



**FLORIDA DEPARTMENT OF
ECONOMIC OPPORTUNITY**

WEATHERIZATION ASSISTANCE PROGRAM

**NON-PROFIT GUIDANCE FOR DOCUMENTATION AND SUPPORT OF
PROGRAM SUPPORT AND ADMINISTRATION EXPENDITURES**

NON-PROFIT GUIDANCE FOR DOCUMENTATION AND SUPPORT OF PROGRAM SUPPORT AND ADMINISTRATION EXPENDITURES

The purpose of this Non-Profit Guidance is to provide the Weatherization Assistance Program Subgrantees with the identification of allowable expenditures to be charged to either the Program Support or Administration categories as applicable and references to applicable guidance and supporting documentation required to substantiate each allowable charging activity.

TABLE OF CONTENTS

SECTION	PAGE
OVERVIEW.....	1 - 3
WORKSHEET FOR ITEMIZATION OF PROGRAM SUPPORT AND ADMINISTRATION COSTS.....	4
LISTING OF ALLOWABLE EXPENDITURES – NON PROFIT ORGANIZATIONS.....	5 - 13

1. Overview

Florida Weatherization Assistance Program subgrantees are allowed to charge legitimate program supporting costs (i.e., salaries, mileage, space, utilities, telephone and similar costs associated with personnel activities involved in weatherizing a dwelling) to the Program Support and Administration categories provided on the monthly Financial Status Report (FSR).

Guidance for charging legitimate allowable costs /cost principles are contained in the A-102 Common Rule, OMB Circular A-110 (2 CFR section 215.27), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The following OMB cost principles circulars are applicable based on the type of Agency performing WAP:

- OMB Circular A-122, "Cost Principles for Non-Profit Organizations" (2 CFR part 230) – Non-profit organizations are subject to OMB Circular A-122, except those non-profit organizations listed in OMB Circular A-122, Attachment C that are subject to the commercial cost principles contained in the Federal Acquisition Regulation (FAR) at 48 CFR part 31. Also, by contract terms and conditions, some non-profit organizations may be subject to the CASB's Standards and the Disclosure Statement (DS-1) requirements.

In addition, DOE 10 CFR Part 440.18 Allowable expenditures provides guidance specific on allowable costs to Agencies on the Weatherization Assistance for Low-Income Persons.

Based on the applicable guidance, documentation must be maintained to support the validity of Program Support and Administrative Costs.

For costs to be allowable under a Federal Award, costs must:

1. Be reasonable and necessary to perform the award;
2. Be allocable to the award under applicable OMB provisions;
3. Be authorized and not prohibited by under state or local laws/regulations;
4. Conform to any limitations or exclusions set forth in applicable OMB circulars, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items;
5. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit;

Program Support and Administrative Charging Guidance Reference

6. Be accorded consistent treatment;
7. Be determined in accordance with generally accepted accounting principles, except as otherwise provided in applicable OMB circulars;
8. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award, except as specifically provided by Federal law or regulation;
9. Be net of all applicable credits; and
10. Be adequately documented.

The total cost of a Federal award is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits. 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.

Direct costs are those that can be identified specifically with a project and therefore are charged to that project.

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. These costs are grouped into common pool(s) and distributed to benefiting activities by a cost allocation process and charged to administrative costs.

Non Profit Organizations – Indirect Costs (OMB A-122)

To recover indirect costs, NPOs prepare Indirect Cost Rate Plans (ICRPs). The ICRP is the rate calculation and supporting schedules used to arrive at the indirect cost pool amounts and the base amounts. NPOs can select one of three different methods to calculate the indirect cost rate.

(1) *Simplified Allocation Method*

- (a) Where an organization's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (i) separating the organization's total costs for the base period as either direct or indirect, and (ii) 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 awards. The rate should be expressed as the percentage that the total amount of allowable indirect costs bears to the base selected. This method should also be used where an organization has only one major function encompassing a number of individual projects or activities, and may be used where the level of Federal awards to an organization is relatively small.
- (b) For an organization that receives more than \$10 million in Federal funding of direct costs in a fiscal year, a breakout of the indirect cost component into two broad categories, Facilities and Administration, as defined in Circular A-122, Attachment A, paragraph C.3, is required. The rate in each case shall be stated as the percentage that the amount of the particular indirect cost category (i.e., Facilities or Administration) is of the distribution base identified with that category.
- (c) A full discussion of the simplified allocation method can be found in A-122, Attachment A, subparagraphs D.2.a. through D.2.e.

(2) *Multiple Allocation Base Method*

- (a) Where an organization's indirect costs benefit its major functions in varying degrees, indirect costs shall be accumulated into separate cost groupings, as described in A-122, Attachment A, subparagraph D.3.b. Each grouping shall then be allocated individually to benefiting functions by

Program Support and Administrative Charging Guidance Reference

means of a base that best measures the relative benefits. The default allocation bases by cost pool are described in A-122, Attachment A, subparagraph D.3.c.

- (b) Cost groupings shall be established so as to permit the allocation of each grouping on the basis of benefits provided to the major functions. Each grouping shall constitute a pool of expenses that are of like character in terms of functions they benefit and in terms of the allocation base which best measures the relative benefits provided to each function. The groupings are classified within the two broad categories: "Facilities" and "Administration," as described in A-122, Attachment A, subparagraph C.3.
- (c) Except where a special indirect cost rate(s) is required in accordance with A-122, Attachment A, subparagraph D.5, 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 awards included in that function by use of a single indirect cost rate.
- (d) Indirect costs shall be distributed to applicable sponsored awards and other benefiting activities within each major function on the basis of modified total direct costs (MTDC). MTDC consists of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Equipment, capital expenditures, charges for patient care, rental costs and the portion in excess of \$25,000 shall be excluded from MTDC. Participant support costs shall generally be excluded from MTDC. Other items may only be excluded when the Federal cost cognizant agency determines that exclusion is necessary to avoid a serious inequity in the distribution of indirect costs.
- (e) A full discussion of the multiple allocation base method can be found in A-122, Attachment A, subparagraphs D.3.a. through D.3.g.

(3) *Direct Allocation Method*

- (a) Some NPOs treat all costs as direct costs except general administration and general expenses. These organizations generally separate their costs into three basic categories: (i) General administration and general expenses, (ii) fundraising, and (iii) other direct functions (including projects performed under Federal awards). Joint costs, such as depreciation, rental costs, operation and maintenance of facilities, telephone expenses, and the like are prorated individually as direct costs to each category and to each award or other activity using a base most appropriate to the particular cost being prorated.
- (b) This method is acceptable, provided each joint cost is prorated using a base which accurately measures the benefits provided to each award or other activity. The bases must be established in accordance with reasonable criteria, and be supported by current data.
- (c) A full discussion of the direct allocation base method can be found in A-122, Attachment A, subparagraph D.4.a. through D.4.c.

NOTE: Subgrantees must have documentation to support costs charged to the Program Support or Administration categories. In addition, a copy of the approved allocation methodology used within an organization must be provided with each new WAP Agreement. This includes a Cost Allocation Plan, Indirect Cost Rate Plan or other type of allocation plan.

Worksheet for itemization of Program Support and Administration Costs

Program Support

	Amount
1. Compensation of employees directly involved in WAP	
1.1 Dedicated WAP Intake personnel	
1.2 Onsite WAP supervisory personnel	
1.3 Pre/post energy audit WAP inspectors	
1.4 Other dedicated WAP personnel	
2. Compensation of employees in WAP and other funding sources	
2.1 Grants Manager/Supervisor	
2.2 Other personnel	
3. Advertising and Public Relation Costs	
3.1 Recruiting WAP personnel	
3.2 Procurement of goods and contracted services	
3.3 Cost of communications regarding WAP outreach efforts	
4. Communication costs for employees directly involved in WAP	
4.1 Telephone (local and long distance)	
4.2 Postage	
4.3 Internet	
5. Interest on debt incurred to acquire WAP assets	
6. Maintenance and repair of WAP buildings (or designated WAP space) and equipment	
7. Materials and supplies used for WAP (other than Direct Materials on FSR)	
8. Publication and printing costs used for WAP	
9. Recruiting costs for direct WAP personnel	
10. Facility Costs	
10.1 Lease of facilities (portion used for direct WAP services)	
10.2 Security	
11. Transportation Costs for WAP services	
12. Travel costs for WAP services	
13. Training costs for WAP (Not on FSR)	
14. Insurance and Indemnification -Property related to WAP (Not on FSR line # 7)	
15. Depreciation and Use Allowance of WAP Building and Equipment	
16. Other (Items and costs to be submitted along with any Agreement Budget.)	
Total Program Support costs to be included in the Budget:	

Administration

1. Compensation of organization-wide support.(Executive management, Finance, etc.)	
2. Central Service Costs (finance/accounting technology support, etc.)	
3. Communication costs for organization-wide support..	
4. Depreciation and use allowances	
5. Cost of Property Insurance (Not reported on FSR Line # 7)	
6. Other (Items and costs to be submitted along with any Agreement Budget.)	
Total Administration costs to be included in the Budget:	

1. Listing of Allowable Program Support Expenditures - Non-Profit Organizations

Program Support	Guidance	Supporting Documentation Required
<p>1. Compensation of employees directly involved in WAP activities:</p> <ul style="list-style-type: none"> - Dedicated WAP Intake personnel - Onsite WAP supervisory personnel - Pre/post energy audit WAP inspectors - Dedicated WAP administration (contractor /client liaison, supervision) 	<p><i>OMB Circular A-133 Compliance Supplement, Section: Allowable Costs – Direct Costs, Section 4 - Suggested Compliance Audit Procedures – Direct Costs</i></p> <ul style="list-style-type: none"> • Costs are supported by appropriate documentation, such as approved purchase orders, receiving reports, vendor invoices, canceled checks, and time and attendance records, and correctly charged as to account, amount, and period. 	<p>For employees who are hired solely for WAP activities, the following documentation is needed:</p> <ul style="list-style-type: none"> • Payroll journals supporting the total employee's compensation including fringe benefits • Description of employment duties and/or employment contract stating job description • Time and attendance records • Pay rates and listing of fringe benefit and associated costs • Certification by the employee of 100% WAP activities • Proof of payment (canceled check, bank statement, electronic reference, etc)
<p>2. Compensation of employees involved in WAP and other funding sources:</p> <ul style="list-style-type: none"> - Grants Manager/ Supervisor 	<p><i>OMB, Circular A-122: Compliance Supplement - Suggested Compliance Audit Procedures – Indirect Costs, Section 4-b, (1) (c) (ii).</i></p> <ul style="list-style-type: none"> • Time studies or time and effort reports (where and if used) to ascertain if they are accurate, are implemented as approved, and are based on the actual effort devoted to the various functional and programmatic activities to which the salary and wage costs are charged. <p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations</i></p> <ul style="list-style-type: none"> • Typical examples of indirect cost for many non-profit organizations may include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting. • Overtime, extra-pay shift, and multi-shift premiums. Premiums for overtime, extra-pay shifts, and multi-shift work are allowable only with the prior approval of the awarding agency except: -When necessary to cope with emergencies, such as those resulting from accidents, natural disasters, breakdowns of equipment, or occasional operational bottlenecks of a sporadic nature. 	<ul style="list-style-type: none"> • Payroll journals supporting the total employee's compensation including fringe benefits • Description of employment duties and/or employment contract stating job description • Time and attendance records • Time studies or time and effort reports (i.e. Personnel Activity Reports) – this should be performed twice/year using representative months • Multi-Funded Time Report (MFTR) • Daily Activity Log specifically designed for each program • Proof of payment (canceled check, bank statement, electronic reference, etc)

Listing of Allowable Program Support Expenditures - Non-Profit Organizations - Continued

Program Support	Guidance	Supporting Documentation Required
<p>Continued: Compensation of employees involved in WAP and other funding sources: - Grants Manager/ Supervisor</p>	<p>-When employees are performing indirect functions, such as administration, maintenance, or accounting. -In the performance of tests, laboratory procedures, or other similar operations which are continuous in nature and cannot reasonably be interrupted or otherwise completed. -When lower overall cost to the Federal Government will result.</p> <p>For employees who perform activities for more than 1 cost object and for which salary and wage costs can be designed to each program. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries. Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries.</p>	<p>See above</p>
<p>3. Advertising and Public Relation Costs - Recruiting WAP personnel - Procurement of goods and contract services for WAP - Cost of communications regarding outreach efforts, general liaison with new media.</p>	<p><i>OMB, Circular A-133: Compliance Supplement:</i></p> <ul style="list-style-type: none"> • Costs are supported by appropriate documentation, such as approved purchase orders, receiving reports, vendor invoices, canceled checks, and time and attendance records, and correctly charged as to account, amount, and period. <p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 1</i></p> <ul style="list-style-type: none"> • The only allowable advertising costs are those which are solely for: • The recruitment of personnel required for the performance by the non-profit organization of obligations arising under a Federal award (See also Attachment B, paragraph 41, Recruiting costs, and paragraph 42, Relocation costs); • The procurement of goods and services for the performance of a Federal award; • The disposal of scrap or surplus materials acquired in the performance of a Federal award except when non-profit organizations are reimbursed for disposal costs at a predetermined amount; or • Other specific purposes necessary to meet the requirements of the Federal award. • The only allowable public relations costs are: • Costs specifically required by the Federal award; 	<ul style="list-style-type: none"> • Vendor invoices or receipts • Proof of payment (canceled check, bank statement, electronic reference, etc.) • Copy of advertisement or promotional material supporting WAP outreach efforts, procurement or recruitment of WAP personnel. • Evidence of general ledger posting • Time and attendance records

Listing of Allowable Program Support Expenditures - Non-Profit Organizations – Continued

Program Support	Guidance	Supporting Documentation Required
Continued: Advertising and Public Relation Costs	<ul style="list-style-type: none"> 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. 	See above
<p>4. Communication costs for employees directly involved in WAP:</p> <ul style="list-style-type: none"> Telephone, local and long distance calls, postage, messenger, internet 	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 1</i></p> <p>Costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like are allowable.</p>	<ul style="list-style-type: none"> Monthly communication bills (telephone, internet, etc.) Identification of dedicated communication costs (if applicable) Allocation of communication costs on a rational and reasonable basis (i.e. by personnel, departments, usage etc.) Postage invoices/receipts for dedicated WAP mailings (if applicable) Proof of payment (canceled check, bank statement, electronic reference, etc.) Evidence of general ledger posting Time and attendance records
5. Interest on debt incurred to acquire WAP assets	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 1</i></p> <ul style="list-style-type: none"> Costs incurred for interest on borrowed capital, temporary use of endowment funds, or the use of the non-profit organization's own funds, however represented, are unallowable. However, interest on debt incurred after September 29, 1995 to acquire or replace capital assets (including renovations, alterations, equipment, land, and capital assets acquired through capital leases), acquired after September 29, 1995 and used in support of Federal awards is allowable, provided that - See Circular A-122, Section 23, Page 378 for further details. 	<ul style="list-style-type: none"> Identification of WAP asset that required financing Copy of the financing/debt agreement Proof of interest payment (canceled check, bank statement, electronic reference, etc)

Listing of Allowable Program Support Expenditures - Non-Profit Organizations – Continued

Program Support	Guidance	Supporting Documentation Required
<p>6. Maintenance and repair of WAP buildings (or designated WAP space) and equipment</p>	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 27</i></p> <ul style="list-style-type: none"> Costs incurred for necessary maintenance, repair, or upkeep of buildings and equipment (including Federal property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable. Costs incurred for improvements which add to the permanent value of the buildings and equipment or appreciably prolong their intended life shall be treated as capital expenditures (see paragraph 15). 	<ul style="list-style-type: none"> Detailed vendor invoices Square footage and/or floor plans of applicable areas dedicated to WAP, and total building square footage Proof of payment (canceled check, bank statement, electronic reference, etc.)
<p>7. Materials and supplies costs used for WAP</p>	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 28</i></p> <ul style="list-style-type: none"> Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable. 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. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs. Where federally-donated or furnished materials are used in performing the Federal award, such materials will be used without charge. 	<ul style="list-style-type: none"> Detailed vendor invoices or receipts Proof of payment (canceled check, bank statement, electronic reference, etc) Third party contracts, if applicable Evidence of posting cost to the general ledger
<p>8. Publication and printing costs for WAP</p>	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 38</i></p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Detailed vendor Invoices Proof of payment (canceled check, bank statement, electronic reference, etc.) Copies of publication materials charged

Listing of Allowable Program Support Expenditures - Non-Profit Organizations – Continued

Program Support	Guidance	Supporting Documentation Required
Continued: Publication and printing costs for WAP	<p>If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the non-profit organization. Page charges for professional journal publications are allowable as a necessary part of research costs where:</p> <ul style="list-style-type: none"> -(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. 	See above
9. Recruiting costs for direct WAP personnel	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 41</i></p> <ul style="list-style-type: none"> • Subject to subparagraphs b, c, and d, and provided that the size of the staff recruited and maintained is in keeping with workload requirements, costs of "help wanted" advertising, operating costs of an employment office necessary to secure and maintain an adequate staff, costs of operating an aptitude and educational testing program, travel costs of employees while engaged in recruiting personnel, travel costs of applicants for interviews for prospective employment, and relocation costs incurred incident to recruitment of new employees, are allowable to the extent that such costs are incurred pursuant to a well-managed recruitment program. Where the organization uses employment agencies, costs that are not in excess of standard commercial rates for such services are allowable. • b. In publications, costs of help wanted advertising that includes color, includes advertising material for other than recruitment purposes, or is excessive in size (taking into consideration recruitment purposes for which intended and normal organizational practices in this respect), are unallowable. • c. Costs of help wanted advertising, special emoluments, fringe benefits, and salary allowances incurred to attract professional personnel from other organizations that do not meet the test of reasonableness or do not conform with the established practices of the organization, are unallowable. • d. Where relocation costs incurred incident to recruitment of a new employee have been allowed either as an allocable direct or indirect cost, and the newly hired employee resigns for reasons within his control within twelve months after being hired, the organization will be required to refund or credit such relocation costs to the Federal Government. 	<ul style="list-style-type: none"> • Vendor invoices or receipts • Third Party Recruitment Incentive Service Agreement including copy of the job description posted and/or advertised • Timesheets/Payroll Activity reports/Multi-Funded Time Report (MFTR) • Daily Activity Log specifically designed for each program

Listing of Allowable Program Support Expenditures - Non-Profit Organizations – Continued

Program Support	Guidance	Supporting Documentation Required
10. Facility Costs - Rental Cost of buildings and materials - Plant and security costs	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 43</i></p> <ul style="list-style-type: none"> a. Subject to the limitations described in subparagraphs b. through d. of this paragraph 43, 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. 	<ul style="list-style-type: none"> Rental/Lease contract Detailed Vendor invoices Proof of payment (canceled check, bank statement, electronic reference, etc.)
11. Transportation Costs - WAP	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 50</i></p> <ul style="list-style-type: none"> Transportation costs include freight, express, cartage, and postage charges relating either to goods purchased, in process, or delivered. These costs are allowable. When such costs can readily be identified with the items involved, they may be directly charged as transportation costs or added to the cost of such items (see paragraph 28). Where identification with the materials received cannot readily be made, transportation costs may be charged to the appropriate indirect cost accounts if the organization follows a consistent, equitable procedure in this respect. 	<ul style="list-style-type: none"> Vendor invoices or receipts Daily Activity Log specifically designed for each program Mileage Reimbursement Request Forms
12. Travel Costs – WAP related	<p><i>OMB Circular A-122 (Revised 5/10/04) – Cost Principles for Non-Profit Organizations, Attachment B, Section 51</i></p> <ul style="list-style-type: none"> 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 non-profit organization. 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 non-profit organization's non-federally-sponsored activities. 	<ul style="list-style-type: none"> Expense Vouchers Receipts Detailed vendor invoices Proof of payment (canceled check, bank statement, electronic reference, etc.) Per diem, where applicable Proof of mileage, if available and/or applicable

Listing of Allowable Program Support Expenditures - Non-Profit Organizations – Continued

Program Support	Guidance	Supporting Documentation Required
<p>13. Training Cost Related to WAP</p>	<p><i>OMB Circular A-122 (Revised 5110104)- Cost Principles for Non- Profit Organizations, Attachment 8, Section 49</i></p> <ul style="list-style-type: none"> • Costs of preparation and maintenance of a program of instruction including but not limited to on-the-job, classroom and apprenticeship training, designed to increase the vocational effectiveness of employees, including training materials, textbooks, salaries or wages of trainees (excluding overtime compensation which might arise there from), and (i) salaries of the director of training and staff when the training program is conducted by the organization; or (ii) tuition and fees when the training is in an institution not operated by the organization, are allowable. • This would include program training costs other than those reimbursed on the face of Financial Status Report 	<ul style="list-style-type: none"> • Training materials • Expense Vouchers • Receipts • Detailed vendor invoices • Proof of payment (canceled check, bank statement, electronic reference, etc.)
<p>14. Insurance and Indemnification — Property related to WAP</p>	<p><i>OMB Circular A-122 (Revised 5110104)- Cost Principles for Non- Profit Organizations, Attachment 8, Section 22</i></p> <ul style="list-style-type: none"> • Insurance includes insurance which the organization is required to carry, or which is approved, under the terms of the award and any other insurance which the organization maintains in connection with the general conduct of its operations. This paragraph does not apply to insurance which represents fringe benefits for employees (see subparagraphs 8.g and 8.i(2)). • Costs of insurance required or approved, and maintained, pursuant to the award are allowable. • Costs of other insurance maintained by the organization in connection with the general conduct of its operations are allowable subject to the following limitations. • This would include program costs other than those reimbursed on the face of Financial Status Report.. 	<ul style="list-style-type: none"> • Detailed vendor invoices • Active insurance policy statement <ul style="list-style-type: none"> • Proof of payment (canceled check, bank statement, electronic reference, etc.)
<p>15. Depreciation and Use Allowance of WAP Building and Equipment</p>	<p><i>OMB Circular A-122 (Revised 5110/04) – Cost Principles for Non- Profit Organizations, Attachment B, Section 11</i></p> <ul style="list-style-type: none"> • Compensation for the use of buildings, other capital improvements, and equipment on hand may be made through use allowance or depreciation. However, except as provided in Attachment B, paragraph f, 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.). Certain provisions governing this cost category are identified within the OMB Circular referenced. 	<ul style="list-style-type: none"> • Property records and physical inventories must be taken at least once every two years • Depreciation records indicating the amount of depreciation taken each period
<p>16. Other</p>	<p><i>Items not covered under OMB Circular but submitted for consideration.</i></p>	<p>Provide a list and associated costs per item.</p>

2. Listing of Allowable Administration Expenditures - Non-Profit Organizations

Administration	Guidance	Supporting Documentation Required
1. Compensation of organization-wide support including: <ul style="list-style-type: none"> - Executive management - Finance and reporting personnel 	<p><i>OMB Circular A-122 Cost Principles for Non-Profit Organizations, Allowable Costs – Indirect Costs</i></p>	<ul style="list-style-type: none"> • Payroll Records/Reports – time sheets, pay rates etc. • Daily Activity Logs/Time & Effort Records • Rationale/analysis supporting % allocated to Program Support or Admin Proof of payment (canceled check, bank statement, electronic reference, etc.)
2. Central Service Costs <ul style="list-style-type: none"> - Finance/accounting - Information Technology Services 		<ul style="list-style-type: none"> • Indirect Cost Plan (Non-profit)
3. Communication costs for organization-wide support: Telephone, local and long distance calls, postage, messenger, internet		<ul style="list-style-type: none"> • Monthly phone bills broken out by costs-per-extension line • Postage invoices/receipts • Internet bills • Proof of payment (canceled check, bank statement, electronic reference, etc.)
4. Depreciation and use allowances <ul style="list-style-type: none"> - Building - General furniture and equipment 	<p><i>OMB Circular A-133, Compliance Requirements (A-122), Allowable Costs- Indirect Costs 1 a. (1)</i></p> <ul style="list-style-type: none"> • <i>Depreciation and Use Allowance</i>– The expenses under this category are that portion of the costs of the organization's buildings, capital improvements to land and buildings, and equipment, which are computed in accordance with A-122, Attachment B, section 11. Interest on debt associated with certain buildings, equipment, and capital improvements are computed in accordance with A-122, Attachment B, paragraph 23. 	<ul style="list-style-type: none"> • Listing of property maintained and utilized for WAP Services • Physical Inventory performed within the last two years • Depreciation Schedules (including initial cost, useful lives, and depreciation)

Listing of Allowable Administration Expenditures - Non-Profit Organizations - Continued

Administration	Guidance	Supporting Documentation Required
5. Cost of Property Insurance	<i>OMB Circular A-122 Cost Principles for Non-Profit Organizations, Allowable Costs – Indirect Costs</i>	<ul style="list-style-type: none"> • Detailed vendor invoices • Proof of payment (canceled check, bank statement, electronic reference, etc.) • Contract agreement including indemnification terms • Property Insurance Certificate/Proof of insurance
6. Other Categories:		
Labor relations costs	<i>OMB Circular A-122 Cost Principles for Non-Profit Organizations, Allowable Costs – Indirect Costs</i>	Support invoices and payments made for the following items: <ul style="list-style-type: none"> • Maintaining satisfactory relations between the organization and its employees Costs of labor management committees, employee publications, and other related activities
General maintenance and repair costs	<i>OMB Circular A-133 Compliance Supplement – A-122</i> <ul style="list-style-type: none"> • <i>General and Administrative</i> – The expenses under this category are those that have been incurred for the overall general executive, and administration of the organization and other expenses of a general nature that do not relate solely to any major function of the organization. 	<ul style="list-style-type: none"> • Detailed Vendor Invoices • Floor plans of applicable areas and related square footage • Proof of payment (canceled check, bank statement, electronic reference, etc.)
General materials and supplies costs	<i>OMB Circular A-122 Cost Principles for Non-Profit Organizations, Allowable Costs – Indirect Costs</i>	<ul style="list-style-type: none"> • Vendor invoices or receipts • Proof of payment (canceled check, bank statement, electronic reference, etc) • Third party contracts, if applicable
General meetings and conferences	<i>OMB Circular, A-122 – Schedule B – Selected Items of Cost - Costs of meetings and conferences</i> <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Meeting Agenda • Detailed vendor invoices • Proof of payment (canceled check, bank statement, electronic reference, etc.) This includes cost of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences.

Listing of Allowable Administration Expenditures - Non-Profit Organizations - Continued

Administration	Guidance	Supporting Documentation Required
Memberships, subscriptions, and professional activity costs.	<p><i>OMB Circular A-122 Cost Principles for Non-Profit Organizations, Allowable Costs – Indirect Costs</i></p>	<ul style="list-style-type: none"> • Detailed vendor invoices • Proof of payment (canceled check, bank statement, electronic reference, etc.) • Copy of publication • Costs of the non-profit organization's membership in business, technical, and professional organizations are allowable. <p>Costs of the non-profit organization's subscriptions to business, professional, and technical periodicals are allowable.</p>
.WAP Proposal Costs		<ul style="list-style-type: none"> • Detailed vendor invoices • Proof of payment (canceled check, bank statement, electronic reference, etc.) • Payroll Records/Reports – time sheets, pay rates etc. <p>Daily Activity Logs/Time & Effort Records</p>
General publication and printing costs	<p><i>OMB Circular, A-122 – Schedule B – Selected Items of Cost – Publication and printing costs</i></p> <ul style="list-style-type: none"> • If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the non-profit organization. 	<ul style="list-style-type: none"> • Detailed vendor invoices • Proof of payment (canceled check, bank statement, electronic reference, etc.) • Copies of publications/print jobs (if applicable, e.g. in the case of large print jobs)
General Transportation Costs	<p><i>OMB Circular A-122 Cost Principles for Non-Profit Organizations, Allowable Costs – Indirect Costs</i></p>	<ul style="list-style-type: none"> • Detailed vendor invoices • Proof of payment (canceled check, bank statement, electronic reference, etc.) • Receipts • Daily Activity Log specifically designed for each program • Mileage Reimbursement Request Forms