where the cost experience and other pertinent facts available are deemed sufficient to enable the parties involved to reach an informed judgment as to the probable level of indirect costs during the ensuing accounting periods.
6. "Fixed rate" means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.
7. "Provisional rate" means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on Federal awards pending the establishment of a "final" rate for that period.
8. "Final rate" means an indirect cost rate applicable to a specified past period which is based on the actual allowable costs of the period. A final audited rate is not subject to adjustment.
9. "Base period" for the allocation of indirect costs is the period in which such costs are incurred and accumulated for allocation to activities performed in that period. The base period normally should coincide with the governmental unit's fiscal year, but in any event, shall be so selected as to avoid inequities in the allocation of costs.

C. Allocation of Indirect Costs and Determination of Indirect Cost Rates.

1. General.

- a. Where a governmental unit's department or agency has only one major function, or where all its major functions benefit from the indirect costs to approximately the same degree, the allocation of indirect costs and the computation of an indirect cost rate may be accomplished through simplified allocation procedures as described in subsection 2.
- b. Where a governmental unit's department or agency has several major functions which benefit from its indirect costs in varying degrees, the allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefitted functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate(s).

- c. Specific methods for allocating indirect costs and computing indirect cost rates along with the conditions under which each method should be used are described in subsections 2, 3 and 4.

2. Simplified method.

- a. Where a grantee agency's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (1) classifying the grantee agency's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual Federal awards. The rate should be expressed as the percentage which the total amount of allowable indirect costs bears to the base selected. This method should also be used where a governmental unit's department or agency has only one major function encompassing a number of individual projects or activities, and may be used where the level of Federal awards to that department or agency is relatively small.
- b. Both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.
- c. The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

3. Multiple allocation base method.

- a. Where a grantee agency's indirect costs benefit its major functions in varying degrees, such costs shall be accumulated into separate cost groupings. Each grouping shall then be allocated individually to benefitted functions by means of a base which best measures the relative benefits.
- b. The cost groupings should be established so as to permit the allocation of each grouping on the basis of benefits provided to the major functions. Each grouping should constitute a pool of expenses that are of like character in terms of the functions they benefit and in terms of the allocation base which best measures the relative benefits provided to each function. The number of separate groupings should be held within practical limits, taking into consideration the materiality of the amounts involved and the degree of precision needed.
- c. Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefitted functions. When an allocation can be made by assignment of a cost grouping directly to the function benefitted, the allocation shall be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made through the use of a selected base which produces results that are equitable to both the Federal Government and the governmental unit. In general, any cost element or related factor associated with the governmental unit's activities is potentially adaptable for use as an allocation base provided that: (1) it can readily be expressed in terms of dollars or other quantitative measures (total direct costs, direct salaries and wages, staff hours applied, square feet used, hours of usage, number of documents processed, population served, and the like), and (2) it is common to the benefitted functions during the base period.
- d. Except where a special indirect cost rate(s) is required in accordance with subsection 4, the separate groupings of indirect costs allocated to each major function shall be aggregated and treated as a common pool for that function. The costs in the common pool shall then be distributed to individual Federal awards included in that function by use of a single indirect cost rate.
- e. The distribution base used in computing the indirect cost rate for each function may be (1) total direct costs (excluding capital expenditures and other distorting items such as pass through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution. An indirect cost rate should be developed for each separate indirect cost pool developed. The rate in each case should be stated as the percentage relationship between the particular indirect cost pool and the distribution base identified with that pool.

4. Special indirect cost rates.

- a. In some instances, a single indirect cost rate for all activities of a grantee department or agency or for each major function of the agency may not be appropriate. It may not take into account those different factors which may substantially affect the indirect costs applicable to a particular program or group of programs. The factors may include the physical location of the work, the level of administrative support required, the nature of the facilities or other resources employed, the organizational arrangements used, or any combination thereof. When a particular award is carried out in an environment which appears to generate a significantly different level of indirect costs, provisions should be made for a separate indirect cost pool applicable to that award. The separate indirect cost pool should be developed during the course of the regular allocation process, and the separate indirect cost rate resulting therefrom should be used, provided that: (1) the rate differs significantly from the rate which would have been developed under subsections 2. and 3., and (2) the award to which the rate would apply is material in amount.
- b. Although this Circular adopts the concept of the full allocation of indirect costs, there are some Federal statutes which restrict the reimbursement of certain indirect costs. Where such restrictions exist, it may be necessary to develop a special rate for the affected award. Where a "restricted rate" is required, the procedure for developing a non restricted rate will be used except for the additional step of the elimination from the indirect cost pool those costs for which the law prohibits reimbursement.

D. *Submission and Documentation of Proposals.*

1. Submission of indirect cost rate proposals.

- a. All departments or agencies of the governmental unit desiring to claim indirect costs under Federal awards must prepare an indirect cost rate proposal and related documentation to support those costs. The proposal and related documentation must be retained for audit in accordance with the records retention requirements contained in the Common Rule.
- b. A governmental unit for which a cognizant agency assignment has been specifically designated must submit its indirect cost rate proposal to its cognizant agency. The Office of Management and Budget (OMB) will periodically publish lists of governmental units identifying the appropriate Federal cognizant agencies. The cognizant agency for all governmental units or agencies not identified by OMB will be determined based on the Federal agency providing the largest amount of Federal funds. In these cases, a governmental unit must develop an indirect cost proposal in accordance with the requirements of this Circular and maintain the proposal and related supporting documentation for audit. These governmental units are not required to submit their proposals unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub recipient, the primary recipient will be responsible for negotiating and/or monitoring the sub recipient's plan.
- c. Each Indian tribal government desiring reimbursement of indirect costs must submit its indirect cost proposal to the Department of the Interior (its cognizant Federal agency).
- d. Indirect cost proposals must be developed (and, when required, submitted) within six months after the close of the governmental unit's fiscal year, unless an exception is approved by the cognizant Federal agency. If the proposed central service cost allocation plan for the same period has not been approved by that time, the indirect cost proposal may be prepared including an amount for central services that is based on the latest federally approved central service cost allocation plan. The difference between these central service amounts and the amounts ultimately approved will be compensated for by an adjustment in a subsequent period.

2. Documentation of proposals. The following shall be included with each indirect cost proposal:

- a. The rates proposed, including subsidiary work sheets and other relevant data, cross referenced and reconciled to the financial data noted in subsection b. Allocated central service costs will be supported by the summary table included in the approved central service cost allocation plan. This summary table is not required to be submitted with the indirect cost proposal if the central service cost allocation plan for the same fiscal year has been approved by the cognizant agency and is available to the funding agency.
- b. A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. Adjustments resulting from the use of unaudited data will be recognized, where appropriate, by the Federal cognizant

agency in a subsequent proposal.

- c. The approximate amount of direct base costs incurred under Federal awards. These costs should be broken out between salaries and wages and other direct costs.
- d. A chart showing the organizational structure of the agency during the period for which the proposal applies, along with a functional statement(s) noting the duties and/or responsibilities of all units that comprise the agency. (Once this is submitted, only revisions need be submitted with subsequent proposals.)

3. Required certification. Each indirect cost rate proposal shall be accompanied by a certification in the following form:

CERTIFICATE OF INDIRECT COSTS

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 [identify date] to establish billing or final indirect costs rates for [identify period covered by rate] are allowable in accordance with the requirements of the Federal award(s) to which they apply and OMB Circular A 87, "Cost Principles for State, Local, and Indian Tribal Governments." 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 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: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

E. Negotiation and Approval of Rates.

1. Indirect cost rates will be reviewed, negotiated, and approved by the cognizant Federal agency on a timely basis. Once a rate has been agreed upon, it will be accepted and used by all Federal agencies unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special indirect cost rates, the funding agency will, prior to the time the rates are negotiated, notify the cognizant Federal agency.

2. The use of predetermined rates, if allowed, is encouraged where the cognizant agency has reasonable assurance based on past experience and reliable projection of the grantee agency's costs, that the rate is not likely to exceed a rate based on actual costs. Long term agreements utilizing predetermined rates extending over two or more years are encouraged, where appropriate.

3. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the governmental unit. This agreement will be subject to re opening if the agreement is subsequently found to violate a statute, or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. The agreed upon rates shall be made available to all Federal agencies for their use.

4. Refunds shall be made if proposals are later found to have included costs that (a) are unallowable (i) as specified by law or regulation, (ii) as identified in Attachment B of this Circular,

or (iii) by the terms and conditions of Federal awards, or (b) are unallowable because they are clearly not allocable to Federal awards. These adjustments or refunds will be made regardless of the type of rate negotiated (predetermined, final, fixed, or provisional).

F. Other Policies.

1. Fringe benefit rates. If overall fringe benefit rates are not approved for the governmental unit as part of the central service cost allocation plan, these rates will be reviewed, negotiated and approved for individual grantee agencies during the indirect cost negotiation process. In these cases, a proposed fringe benefit rate computation should accompany the indirect cost proposal. If fringe benefit rates are not used at the grantee agency level (i.e., the agency specifically identifies fringe benefit costs to individual employees), the governmental unit should so advise the cognizant agency.

2. Billed services provided by the grantee agency. In some cases, governmental units provide and bill for services similar to those covered by central service cost allocation plans (e.g., computer centers). Where this occurs, the governmental unit should be guided by the requirements in Attachment C relating to the development of billing rates and documentation requirements, and should advise the cognizant agency of any billed services. Reviews of these types of services (including reviews of costing/billing methodology, profits or losses, etc.) will be made on a case by case basis as warranted by the circumstances involved.

3. Indirect cost allocations not using rates. In certain situations, a governmental unit, because of the nature of its awards, may be required to develop a cost allocation plan that distributes indirect (and, in some cases, direct) costs to the specific funding sources. In these cases, a narrative cost allocation methodology should be developed, documented, maintained for audit, or submitted, as appropriate, to the cognizant agency for review, negotiation, and approval.

4. Appeals. If a dispute arises in a negotiation of an indirect cost rate (or other rate) between the cognizant agency and the governmental unit, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

5. Collection of unallowable costs and erroneous payments. Costs specifically identified as unallowable and charged to Federal awards either directly or indirectly will be refunded (including interest chargeable in accordance with applicable Federal agency regulations).

6. OMB assistance. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, OMB will lend assistance, as required, to resolve such problems in a timely manner.

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Attachment 4: Actual Cost Claiming Method—
Care and Maintenance Calculation
- Less SCO Allowable Costs

**MANDATED COSTS
ANIMAL ADOPTION
CLAIM SUMMARY**

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

Policies and Procedures Training Computer Software

B. On-Going Costs

Acquiring Space / Facilities Renovating Facilities **Care of Dogs & Cats**
 Care of Other Animals Holding Period Feral Cats
 Lost and Found Lists Non-Medical Records Veterinary Care
 Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 8,737									
Total Cats Held = 13,799									
Total Other Animals Held = 1,926									
at an average daily census of 219,600 (based on SCO allowed audit number)									
Total STRAY Dogs Euthanized= 7,273									
Total STRAY Cats Euthanized = (mandate added 3 extra holding days)									
Total STRAY FERAL Cats Euth.= (mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =									
Total Costs for STRAY Cats Euthanized =						\$114,282			
Total Costs for STRAY Feral Cats Euthanized =									
Total Animal Care Costs:									
FULL Shelter Direct Labor Costs = \$317,356 - all Animal Care Tech and Snr and Lead ACT cost included									
Shelter Direct Food Costs = \$92,554									
Shelter Indirect/ICRP (110%) \$352,265									
Agency Overhead \$388,031									
TOTAL									
Cost per animal = \$47.02									
Cost per animal/per day \$5.24									
= $\frac{\quad}{219,600}$ = \$5.24									
FULL ACTUAL SHELTER STAFF METHOD									
(05) Total						\$114,282			

**THIS COST PER ANIMAL
REIMBURSES AGENCY:**
- includes 100% of Animal Care Techs
- includes 100% of Lead and Snr Care Tech
- includes food
- includes central admin overhead costs
- includes departmental admin costs
(with clerical staff)

Labor - Salaries, Benefits FY 2008/2009

Position Title	No. Positions	Salaries	Annual Health Premium	Annual Dental Premium	Annual Retirement Benefits
Clerical	5	\$ 150,225.65	\$ 17,155.20	\$ 423.12	
Dispatch	2	\$ 61,142.73	\$ 11,409.00	\$ 211.56	
Front Office Supervisor	1	\$ 45,491.65	\$ 4,620.00	\$ -	
Animal Care Technicians	8	\$ 221,795.71	\$ -	\$ -	
Sr. ACT	1	\$ 29,448.12	\$ -	\$ -	
Lead ACT	1	\$ 49,759.43	\$ 4,178.40	\$ -	
	18	\$ 557,863.29	\$ 37,362.60	\$ 634.68	\$ 48,035.16

ACTUAL

(10) SEACA generated

Auditor Analysis	Salaries	Benefits	Salaries and Benefits	% of Care Allowable	
Animal Care Technicians	\$ 221,795.71	4,731.57	\$ 226,527.28	89%	\$ 201,609.00
Sr. ACT	\$ 29,448.12	2,061.37	31,509.49	89%	28,043.00
Lead ACT	49,759.43	9,559.98	59,319.41	60%	35,592.00
	\$ 301,003.26	\$ 16,352.92	\$ 317,356.18		\$ 265,244.00

A.4.7

INDIRECT COST RATE PROPOSAL
SEAACA
Animal Shelter
Fiscal Year
2008-09

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	\$530,758		\$261,652	\$269,106
Overtime	\$63,878			\$63,878
Benefits 6.5%	\$34,554		\$17,034	\$17,520
Total	\$629,190		\$278,687	\$350,503
Services & Supplies				
Office Supplies	\$1,239		\$1,239	
Speicial Acct Supplies	\$92,555			\$92,555
Industrial Gas	\$7,778		\$7,778	
Animal Lics. Supplies	\$2,409	\$2,409		
Clothing	\$4,890		\$4,890	
Svcs maint Bldgs	-\$6,708		-\$6,708	
Staff Development	\$2,256		\$2,256	
Electricity Bills	\$46,118		\$46,118	
Gas Bills	\$4,057		\$4,057	
Telephone	\$33,970		\$33,970	
Water	\$2,310		\$2,310	
Office Equipment	\$54,607	\$43,686	\$10,921	\$0
Total	\$245,481	\$46,095	\$106,831	\$92,555
Capital Expenditures				
Total				
Total Expenditures	\$874,671	\$46,095	\$385,518	\$443,058

Cost Plan Costs				
Total				

Total Alloc. Indirect Costs	\$874,671	\$46,095	\$385,518	\$443,058
------------------------------------	------------------	-----------------	------------------	------------------

ICRP RATE = 110.0%
(Rate is Based on Salaries)

$$\frac{\$385,518}{\$350,503} = \frac{\text{Total Allowable Indirect Costs}}{\text{Total Direct Salaries \& Benefits}}$$

SEAACA
ADMINISTRATIVE COST ALLOCATON/ DISTRIBUTION
Based on Actual FY 2008-09 actual data

Department	Total Costs	% of Total	Allowable Indirect Costs	Allowable Direct Costs
Administration Support	\$1,289,872		\$1,289,872	
Animal Control/Patrol	\$1,077,463	37%		\$1,077,463
Animal Shelter	\$874,672	30%		\$874,672
Animal Kennel	\$2,646	0.09%		\$2,646
Veterinary Services	\$625,775	21%		\$625,775
License Canvassing	\$335,776	12%		\$335,776
Division Totals	\$2,916,332	100%	\$1,289,872	\$2,916,332

Animal Shelter & Kennel Share ==

$$\frac{\text{Shelter \& Kennel Costs}}{\text{Total Expenditures (less admin)}} = \frac{\$877,318}{\$2,916,332} = 30.08\% \text{ of Admin Support Costs Allocable to Shelter \& Kennel Functions}$$

$$30.08\% \times \$1,289,872 = \$388,031$$

Shelter & Kennel Share x Admin Division Expenditures = Admin Overhead

*Animal Control = Animal Control (\$740,799) + Animal Control (10) (\$8,712) + Animal Control Adm Sup. (\$39,289) + Veh Maint (\$6,119)

**ALTERNATE CALCULATION METHOD –
TOTAL COSTS LESS SCO ALLOWABLE DIRECT**

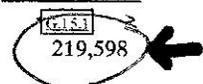
**SCO ALLOWED COSTS PER AUDIT - FY 2008-09
SHELTER RELATED COSTS**

STAFF	Annual Time Allowed	TOTAL DIRECT COSTS ALLOWED: (Without Overhead (FOA))	
		LABOR	SUPPLIES
<u>Holding Period</u>			
Clerk/Disatcher (3)	1,092	\$ 22,604	
ACT (2)	728	\$ 12,315	
License Clerk	364	\$ 6,359	
			\$ 41,278
<u>Lost and Found Lists</u>			
Clerk	60	\$ 1,242	
Front Office Supervisor	16	\$ 405	
			\$ 1,647
<u>Non Medical Records</u>			
Clerk	625	\$ 12,938	
ACT	214	\$ 3,620	
ACO	257	\$ 5,514	
			\$ 22,072
Total SHELTER BUDGET		\$ 53,124	
TOTAL ANIMAL CONTROL BUDGET		\$ 11,873	
		\$ 64,997	\$ 64,997

Southeast Area Animal Control Agency
 Legislatively Mandated Animal Adoption Program
 July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009.
 Audit ID # S11-MCC-006

Summary of Census Claimed and Allowable

Animals	Fiscal Year				
	2001-02	2002-03	2006-07	2007-08	2008-09
Yearly Census Claimed					
Total Dogs Held	9,189	8,665	6,181	6,867	8,737
Total Cats Held	10,546	11,781	10,647	10,948	13,799
Total Other Animals Held	1,205	1,497	1,400	1,447	1,926
	20,940	21,943	18,228	19,262	24,462
Average # of Days Held	5	5	7	7	6
Yearly Census	104,700	109,715	127,596	134,834	146,772
Yearly Census Allowable	174,117	174,117	139,820	162,934	219,598
Audit Adjustment	69,417	64,402	12,224	28,100	72,826



(17)

SEAACA
ADMINISTRATIVE COST ALLOCATON/ DISTRIBUTION
Based on Actual FY 2008-09 actual data

Department	Total Costs	% of Total	Allowable Indirect Costs	Allowable Direct Costs
Administration Support	\$1,289,872		\$1,289,872	
Animal Control/Patrol	\$1,077,463	37%		\$1,077,463 *
Animal Shelter	\$874,672	30%		\$874,672
Animal Kennel	\$2,646	0.09%		\$2,646
Veterinary Services	\$625,775	21%		\$625,775
License Canvassing	\$335,776	12%		\$335,776
Division Totals	\$2,916,332	100%	\$1,289,872	\$2,916,332

Animal Shelter & Kennel Share ==

$$\frac{\text{Shelter \& Kennel Costs}}{\text{Total Expenditures (less admin)}} = \frac{\$877,318}{\$2,916,332} = 30.08\% \text{ of Admin Support Costs Allocable to Shelter \& Kennel Functions}$$

$$30.08\% \times \$1,289,872 = \$388,031$$

Shelter & Kennel Share x Admin Division Expenditures = Admin Overhead

*Animal Control = Animal Control (\$740,799) + Animal Control (10) (\$8,712) + Animal Control Adm Sup. (\$39,289) + Veh Maint (\$6,119)

Final audit report findings June 15, 2012



Fiscal Year	Reimbursable Component	Materials & Supplies						Direct Costs			Summary						
		(D)	(E)	(F)	(G)	(H)	(I)	Total Claimed (G) + (J)	Total Allowable (H) + (L)	Total Adjustment (I) + (M)							
		Claimed	Allowable per Audit	Adjustment (E) - (D)	Claimed	Allowable per Audit	Adjustment (H) - (G)										
2001/02	Care & Maint. Dogs/Cats	-	18,053	18,053	209,802	4,290	(205,512)	209,802	22,343	(187,459)	-	83.29%	15,036	15,036	209,802	37,379	(172,423)
	Care & Maint. Other Animals	-	703	703	23,215	167	(23,048)	23,215	870	(22,345)	-	83.29%	586	586	23,215	1,456	(21,759)
	Increased Holding Period	-	34,170	34,170	36,975	-	(36,975)	36,975	34,170	(2,805)	-	83.29%	28,460	28,460	36,975	62,630	25,655
	Lost and Found Lists	-	1,318	1,318	-	-	-	-	1,318	-	-	83.29%	1,098	1,098	-	2,416	2,416
	Maintaining Non-Medical Records	-	15,572	15,572	-	-	-	-	15,572	15,572	-	83.29%	12,970	12,970	-	28,542	28,542
	Necessary & Prompt Vet Care	-	3,807	3,807	-	10,126	10,126	-	13,933	13,933	-	83.29%	3,171	3,171	-	17,104	17,104
		-	73,623	73,623	269,992	14,583	(255,409)	269,992	88,206	(181,786)	-	83.29%	61,321	61,321	269,992	149,527	(120,465)
2002/03	Care & Maint. Dogs/Cats	-	20,019	20,019	225,079	3,575	(221,504)	225,079	23,594	(201,485)	-	85.26%	17,068	17,068	225,079	40,662	-
	Care & Maint. Other Animals	-	780	780	-	139	139	-	919	919	-	85.26%	665	665	-	1,584	-
	Increased Holding Period	-	33,139	33,139	90,302	-	(90,302)	90,302	33,139	(57,163)	-	85.26%	28,254	28,254	90,302	61,393	-
	Lost and Found Lists	-	1,329	1,329	-	-	-	-	1,329	1,329	-	85.26%	1,133	1,133	-	2,462	-
	Maintaining Non-Medical Records	-	15,478	15,478	-	-	-	-	15,478	15,478	-	85.26%	13,197	13,197	-	28,675	-
	Necessary & Prompt Vet Care	-	3,647	3,647	-	10,126	10,126	-	13,773	13,773	-	85.26%	3,109	3,109	-	16,882	-
		-	74,392	74,392	315,381	13,840	(301,541)	315,381	88,232	(227,149)	-	85.26%	63,426	63,426	315,381	151,658	(163,723)
2006/07	Care & Maint. Dogs/Cats	-	12,687	12,687	397,158	5,250	(391,908)	397,158	17,937	(379,221)	-	89.23%	11,321	11,321	397,158	29,258	-
	Care & Maint. Other Animals	-	538	538	6,592	222	(6,370)	6,592	760	(5,832)	-	89.23%	480	480	6,592	1,240	-
	Increased Holding Period	-	37,733	37,733	164,993	-	(164,993)	164,993	37,733	(127,260)	-	89.23%	33,669	33,669	164,993	71,402	-
	Lost and Found Lists	-	1,489	1,489	-	-	-	-	1,489	1,489	-	89.23%	1,329	1,329	-	2,818	-
	Maintaining Non-Medical Records	-	15,716	15,716	-	-	-	-	15,716	15,716	-	89.23%	14,023	14,023	-	29,739	-
	Necessary & Prompt Vet Care	-	3,312	3,312	-	10,826	10,826	-	14,138	14,138	-	89.23%	2,955	2,955	-	17,093	-
		-	71,475	71,475	568,743	16,298	(552,445)	568,743	87,773	(480,970)	-	-	63,777	63,777	568,743	151,550	(417,193)
2007/08	Care & Maint. Dogs & Cats	-	20,488	20,488	435,435	7,231	(428,204)	435,435	27,719	(407,716)	-	85.35%	17,487	17,487	435,435	45,206	-
	Care & Maint. Other Animals	-	1,007	1,007	7,969	355	(7,614)	7,969	1,362	(6,607)	-	85.35%	859	859	7,969	2,221	-
	Increased Holding Period	-	41,024	41,024	176,872	-	(176,872)	176,872	41,024	(135,848)	-	85.35%	35,014	35,014	176,872	76,038	-
	Lost and Found Lists	-	1,648	1,648	-	-	-	-	1,648	1,648	-	85.35%	1,407	1,407	-	3,055	-
	Maintaining Non-Medical Records	-	17,795	17,795	-	-	-	-	17,795	17,795	-	85.35%	15,188	15,188	-	32,983	-
	Necessary & Prompt Vet Care	-	4,032	4,032	-	13,631	13,631	-	17,663	17,663	-	85.35%	3,441	3,441	-	21,104	-
		-	85,994	85,994	620,276	21,217	(599,059)	620,276	107,211	(513,065)	-	-	73,396	73,396	620,276	180,607	(439,669)
2008/09	Care & Maint. Dogs & Cats	-	26,401	26,401	579,988	9,164	(570,824)	579,988	35,565	(544,423)	-	76.38%	20,165	20,165	579,988	55,730	-
	Care & Maint. Other Animals	-	748	748	7,457	260	(7,197)	7,457	1,008	(6,449)	-	76.38%	571	571	7,457	1,579	-
	Increased Holding Period	-	41,278	41,278	185,180	-	(185,180)	185,180	41,278	(143,902)	-	76.38%	31,528	31,528	185,180	72,806	-
	Lost and Found Lists	-	1,647	1,647	-	-	-	-	1,647	1,647	-	76.38%	1,258	1,258	-	2,905	-
	Maintaining Non-Medical Records	-	22,072	22,072	-	-	-	-	22,072	22,072	-	76.38%	16,859	16,859	-	38,931	-
	Necessary & Prompt Vet Care	-	5,111	5,111	-	17,869	17,869	-	22,980	22,980	-	76.38%	3,904	3,904	-	26,884	-
		-	97,257	97,257	772,625	27,293	(745,332)	772,625	124,550	(648,075)	-	-	74,285	74,285	772,625	198,835	(573,790)
			2,547,017	93,231	(2,453,786)	2,547,017	495,972	(2,051,045)					2,547,017	832,177	(1,714,840)		
Recap: by Component																	
	Care & Maint. Dogs & Cats	-	97,648	97,648	1,847,462	29,510	(1,817,952)	1,847,462	127,158	(1,720,304)	-		81,077	81,077	1,847,462	208,235	(172,423)
	Care & Maint. Other Animals	-	3,776	3,776	45,233	1,143	(44,090)	45,233	4,919	(40,314)	-		3,161	3,161	45,233	8,080	(21,759)
	Increased Holding Period	-	187,344	187,344	654,322	-	(654,322)	654,322	187,344	(466,978)	-		156,925	156,925	654,322	344,269	25,655
	Lost and Found Lists	-	7,431	7,431	-	-	-	-	7,431	7,431	-		6,225	6,225	-	13,656	2,416
	Maintaining Non-Medical Records	-	86,633	86,633	-	-	-	-	86,633	86,633	-		72,237	72,237	-	158,870	28,542
	Necessary & Prompt Vet Care	-	19,909	19,909	-	62,578	62,578	-	82,487	82,487	-		16,580	16,580	-	99,067	17,104
			2,547,017	93,231	(2,453,786)	2,547,017	495,972	(2,051,045)					2,547,017	832,177	(120,465)		

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Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2510 ANIMAL CONT/ADM SUP.

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	354,381.00	301,366.38	301,366.38	0.00	53,014.62	85.04
0020 TEMPORARY PERSONNEL	0.00	17,985.56	17,985.56	0.00	-17,985.56	0.00
0060 LEAVE TIME APPLIED %	0.00	19,574.86	19,574.86	0.00	-19,574.86	0.00
0070 RET/PR INS-APPD %	58,504.00	41,194.77	41,194.77	0.00	17,309.23	70.41
0080 VACATION	0.00	23,432.80	23,432.80	0.00	-23,432.80	0.00
0081 HOLIDAY	0.00	10,200.86	10,200.86	0.00	-10,200.86	0.00
0082 SICK REGULAR	0.00	925.71	925.71	0.00	-925.71	0.00
0083 SICK FAMILY	0.00	689.18	689.18	0.00	-689.18	0.00
0094 MEDICARE EMPLOYER TAX	31,210.00	27,647.64	27,647.64	0.00	3,562.36	88.59
Total PERSONNEL SERVICES	444,095.00	443,017.76	443,017.76	0.00	1,077.24	99.76
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	6,500.00	12,465.24	12,465.24	0.00	-5,965.24	191.77
0140 SPECIAL ACT SUPPLIES	5,500.00	4,095.85	4,095.85	0.00	1,404.15	74.47
0144 COMPUTER SFTWR & LIC	10,000.00	17,058.14	17,058.14	0.00	-7,058.14	170.58
0160 BOOKS & PUBLICATIONS	500.00	2,095.32	2,095.32	0.00	-1,595.32	419.06
0310 ADVERTISING	1,500.00	612.00	612.00	0.00	888.00	40.80
0320 PRINTING & BINDING	3,100.00	2,403.80	2,403.80	0.00	696.20	77.54
0340 PRINTSHOP CHARGES	4,000.00	1,338.09	1,338.09	0.00	2,661.91	33.45
0361 BUILDING RENTAL	30,009.00	0.00	0.00	0.00	30,009.00	0.00
0407 SVCS MAINT - COMPUTER	7,000.00	7,873.39	7,873.39	0.00	-873.39	112.48
0450 AUDITING SERVICES	7,500.00	7,000.00	7,000.00	0.00	500.00	93.33
0451 ADMINISTRATIVE OVERHEAD	40,000.00	39,999.96	39,999.96	0.00	0.04	100.00
0470 LEGAL SRVCS-RETAINER	4,000.00	2,161.00	2,161.00	0.00	1,839.00	54.03
0480 STAFF DEVELOPMENT	0.00	70.00	70.00	0.00	-70.00	0.00
0530 OTHER PROFF SERVICES	5,300.00	28,745.50	28,745.50	0.00	-23,445.50	542.37

Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2510 ANIMAL CONT/ADM SUP.

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
0580 TRAVEL & MEET EXPENSES	6,500.00	17,170.50	17,170.50	0.00	-10,670.50	264.16
0590 TRAVEL & MEET EXP-SPC	23,400.00	20,075.00	20,075.00	0.00	3,325.00	85.79
0630 UNEMPLOYMENT INSURANCE	19,000.00	15,864.00	15,864.00	0.00	3,136.00	83.49
0640 POSTAGE	2,700.00	4,857.10	4,857.10	0.00	-2,157.10	179.89
0670 PROF & TECH SERVICES FEES	3,900.00	3,946.16	3,946.16	0.00	-46.16	101.18
0690 MEDICAL EXAM FEES	1,400.00	2,080.00	2,080.00	0.00	-680.00	148.57
0700 CONTRACT SERVICES-MOC	114,495.00	91,116.70	91,116.70	0.00	23,378.30	79.58
0710 PUBLIC LIABILITY INSURANCE	116,011.00	96,075.10	96,075.10	0.00	19,935.90	82.82
0740 HEALTH INSURANCE	312,752.00	252,926.80	252,926.80	0.00	59,825.20	80.87
0760 WORKERS COMP INSURANCE	108,550.00	108,345.00	108,345.00	0.00	205.00	99.81
0765 LTD INSURANCE	13,000.00	14,611.41	14,611.41	0.00	-1,611.41	112.40
0780 RETIREMENT-PERS	0.00	13,965.42	13,965.42	0.00	-13,965.42	0.00
0861 EQUIPMENT RENT-REPLACEMENT	50,000.00	50,000.00	50,000.00	0.00	0.00	100.00
0870 EQUIPMENT RENT-PRIVATE	15,109.00	10,344.03	10,344.03	0.00	4,764.97	68.46
Total OPR MATL & SUPPLIES	911,726.00	827,295.51	827,295.51	0.00	84,430.49	90.74
00 OFFICE EQUIPMENT						
0900 OFFICE EQUIPMENT	14,000.00	19,558.59	19,558.59	0.00	-5,558.59	139.70
Total OFFICE EQUIPMENT	14,000.00	19,558.59	19,558.59	0.00	-5,558.59	139.70
Total ANIMAL CONT/ADM SUP.	1,369,821.00	1,289,871.86	1,289,871.86	0.00	79,949.14	94.16



Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2520 ANIMAL CONT/PATROL

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	606,341.00	391,502.20	391,502.20	0.00	214,838.80	64.57
0020 TEMPORARY PERSONNEL	0.00	124,908.51	124,908.51	0.00	-124,908.51	0.00
0030 OVERTIME	17,000.00	59,336.86	59,336.86	0.00	-42,336.86	349.04
0070 RET/PR INS-APPD %	75,736.00	44,196.48	44,196.48	0.00	31,539.52	58.36
0080 VACATION	0.00	18,896.31	18,896.31	0.00	-18,896.31	0.00
0081 HOLIDAY	0.00	12,543.85	12,543.85	0.00	-12,543.85	0.00
0082 SICK REGULAR	0.00	13,574.83	13,574.83	0.00	-13,574.83	0.00
0083 SICK FAMILY	0.00	1,210.26	1,210.26	0.00	-1,210.26	0.00
0085 HOLIDAY OVERTIME	0.00	3,213.43	3,213.43	0.00	-3,213.43	0.00
0089 COMP TIME USED	0.00	2,127.38	2,127.38	0.00	-2,127.38	0.00
Total PERSONNEL SERVICES	699,077.00	671,510.11	671,510.11	0.00	27,566.89	96.06
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	6,000.00	9,064.36	9,064.36	0.00	-3,064.36	151.07
0180 CLOTHING	7,200.00	6,622.87	6,622.87	0.00	577.13	91.98
0330 PHOTO & BLUEPRINTING	400.00	47.50	47.50	0.00	352.50	11.88
0480 STAFF DEVELOPMENT	2,400.00	1,739.00	1,739.00	0.00	661.00	72.46
0860 EQUIPMENT RENT-CITY	79,000.00	100,452.59	100,452.59	0.00	-21,452.59	127.16
0861 EQUIPMENT RENT-REPLACEMENT	120,000.00	120,000.00	120,000.00	0.00	0.00	100.00
Total OPR MATL & SUPPLIES	215,000.00	237,926.32	237,926.32	0.00	-22,926.32	110.66
00 OFFICE EQUIPMENT						
0940 OTHER VEHICLES	162,000.00	159,756.48	159,756.48	0.00	2,243.52	98.62
Total OFFICE EQUIPMENT	162,000.00	159,756.48	159,756.48	0.00	2,243.52	98.62
Total ANIMAL CONT/PATROL	1,076,077.00	1,069,192.91	1,069,192.91	0.00	6,884.09	99.36

Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2530 ANIMAL SHELTER

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prc't Used</u>
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	582,928.00	288,966.38	288,966.38	0.00	293,961.62	49.57
0020 TEMPORARY PERSONNEL	0.00	201,044.18	201,044.18	0.00	-201,044.18	0.00
0030 OVERTIME	10,000.00	59,515.54	59,515.54	0.00	-49,515.54	595.16
0070 RET/PR INS-APPD %	75,042.00	34,553.64	34,553.64	0.00	40,488.36	46.05
0080 VACATION	0.00	20,997.87	20,997.87	0.00	-20,997.87	0.00
0081 HOLIDAY	0.00	10,501.33	10,501.33	0.00	-10,501.33	0.00
0082 SICK REGULAR	0.00	7,717.11	7,717.11	0.00	-7,717.11	0.00
0083 SICK FAMILY	0.00	1,531.80	1,531.80	0.00	-1,531.80	0.00
0085 HOLIDAY OVERTIME	0.00	797.24	797.24	0.00	-797.24	0.00
0089 COMP TIME USED	0.00	3,564.86	3,564.86	0.00	-3,564.86	0.00
Total PERSONNEL SERVICES	667,970.00	629,189.95	629,189.95	0.00	38,780.05	94.19
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	0.00	1,239.24	1,239.24	0.00	-1,239.24	0.00
0140 SPECIAL ACT SUPPLIES	41,000.00	92,554.84	92,554.84	0.00	-51,554.84	225.74
0141 INDUSTRIAL GAS-SEAACA	6,500.00	7,778.09	7,778.09	0.00	-1,278.09	119.66
0142 ANIMAL LICENSE SUPPLIES	2,500.00	2,409.42	2,409.42	0.00	90.58	96.38
0180 CLOTHING	4,000.00	4,890.07	4,890.07	0.00	-890.07	122.25
0360 SVCS MAINTAIN BLDGS	16,000.00	-6,708.22	-6,708.22	0.00	22,708.22	41.93
0480 STAFF DEVELOPMENT	2,000.00	2,255.74	2,255.74	0.00	-255.74	112.79
0550 ELECTRICITY BILLS	39,000.00	46,117.86	46,117.86	0.00	-7,117.86	118.25
0556 GAS BILLS	7,000.00	4,057.47	4,057.47	0.00	2,942.53	57.96
0560 TELEPHONE	22,000.00	33,970.10	33,970.10	0.00	-11,970.10	154.41
0570 WATER	2,500.00	2,309.81	2,309.81	0.00	190.19	92.39
Total OPR MATL & SUPPLIES	142,500.00	190,874.42	190,874.42	0.00	-48,374.42	133.95
00 OFFICE EQUIPMENT						

Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2530 ANIMAL SHELTER

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
0970 COMMUNICATION EQUIPMENT	23,000.00	54,607.23	54,607.23	0.00	-31,607.23	237.42
Total OFFICE EQUIPMENT	23,000.00	54,607.23	54,607.23	0.00	-31,607.23	237.42
Total ANIMAL SHELTER	833,470.00	874,671.60	874,671.60	0.00	-41,201.60	104.94

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Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2531 KENNEL

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	0.00	1,888.62	1,888.2	0.00	-1,888.62	0.00
0030 OVERTIME	0.00	535.67	535.67	0.00	-535.67	0.00
0081 HOLIDAY	0.00	221.84	221.84	0.00	-221.84	0.00
Total PERSONNEL SERVICES	0.00	2,646.13	2,646.13	0.00	-2,646.13	0.00
Total KENNEL	0.00	2,646.13	2,646.13	0.00	-2,646.13	0.00

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Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2540 VETERINARY SERVICES

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	330,641.00	233,369.82	233,369.82	0.00	97,271.18	70.58
0020 TEMPORARY PERSONNEL	0.00	33,273.27	33,273.27	0.00	-33,273.27	0.00
0030 OVERTIME	1,000.00	9,745.64	9,745.64	0.00	-8,745.64	974.56
0070 RET/PR INS-APPD %	48,175.00	30,043.35	30,043.35	0.00	18,131.65	62.36
0080 VACATION	0.00	13,308.92	13,308.92	0.00	-13,308.92	0.00
0081 HOLIDAY	0.00	8,982.40	8,982.40	0.00	-8,982.40	0.00
0082 SICK REGULAR	0.00	6,401.94	6,401.94	0.00	-6,401.94	0.00
0083 SICK FAMILY	0.00	571.80	571.80	0.00	-571.80	0.00
0089 COMP TIME USED	0.00	4,361.02	4,361.02	0.00	-4,361.02	0.00
Total PERSONNEL SERVICES	379,816.00	340,058.16	340,058.16	0.00	39,757.84	89.53
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	130,000.00	248,985.95	248,985.95	0.00	-118,985.95	191.53
0180 CLOTHING	1,500.00	2,694.44	2,694.44	0.00	-1,194.44	179.63
0290 SMALL TOOLS AND IMPLEMENTS	500.00	0.00	0.00	0.00	500.00	0.00
0480 STAFF DEVELOPMENT	2,000.00	1,170.70	1,170.70	0.00	829.30	58.54
0700 CONTRACT SERVICES-MOC	11,000.00	20,927.83	20,927.83	0.00	-9,927.83	190.25
Total OPR MATL & SUPPLIES	145,000.00	273,778.92	273,778.92	0.00	-128,778.92	188.81
00 OFFICE EQUIPMENT						
0900 OFFICE EQUIPMENT	4,161.00	11,937.49	11,937.49	0.00	-7,776.49	286.89
Total OFFICE EQUIPMENT	4,161.00	11,937.49	11,937.49	0.00	-7,776.49	286.89
Total VETERINARY SERVICES	528,977.00	625,774.57	625,774.57	0.00	-96,797.57	118.30

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Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2550 ANIMAL CONTROL (10)

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 OPR CHGS & SVCS						
0320 PRINTING & BINDING	0.00	8,269.52	8,269.52	0.00	-8,269.52	0.00
Total OPR CHGS & SVCS	0.00	8,269.52	8,269.52	0.00	-8,269.52	0.00
Total ANIMAL CONTROL (10)	0.00	8,269.52	8,269.52	0.00	-8,269.52	0.00

Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2560 LICENSE CANVASSING

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	262,481.00	113,078.65	113,078.65	0.00	149,402.35	43.08
0020 TEMPORARY PERSONNEL	15,612.00	141,005.20	141,005.20	0.00	-125,393.20	903.18
0030 OVERTIME	1,200.00	1,063.78	1,063.78	0.00	136.22	88.65
0070 RET/PR INS-APPD %	22,788.00	14,227.00	14,227.00	0.00	8,561.00	62.43
0080 VACATION	0.00	5,112.88	5,112.88	0.00	-5,112.88	0.00
0081 HOLIDAY	0.00	4,057.57	4,057.57	0.00	-4,057.57	0.00
0082 SICK REGULAR	0.00	1,925.82	1,925.82	0.00	-1,925.82	0.00
0083 SICK FAMILY	0.00	351.53	351.53	0.00	-351.53	0.00
Total PERSONNEL SERVICES	302,081.00	280,822.43	280,822.43	0.00	21,258.57	92.96
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	735.00	550.23	550.23	0.00	184.77	74.86
0140 SPECIAL ACT SUPPLIES	2,000.00	5,497.07	5,497.07	0.00	-3,497.07	274.85
0180 CLOTHING	3,000.00	2,514.40	2,514.40	0.00	485.60	83.81
0320 PRINTING & BINDING	7,000.00	9,288.01	9,288.01	0.00	-2,288.01	132.69
0600 MILAGE	6,731.00	8,029.37	8,029.37	0.00	-1,298.37	119.29
0640 POSTAGE	20,000.00	22,104.72	22,104.72	0.00	-2,104.72	110.52
0700 CONTRACT SERVICES-MOC	8,000.00	6,969.47	6,969.47	0.00	1,030.53	87.12
Total OPR MATL & SUPPLIES	47,466.00	54,953.27	54,953.27	0.00	-7,487.27	115.77
00 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total LICENSE CANVASSING	349,547.00	335,775.70	335,775.70	0.00	13,771.30	96.06
Total PUBLIC SAFETY	4,157,892.00	4,206,202.29	4,206,202.29	0.00	-48,310.29	101.16

expstat.rpt
12/30/2009 1:48PM
Periods: 0 through 13

Expenditure Status Report
City of Downey
7/1/2008 through 6/30/2009

95 SEAACA
5000 DEVELOPMENT SERVICES
5900 ECONOMIC DEVELOPMENT
5910 COMMUNITY DEVELOPMENT

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 CONTRACT SERVICES						
Total DEVELOPMENT SERVICES	0.00	0.00	0.00	0.00	0.00	0.00

Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

95 SEAACA
 9000 TRANSFERS OUT
 9000 TRANSFERS OUT
 9000 TRANSFERS OUT

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 *** Title Not Found ***						
00 *** Title Not Found ***						
Total TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00	0.00
Total SEAACA	4,157,892.00	4,206,202.29	4,206,202.29	0.00	-48,310.29	101.16

Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

96 SEAACA GRANT
 1000 SOUTHEAST ANIMAL CONT
 1000 SOUTHEAST ANIMAL CONT
 1010 SEAACA RENOVATION

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 SVCS MAINT OTH EQUIP						
Total SVCS MAINT OTH EQUIP	0.00	0.00	0.00	0.00	0.00	0.00
Total SOUTHEAST ANIMAL CONT	0.00	0.00	0.00	0.00	0.00	0.00

Expenditure Status Report
 City of Downey
 7/1/2008 through 6/30/2009

96 SEAACA GRANT
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2510 ANIMAL CONT/ADM SUP.

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
00 PERSONNEL SERVICES						
00 MILEAGE						
0620 INTEREST EXPENSE	0.00	35,257.67	35,257.67	0.00	-35,257.67	0.00
Total SEAACA GRANT	0.00	35,257.67	35,257.67	0.00	-35,257.67	0.00
Grand Total	4,157,892.00	4,241,459.96	4,241,459.96	0.00	-83,567.96	102.01

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On February 16, 2016, I served the:

Claimant Late Comments

Animal Adoption, 14-9811-I-03

Civil Code Sections 1834 and 1846; Food and Agriculture Code sections 31108, 31752, 31752.5, 31753, 32001, and 32003;

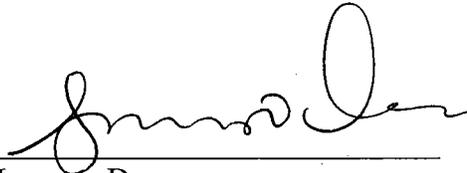
Statutes 1998, Chapter 752 and Statutes 2004, Chapter 313

Fiscal Years: 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009

South East Area Animal Control Authority (SEAACA), Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 16, 2016 at Sacramento, California.



Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 2/8/16

Claim Number: 14-9811-I-03

Matter: Animal Adoption

Claimant: South East Area Animal Control Authority

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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