



**POLICY  
NUMBER  
086**

## **Administrative Policy**

<b>Title:</b>	Indirect Cost Proposal Preparation for Local Workforce Development Boards		
<b>Program:</b>	Division of Finance and Administration, Bureau of Financial Management		
<b>Effective:</b>	06/10/2015	<b>Revised:</b>	02/17/2023

### **I. PURPOSE AND SCOPE**

To provide guidance to Local Workforce Development Boards in the preparation and submission of an indirect cost proposal, whether using an indirect cost rate or the cost allocation method. This guidance also applies to subrecipients of Local Workforce Development Boards.

### **II. BACKGROUND**

The publication of Title 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” effective December 26, 2014 (with the latest revision effective November 12, 2020), gave specific duties to the pass-through entity for subrecipient monitoring and management (see §§200.331-.333).

Specifically, §200.332(a)(1)(xiv), requires that every subaward of federal funds from the pass-through entity (i.e., DEO) to the subrecipient must include, among other elements, an indirect cost rate. Effective November 12, 2020, paragraph (a)(4) is amended to read that the indirect rate to be used must be an approved federally recognized indirect rate negotiated between the subrecipient and the federal government; if no approved rate exists, the pass-through entity must determine the appropriate rate in collaboration with the subrecipient. This appropriate rate may be a negotiated indirect cost rate between the pass-

through entity and the subrecipient, a prior negotiated rate between a different pass-through entity and the subrecipient, or the de minimis indirect cost rate. Alternatively, a subrecipient can elect to use the cost allocation method to account for indirect costs in accordance with §200.405(d).

Should a Local Workforce Development Board (or any of its subrecipients) elect to use the cost allocation method, no indirect rate (provisional nor final) will be proposed, but the subrecipient must still determine indirect costs (as distinct from administrative costs) that must be allocated to funding sources based on a salaries and benefits, a modified total direct cost, or other approved methodology.

### **III. AUTHORITY**

[Title 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,”](#) more commonly referred to as the Uniform Guidance. (Note: Section references in this document will be to the Uniform Guidance unless otherwise noted.)

[A Guide for Indirect Cost Determination](#), U.S. Department of Labor, Cost and Price Determination Division, August 2020

The Federal Acquisition Regulations (FAR), Part 31.2, “Contracts with Commercial Organizations”, establishes the requirements for the determination of allowable and unallowable direct and indirect costs. FAR Part 42.7 “Indirect Cost Rates” prescribes policies and procedures for establishing billing rates and final indirect cost rates. Both parts are available at the following website: <https://www.acquisition.gov/?q=browsefar>. Commercial entities that are subrecipients of Local Workforce Development Boards must follow these regulations, which are similar to the discussion in Section IV.E. below.

### **IV. POLICIES AND PROCEDURES**

A Local Workforce Development Board that has previously established an indirect cost rate or has elected the cost allocation method must submit a new indirect cost proposal to DEO within six months after the close of each fiscal year. The indirect cost proposal must follow the guidance established by this administrative policy.

Failure to comply with this policy can lead to disallowance of indirect/administrative costs and/or other remedies for noncompliance as specified in §§200.208 and 200.339.

## **A. METHOD FOR CALCULATING INDIRECT COSTS**

The Uniform Guidance discusses three methods for allocating and computing indirect cost rates: the simplified allocation method, the multiple base allocation method and the direct allocation method. DEO recommends that the direct allocation method be used because it most closely resembles the approach that a Local Workforce Development Board uses in a shared cost environment (see also §200.405(d)).

Using the direct allocation method, all costs are treated as direct costs except general administration and general expenses. Any cost that can be charged to a funding source without allocation should be so recorded. Joint or shared 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 federal award or other activity using a base most appropriate to the particular cost being prorated as specified in the Local Workforce Development Board's cost allocation plan.

The cost allocation plan would also be used to allocate joint costs that have direct and indirect components. The indirect component is allocated to a general and administrative cost pool. Any cost that is 100% indirect should be immediately assigned to the general and administrative pool. This pool represents the costs that will be applied based on an indirect rate or an allocation, either of which is derived from an applicable allocation basis.

## **B. INDIRECT COST ALLOCATION BASES**

There are two allocation bases that DEO will approve: direct salaries and wages (including all, some or no fringe benefits) and modified total direct cost (MTDC). Under limited circumstances, an alternative allocation base may be considered if a Local Workforce Development Board can demonstrate that it provides a more equitable distribution of indirect costs.

In general, a correlation exists between the incurrence of administrative effort with the expenditures for direct labor. In many cases, a direct labor base will produce an equitable distribution of indirect costs. However, where the ratio of direct labor to total direct costs varies significantly from program to program, or labor costs are not the predominant portion of direct costs, a modified total direct cost base should be used in allocating indirect costs to benefiting programs.

The MTDC allocation base includes total direct costs less specified items. Some exclusions that do not apply to Local Workforce Development Boards were omitted from the definition found in Section V.

## C. INDIRECT COST RECOVERY

The Uniform Guidance allows two types of indirect cost recovery, an indirect cost rate and a cost allocation method.

### 1. Indirect Cost Rate

There are two main types of negotiated indirect cost rates: provisional with final and fixed with carryforward. A Local Workforce Development Board requesting an indirect cost rate from DEO will be required to use the provisional with final rate methodology. Additionally, a Local Workforce Development Board that does not have a current negotiated rate may elect a *de minimis* rate, currently set at 10% of modified total direct costs.

At the beginning of the fiscal year, a provisional indirect cost rate will be approved by DEO that represents the Local Workforce Development Board's best projection of that year's indirect cost rate. After fiscal year end, the Local Workforce Development Board will submit a revised indirect cost rate proposal containing actual costs and a final indirect cost rate. Indirect costs claimed under the provisional rate will then be adjusted to the approved final rate.

A fixed rate with carryforward may be considered by DEO in a future year if it can be shown that a substantial portion of the organization's federal awards are expected to continue into the next fiscal year; the mix of federal and non-federal work is relatively stable; and (most importantly) the organization's operations do not fluctuate significantly from year to year. At year end, the difference between the actual indirect costs and those charged based on the fixed rate (whether positive or negative) are carried forward into the next fiscal year as an adjustment of that year's rate.

Should an eligible Local Workforce Development Board elect the de minimis rate, it must be used consistently for all federal awards until such time as a Local Workforce Development Board chooses to negotiate for a rate, which the Local Workforce Development Board may apply to do at any time. No indirect cost rate proposal would need be prepared, but the Local Workforce Development Board would be required to submit its cost policy statement and cost allocation plan to DEO for review and approval.

### 2. Cost Allocation Method

The November 12, 2020 revision to the Uniform Guidance includes a new means for a subrecipient to recover indirect costs. Rather than applying an indirect rate to a direct cost base, language was added to 2 CFR 200.332(a)(4)(ii) providing that a

subrecipient can elect to use the cost allocation method to account for indirect costs. Cost allocation plans prepared in accordance with 2 CFR 200.405(d), which is currently required of a Local Workforce Development Board, is already used to directly allocate joint costs. This provision allows a Board to also allocate indirect costs to each funding source. While conceptually similar to using an indirect cost rate, when applied on a year-to-date basis each month, the cost allocation method allows recovery of all indirect costs incurred by truing-up the indirect charges to each funding source on a monthly basis.

#### **D. GETTING READY TO PREPARE THE INDIRECT COST PROPOSAL**

A Local Workforce Development Board should take the following steps to ensure it is ready to prepare an indirect cost proposal whether using an indirect cost rate or the cost allocation method.

- a) Thoroughly review the cost principles at 2 CFR Part 200, Subpart E and the applicable indirect cost rate proposal appendix (Appendix IV for nonprofit organizations and Appendix VII for governmental units).
- b) Conduct an organizational review. The purpose of the organizational review is to determine which units are indirect (administrative) functions of the organization, and which services that are allowable and allocable to federal awards per the cost principles. The result of this review is the preparation of organizational chart(s) that clearly depict the various services and/or functions of each unit.
- c) Review federal and non-federal funding. Prepare or update a list of all funded programs in detail as to the amount or percent of reimbursement of direct and indirect cost and any restrictions or references to statutes or regulations. Determine at what organizational level the various funded programs apply.
- d) Review the accounting structure. Obtain an account listing in which the actual dollars expended can be related to various programs. Reconcile the accounting structure to the organization chart.
- e) Prepare a cost policy statement. Develop a written policy that outlines the costs considered as direct, the costs considered to be indirect, and the rationale to support those costs. (Note: this document may be combined with the cost allocation plan.)
- f) Review and, if necessary, update the cost allocation plan, ensuring it is consistent with the cost policy statement. All program costs should be directly allocated and all administrative costs should be assigned to the general and administrative pool.
- g) List all positions for which at least a portion of salary and benefits are charged to indirect. Total salary and benefits should be identified and depicted as either indirect or direct. Local Workforce Development Boards receive multiple streams of federal funds that originate from different federal grantor agencies (e.g. USDOL, USHHS). Due to the nature of the work, there are certain

positions, for whom the direct charging of time would not result in the reasonable, equitable and allocable share of their costs, e.g., Executive Director<sup>1</sup>, Finance Director, and Human Resource Director. These positions benefit the entire organization and all funding streams at all times, regardless of the specific functions performed by these staff members. Direct charges for these positions without prior approval may result in disallowed costs.

- h) List all positions subject to the ETA salary cap and/or the State's salary limitation imposed by the annual General Appropriations Act for which the salary and bonus rate exceeds the annual rate of pay for Level II of the Executive Schedule Pay Rates. These two provisions include almost all federal funds that DEO passes through to a Local Workforce Development Board. See Appendix I (ETA/State Salary Cap) for background information.

With this information in hand, the indirect cost proposal discussed in the next section can be prepared. The Allocation of Indirect Personnel Worksheet, Statement of Total Costs and Statement of Indirect Costs will walk through the steps needed identify the indirect and direct base costs charged to each funding source to create the rate or allocation. The other schedules and statements provide evidence of the completeness and accuracy of the indirect costs as well as compliance with related legal provisions.

## **E. PREPARATION AND SUBMISSION OF INDIRECT COST PROPOSAL**

A final indirect cost proposal based on actual costs together with supporting documentation must be developed and submitted on an annual basis to DEO Bureau of Financial Management as soon after the fiscal year end close as practical, but no later than six months after the end of the fiscal year.

Please note that this proposal is required whether an indirect cost rate or cost allocation method is chosen. The information required by either method is identical except for a minor difference on the Statement of Indirect Costs (item 7 below).

The following items must be included in the submission of the Indirect Cost Proposal:

- a) Organizational chart.
- b) Narrative explaining compliance with 2 CFR 200.430(a)(1), (2) and (3) (the general requirements for allowability of compensation – personal services) and the standards for documentation of personnel expenses. Include an employee time sheet or time record for a pay period, providing for distribution of hours to direct and indirect functions.

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<sup>1</sup> Administrative Policy 110 outlines the required activities of the Executive Director, which further emphasizes how this role is strategic in nature and focused on the oversight of the one-stop delivery system as a whole.

- c) Cost policy statement (see example in Exhibit A).
- d) Cost allocation plan. (Note: The cost policy statement and the cost allocation plan may be incorporated into one document.)
- e) **Allocation of Indirect Personnel Worksheet** — Provides direct and indirect time charges for all personnel who charge at least a part of their time to indirect. Time and effort should be supported with records that show whether someone worked on more than one cost objective. Payroll documentation should also support this allocation of charging salaries and wages as appropriate. (See example in Exhibit B.)
- f) **Statement of Total Costs** — Segregates indirect and direct costs incurred by line item of expense, and is identified by funding source. Total costs must include any discretionary (“unrestricted”) and other non-federal funds. Funding received from DEO must be broken out by NFA. (See example in Exhibit C.) Note: If a funding source is excluded from indirect cost allocations, it must be listed along with the reason(s) for the exclusion.
- g) **Statement of Indirect Costs** — This schedule can take one of four distinct forms depending on which indirect cost allocation basis and which indirect cost recovery method is chosen. (See examples in Exhibit D; please complete only the applicable schedule for the allocation basis and cost recovery method chosen.) This statement could be combined with the statement of total costs, if desired. A Local Workforce Development Board that has chosen the modified total direct cost base (with either the indirect cost rate or the cost allocation method) will also need to complete the supplemental schedule that documents the exclusion of subawards in excess of \$25,000 (see example in Exhibit D-1).
- h) **ETA/State Salary Cap** — There is a limit on salary and bonus payments to individuals paid from ETA grant funds and from the Local Workforce Development Boards Grants and Aids category in the state’s General Appropriations Act. The limit in both cases is tied to executive level II salaries in the federal government and applies to the rate at which the individual is paid as well as the total amount paid. The federal executive salary schedule is updated each January. Even though the indirect cost rate proposal is prepared on a fiscal year basis, the ETA/State salary cap schedule should be prepared on a calendar year basis using the limit currently in effect. (See example in Exhibit E.)
- i) **Financial statements** — The statement of total costs (item 6 above) must reconcile to the audited financial statements. The reconciliation schedule must be provided unless expenses/expenditures on the two schedules agree, in which case a reconciliation schedule is not necessary. DEO will obtain audited financial statements from the Federal Audit Clearinghouse; submission of the financial statements is not necessary. If a final negotiated indirect cost proposal is later found to have included costs that are unallowable, the federal share of the unallowable costs must be refunded. Adjustments to indirect cost rates or allocations resulting from a determination of unallowable costs being included

in the proposal may result in the reissuance of the negotiated agreement. (See §200.411 and 2 CFR 2900.17.)

- j) **Listing of Non-DEO Grants and Contracts** — This schedule must include any non-DEO funded awards. The schedule should include grantor, subagency, funding source, award amount, period of performance, and the indirect cost (overhead) limitations (if any) applicable to each, such as ceiling rates (or amounts restricted by administrative or statutory regulations), and applicable to the period(s) of the proposal(s). (See example in Exhibit F.) This listing must be supported with copies of the first page of approved federal grants or contract notification awards. The schedule of expenditures of federal awards, if attached to the indirect cost proposal, may be referenced in lieu of preparing this listing, but any indirect cost (overhead) limits still need to be disclosed.
- k) **A Statement of Projected Indirect Costs (for indirect cost rates only) supporting a provisional indirect cost rate for the next fiscal year** — Similar to the statement in item 7 above, but contains projected data for the next fiscal year taking into account anticipated changes to the workforce recipient's expenditures and funding structure. If no statement of projected indirect costs is submitted, then the final approved indirect cost rate or allocation will be approved as the provision indirect rate or allocation for the next fiscal year. If a Board uses the cost allocation method, the cost allocation plan submitted as part of the final indirect cost proposal will be approved on a provisional basis for the new fiscal year. Any changes to the cost allocation plan during the year must receive prior written approval of the Bureau of Financial Management.
- l) **Certificate of Indirect Costs** — This certification must be signed by the chief financial officer or higher-level official. (See example in Exhibit G.)

## F. APPROVAL OF INDIRECT COST PROPOSAL

DEO Bureau of Financial Management will negotiate with a Local Workforce Development Board and approve the indirect cost rate or allocation, unless the Board is required to negotiate with the federal government or elects a de minimis rate (if eligible). Indirect costs can only be charged to an award based on an approved indirect cost rate or allocation. However, the approval of indirect costs by DEO is not intended to identify the circumstances or dictate the extent of federal participation in the financing of particular awards. The approval will be formalized by an agreement signed by the DEO Chief Financial Officer (or designee) and the chief financial officer or higher-level official of the Local Workforce Development Board. Each agreement will include:

- a) The approved rate and information directly related to the use of the rate or approved allocations, for example, effective period and distribution base;
- b) General terms and conditions; and
- c) Special remarks, for example, composition of the indirect cost pool.

DEO will make every effort to reach an agreement on an acceptable indirect cost rate or allocation. If agreement still cannot be reached, DEO will make a unilateral determination of the rate or allocation and notify the Local Workforce Development Board. The Local Workforce Development Board may appeal the determination. CareerSource Florida is granted the authority to establish a dispute resolution process for all agreements entered into between DEO and the Local Workforce Development Boards (see §445.004(5)(f) Florida Statutes). DEO will adhere to this dispute resolution process.

## **G. RECOVERY AND FINAL RATE ADJUSTMENTS OF INDIRECT COSTS**

Recovery of indirect cost is subject to the submission of an indirect cost proposal, availability of funds, statutory and administrative restrictions, and the approval of DEO. Though the Uniform Guidance applies specifically to federal funds, the indirect cost proposal includes all operations of the organization. Accordingly, this policy should be applied to all awards and other funding sources received by the Board. It is intended that each funding source bear its share of indirect costs. Indirect costs are claimed by applying the approved indirect rate or allocation methodology to the applicable direct cost base (e.g., modified total direct cost or salaries and wages) on a **year to date** basis. Direct costs in the base are determined after the cost allocation plan is applied to the intermediate cost pools to allocate costs to their final cost objectives, such as DEO awards or other funding sources. Indirect costs based on the indirect cost rate or allocation that do not contain programmatic expenditures are reported in the Local Administration cost category in SERA. Any program expenditures included in indirect costs are reported in the applicable program cost category. The process for reporting administration and program costs in SERA is not changed by the indirect cost methodology.

Local Workforce Development Boards **must** monitor indirect costs and indirect cost recoveries closely. Keep in mind that for those Local Workforce Development Boards that use the indirect cost rate, that rate is the Board's best projection to make the indirect cost recovery equal the indirect cost incurred on a fiscal year basis. Depending on the timing of both indirect costs incurred and direct base costs incurred, there will be over-recoveries in some months and under-recoveries in others. If the indirect cost recovery is not enough in a given year-to-date period to fund the indirect costs, a non-federal funding source will be needed to meet short-term cash flow shortfalls. It is important to note that indirect costs (whether administrative or programmatic) cannot be drawn based on cash needs, but only based on the approved indirect rate or allocation applied to the applicable direct cost base. Any amounts drawn above those authorized by the indirect rate or allocation methodology are unallowable and can result in additional

specific conditions as authorized by §200.208, which may include requiring payments as reimbursements rather than advances; additional financial reporting; and/or additional monitoring.

When the provisional with final rate methodology is used, there will be final rate adjustments, either up or down, that are required. The amounts of these adjustments will not be known usually until a couple of months into the next fiscal year. The final rate adjustments are made in the same Notice of Funds Availability (NFA) that incurred the direct base costs. If the NFA is closed before the final rate adjustment is known, please contact DEO Bureau of Financial Management for guidance, which could include making funding decisions or reopening the NFA. Note: A large adjustment between the provisional rate and the final rate may indicate a higher-risk subrecipient.

**Example of Indirect Cost Recovery:**

After the cost allocation plan is run for the period, typically a month, the intermediate cost pools are cleared resulting in all costs charged directly to a funding source or to indirect. A portion of these direct costs will make up the indirect cost base depending on whether salaries and benefits or modified total direct costs is chosen. The tables below represent hypothetical year to date financial information for a month ended after the cost allocation plan is run. Total indirect costs and base costs (salaries and benefits in this example) from the ledger have been selected.

Assuming the use of an indirect cost rate with a rate of 29.95%, the indirect cost recovery would look like this:

West Coast Subrecipient														
Sample -- Application of Rate to Recover Indirect Costs														
Salaries and Benefits Base														
	Indirect	Adult	DW	Youth	Rural	WTP	WP	DVOP	LVER	REA	MIL SPS	JDNEG	SNAP E&T	Totals
Monthly indirect costs	57,694													57,694
Base expenses:														
Salaries and benefits		34,963	17,253	17,490	8,678	22,734	17,162	8,542	8,603	3,255	8,722	17,448	8,435	173,285
Indirect cost rate (29.95%)		0.2995	0.2995	0.2995	0.2995	0.2995	0.2995	0.2995	0.2995	0.2995	0.2995	0.2995	0.2995	
Indirect cost recovery		10,473	5,168	5,239	2,599	6,810	5,141	2,559	2,577	975	2,613	5,226	2,527	51,906
Over/(Under) Recovery	(5,788)													

Note that in this particular month, indirect recovery is less than indirect costs. In other months, recovery could be higher than costs. But on an annual basis, the recovery should (nearly) equal costs. If the Local Workforce Development Board finds that the indirect cost rate results in consistently over-recovering or under-recovering indirect costs, it might need to submit a revised indirect cost rate proposal to amend the rate.

After year end, the Local Workforce Development Board will perform a “true-up.” Any difference between actual and recovered indirect costs will be used to adjust the provisional rate to the final rate for the fiscal year just ended.

Assuming use of the cost allocation method, the indirect cost recovery would look like this:

West Coast Subrecipient														
Sample -- Application of Cost Allocation Methodology to Recover Indirect Costs														
Salaries and Benefits Base														
	Indirect	Adult	DW	Youth	Rural	WTP	WP	DVOP	LVER	REA	MIL SPS	JDNEG	SNAP E&T	Totals
Monthly indirect costs	57,694													57,694
Base expenses:														
Salaries and benefits		34,963	17,253	17,490	8,678	22,734	17,162	8,542	8,603	3,255	8,722	17,448	8,435	173,285
Allocation percentage		20.18%	9.96%	10.09%	5.01%	13.12%	9.90%	4.93%	4.96%	1.88%	5.03%	10.07%	4.87%	
Indirect cost recovery		11,642	5,744	5,823	2,889	7,569	5,714	2,844	2,864	1,084	2,904	5,809	2,808	57,694
Over/(Under) Recovery	0													

In this example, the Adult program is allocated 20.18% of indirect costs since \$34,963 is 20.18% of the total salary and benefit base of \$173,285. If this method is applied on a year to date basis then there will be no separate year end true-up required because each month would be a year to date true-up.

## V. DEFINITIONS

- a) **Allocation:** The process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives (§200.1).
- b) **Cost allocation method:** An alternative that a subrecipient may elect to account for indirect costs through the use of a cost allocation plan implemented in accordance with §200.405(d).
- c) **Cost allocation plan:** As used in the context of this procedure, the document that describes how allocable costs are allocated to each final cost objective (see §200.405(d)). [Not to be confused with the Uniform Guidance’s definition of a cost allocation plan, which includes only a central service cost allocation plan and a public assistance cost allocation plan, neither of which is applicable to an LWDB.]
- d) **Cost objective:** A program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, projects, etc. A cost objective may be a major function of the Local Workforce Development Board, a particular service or project, a federal award, or an indirect cost activity (§200.1).
- e) **Direct costs:** Direct costs can be identified specifically with a federal award (or other funded activity), or can be assigned to such activities relatively easily with a high degree of accuracy (§200.413(a)). Generally, program costs are direct costs.

- f) **Indirect costs:** Those costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved (§200.1). These typically include general expenses such as the salaries and expenses of executive officers, personnel administration and accounting (see §200.414(a) and (b)).
- g) **Indirect cost rate:** A device for ensuring that indirect costs are applied uniformly throughout the year to all federal programs regardless of the timing that both indirect costs and base costs were incurred.
- h) **Indirect cost rate proposal:** The documentation prepared by a Local Workforce Development Board to substantiate its request for an indirect cost rate (§200.1).
- i) **Modified total direct costs (MTDC):** All direct salaries and wages, applicable fringe benefits, materials and supplies, services (including contractual services), travel, and up to the first \$25,000 of each subaward. MTDC excludes equipment, capital expenditures, rental/lease costs (of both equipment and real property), participant support costs and the portion of each subaward in excess of \$25,000 (§200.1).
- j) **Shared costs:** Costs that benefit multiple federal awards or other cost objectives. Shared costs are initially charged to an interim cost pool and subsequently allocated to final cost objectives.

**VI. REVISION HISTORY**

Date	Description
07/01/2021	Revised and issued by the Florida Department of Economic Opportunity.
07/01/2018	Revised and issued by the Florida Department of Economic Opportunity.
06/10/2012	Issued by the Florida Department of Economic Opportunity.

**VII. ATTACHMENTS**

- EXHIBIT A — Sample Cost Policy Statement for Indirect Cost Rate Proposal
- EXHIBIT B — Allocation of indirect personnel worksheet
- EXHIBIT C — Statement of total costs
- EXHIBIT D — Distribution of indirect costs
- EXHIBIT D1 – Supplemental Schedule of MTDC Allocation Basis

- EXHIBIT E — ETA/State Salary Cap Worksheet
- EXHIBIT F — Listing of Non-DEO Grants and Contracts
- EXHIBIT G — Certificate of Indirect Costs

**VIII. APPENDIX I – ETA/STATE SALARY CAP**

**EXHIBIT A — Sample Cost Policy Statement for Indirect Cost Rate Proposal**

(While Parts I and II may be used as a template, please tailor Part III as needed for the accounting structure at your organization.)

**WEST COAST LOCAL WORKFORCE DEVELOPMENT BOARD (LWDB #102)**  
**COST POLICY STATEMENT**

**I. General Accounting Policies**

- A. Basis of Accounting — Accrual basis
- B. Fiscal Period — July 1 through June 30
- C. Allocation Basis for Individual Cost Elements — Direct allocation basis
- D. Indirect Cost Rate Allocation Base — (Direct salaries & benefits or modified total direct cost)
- E. Cost Recovery Methodology – (Indirect cost rate or cost allocation method)
- F. West Coast LWDB maintains adequate internal controls to ensure that no cost is charged both directly and indirectly to federal contracts or grants.
- G. (Describe any other accounting policies utilized.)

**II. General Cost Practices**

- A. Accounting System — (Briefly describe the accounting system and how it is used to track federal awards.)
- B. Direct Costs — Costs that can be identified specifically with a particular program,

award or final cost objective are treated as direct costs of that program, award or final cost objective. Typical direct costs include the salaries and benefits of employees for time devoted and identified specifically to a direct cost activity. Direct costs also include the cost of materials, supplies and travel incurred specifically for the benefit of a direct activity. West Coast LWDB captures these direct costs using the (indicate the accounting system data element).

**Directly Allocated Costs** – Directly allocated costs are those costs that benefit more than one program, award, or activity and can be proportionately assigned to each such program, award or activity based on methodologies that reflect the relative benefits received without effort disproportionate to the results achieved.

These methodologies are calculated on data from sources outside of the system for recording time and effort to work activities. These costs may be allocated based on client information obtained from West Coast LWDB’s various reporting systems, or by other applicable statistics.

Generally, these costs are initially captured in an interim cost center from which they are subsequently distributed to final direct and/or indirect cost centers.

- C. **Indirect Costs** – Costs incurred for common or joint purposes that benefit more than one cost objective and cannot be readily identified with a particular program or final cost objective without effort disproportionate to the results achieved are treated as indirect costs. West Coast LWDB uses the (indicate the accounting system data element) to identify indirect expenditures.

### III. Description of Cost Allocation Methodology

#### A. Salaries and Wages

1. Direct Costs — (General statement describing the criteria in which employees direct charge their time, such as “The majority of the employees direct charge their salary costs since their work is specifically identifiable to specific grants, contracts, or other activities of the organization. The charges are supported by auditable labor distribution reports which reflect the actual activities of employees”.)
2. Indirect Costs — The following staff charge 100% of their salary costs indirectly:

(List appropriate positions)

The distinction between direct and indirect is primarily based on functions performed. For example, when the positions shown are performing functions that

are necessary and beneficial to all programs they are indirect. When functions are specific to one or more programs they are direct because they do not benefit all programs.

Auditable labor distribution records which reflect the actual activities of employees are maintained to support the mix of direct/indirect charges. (Indicate the approval level of the labor distribution reports.)

3. (Describe how leave time [vacation, sick, holiday, etc.] is treated, included terminal leave payments. Include information on whether vacation time is accrued and charged to programs when earned or charged when taken; whether allocated the same as the related salary cost or some other methodology; and whether treated as a fringe benefit or same as normal salary charges.)

#### **B. Fringe Benefits**

(Describe all fringe benefits and whether a fringe benefit is tracked by the agency's accounting system or whether a fringe benefit rate needs to be established).

(List each major object of expenditure and describe how treated. A Local Workforce Development Board should include those items of expense that are charged either directly or indirectly to federal grants. Some examples follow.)

#### **C. Travel**

Travel costs may be charged as either direct or indirect costs depending on the purpose of the trip.

#### **D. Board Expenses**

Board expenses charged on an indirect basis are for travel to/from board meetings (limited to expenses allowed under Florida Statutes). Other board expenses are absorbed by West Coast LWDB and are not charged either directly or indirectly to federal grants.

#### **E. Supplies and Materials**

To the maximum extent possible, office supplies and materials are direct charged to the grant which uses the supplies or materials. Supplies and materials used by staff who are engaged in indirect activities will be charged to indirect costs.

#### **F. Occupancy Expenses**

Rent — West Coast LWDB occupies space it leases from Lessor Corporation. The lease provides for equal monthly payments during the term of the lease. Monthly lease costs are allocated, based on (square footage or other methodology), directly and indirectly as follows:

1. Direct Costs — The cost of space occupied by staff whose salaries are directly charged is charged directly.
2. Indirect Costs — The cost of space occupied by staff whose salaries are indirectly charged is charged indirectly.

The cost of space required for common areas (hallways, restrooms, and conference room) will be charged proportionately to the occupied space.

#### **G. Utilities**

West Coast LWDB's lease includes the cost of all utilities except electricity. The cost of electricity is charged directly and indirectly in the same ratio as its space costs are charged.

#### **H. Communications**

Each telephone instrument is identified to either an indirect or a direct activity. For example, West Coast LWDB has 50 telephone instruments assigned to it. Forty-five (45) instruments are assigned to the workforce-funded programs. Therefore, 45/50ths of the monthly telephone charges are direct charged to the several workforce grants. The remaining five (5) of the instruments are assigned to indirect staff. Therefore, 5/50ths of the monthly charges are charged indirectly.

#### **I. Photocopying and Printing**

West Coast LWDB maintains a photocopy activity log. From this log, each program is charged based on the specific volume of copies made for each program.

Administrative personnel will record copies made to the benefiting program to the maximum extent practical. In situations where the photocopies being made by administrative personnel cannot be identified to a specific program and the matter being copied relates to the activities of West Coast LWDB in general, the cost of such copies will be charged to indirect costs.

Printing expenses are charged to the benefiting activity.

## **J. Outside Services**

West Coast LWDB incurs outside services costs for its annual audit, legal fees, and for staff development specialists.

1. The cost of the annual audit is charged indirectly.
2. In general, legal fees are charged directly to the benefiting program or activity.
3. Legal fees that are not identifiable to specific direct programs are charged indirectly.

## **K. Capital Items**

Capital expenditures are charged directly to programs only in cases where a grant specifically authorizes such charges or prior approval is received from DEO. No capital item is charged indirectly. (Equipment and other capital expenditures are unallowable as indirect costs.) The cost of capital items purchased with non- federal funds are recovered through depreciation charges. West Coast LWDB's capitalization threshold is \$5,000.

## **L. Depreciation**

The cost of capital items purchased with non-federal funds which are used in a manner which benefits federal programs is recovered through depreciation charges.

The cost of capital items purchased with direct federal funds cannot be depreciated for indirect cost recovery purposes.

West Coast LWDB recovers the cost of capital items using straight line depreciation methods in accordance with generally accepted accounting principles. Depreciation is charged (list direct and indirect criteria).

## **M. Unallowable Costs**

West Coast LWDB recognizes that unallowable costs, as defined in 2 CFR Part 200, Subpart E, cannot be charged to federal awards and has internal controls in place to ensure adherence. Examples of unallowable costs are:

1. Advertising and public relations,
2. Entertainment/alcoholic beverages,
3. Capital expenditures,
4. Defense claims by or against the Federal or State Government, and

5. Lobbying and fund raising.

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Signature

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Date

---

Title

West Coast  
LWDB 1111  
Main Street  
City, USA 12345

**EXHIBIT B: Allocation of Indirect Personnel Worksheet**

**West Coast Subrecipient**  
**Sample -- Allocation of Indirect Personnel Worksheet**  
**Fill in: Final or Provisional and Organization's Fiscal Year**

Position	Annual Salary & Benefits	Indirect Costs	Direct Costs	DEO Direct Funding									Other Direct Funding		
				WIOA	Welfare Transition	Wagner-Peyser	SNAP E&T	Reemp. and Elig. Assessm.	NDWG Opiod	Veterans	Trade Adj. Assist.	WIOA Performance Incentives	Private Foundation	(List each Discretionary separately)	
Executive Director	120,800	120,800	0												
Administrative Assistant	52,300	52,300	0												
Chief Operating Officer	101,500	101,500	0												
Finance Director	87,300	87,300	0												
Finance Assistant	57,800	57,800	0												
Human Resources Director	73,200	73,200	0												
IT Manager	52,600	52,600	0												
IT Assistant	35,400	35,400	0												
Property Manager	42,300	42,300	0												
<b>Total Salaries and Benefits</b>	<b>623,200</b>	<b>623,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Notes:

1. List each position for which at least a portion of salary and benefits is charged to indirect.
2. Salaries and benefits should be together unless the organization wants a separate fringe benefits rate.
3. Total funding sources should add up to direct costs.
4. Use only the columns needed, but include all funding sources. Columns listed here are for illustrative purposes only.
5. The DEO funding column may be broken out by program, if desired. (May help in applying the indirect rate to the individual funding sources.)

**EXHIBIT C: Statement of Total Costs**

**West Coast Subrecipient  
Sample -- Statement of Total Costs  
Direct Allocation Method**

Fill in: Final or Provisional and Organization's Fiscal Year

Budget Category	Total Costs	Indirect Costs	Direct Costs	DEO Direct Funding										Other Direct Funding				
				Reemp.										WIOA		Private Foundation	Discretionary	(List each separately)
				Welfare Transition	Wagner-Peyser	SNAP E&T	and Elig. Assessm.	NDWG Opiod	Veterans	Trade Adj. Assist.	Performance Incentives							
Salaries and Benefits	3,193,255	623,200	2,570,055	1,762,469	443,899	128,361	68,331	49,675	35,453	26,250	19,163	18,054	18,400					
Temp Services	10,000	10,000	0	0	0	0	0	0	0	0	0	0						
Consulting Services	4,000	0	4,000	2,763	696	201	107	78	56	41	30	28						
Audit Services	23,550	23,550	0	0	0	0	0	0	0	0	0	0						
Legal Services	3,600	3,600	0	0	0	0	0	0	0	0	0	0						
Leases	452,772	23,830	428,942	296,276	74,621	21,578	11,487	8,351	5,960	4,413	3,221	3,035						
Insurance	62,000	30,000	32,000	22,103	5,567	1,610	857	623	445	329	240	226						
Telephone	79,000	3,000	76,000	52,494	13,221	3,823	2,035	1,480	1,056	782	571	538						
Software & Internet	42,500	2,500	40,000	27,629	6,959	2,012	1,071	779	556	411	300	283						
Utilities	113,900	3,900	110,000	75,979	19,136	5,534	2,946	2,141	1,528	1,132	826	778						
Facilities Maintenance	51,250	1,250	50,000	34,536	8,698	2,515	1,339	973	695	514	376	354						
Supplies	51,600	1,600	50,000	34,536	8,698	2,515	1,339	973	695	514	376	354						
Equipment Maintenance	27,999	2,000	25,999	17,959	4,523	1,308	696	506	361	267	195	184						
Postage	2,501	500	2,001	1,381	348	101	54	39	28	21	15	14						
Record Maintenance	3,500	3,500	0	0	0	0	0	0	0	0	0	0						
Outreach	5,000	0	5,000	0	0	0	0	0	0	0	0	0		5,000				
Dues/Memberships	10,199	9,000	1,199	829	209	60	32	23	17	12	9	8						
Conferences & Seminars	7,000	3,000	4,000	2,763	696	201	107	78	56	41	30	28						
Professional Development	4,401	2,000	2,401	1,658	418	121	64	47	33	25	18	17						
Travel - Board	2,600	2,600	0	0	0	0	0	0	0	0	0	0						
Travel - Staff	87,700	12,300	75,400	52,080	13,117	3,793	2,019	1,468	1,048	776	566	533						
Travel - DEO	15,998	0	15,998	11,051	2,783	805	428	311	222	165	120	113						
Training materials	4,000	0	4,000	2,763	696	201	107	78	56	41	30	28						
Equipment Not Capitalized	2,000	2,000	0	0	0	0	0	0	0	0	0	0						
Equipment Capital Outlay	64,001	0	64,001	44,206	11,134	3,220	1,714	1,246	889	658	481	453						
Mobile Unit Costs	29,999	0	29,999	20,721	5,219	1,509	803	584	417	309	225	212						
Fees & Licensing	106,502	6,500	100,002	69,072	17,397	5,031	2,678	1,947	1,389	1,029	751	708						
Participant Training & Support	1,100,001	0	1,100,001	759,787	191,362	55,336	29,457	21,415	15,284	11,316	8,261	7,783						
<b>Total Costs</b>	<b>5,560,828</b>	<b>769,830</b>	<b>4,790,998</b>	<b>3,293,055</b>	<b>829,397</b>	<b>239,835</b>	<b>127,671</b>	<b>92,815</b>	<b>66,244</b>	<b>49,046</b>	<b>35,804</b>	<b>33,731</b>	<b>18,400</b>	<b>5,000</b>	<b>0</b>			

1. Though not obvious in this presentation, shared costs have been allocated to the final cost objectives based on the cost allocation plan.
2. Only use the columns needed, but include all funding sources. Columns listed here are for illustrative purposes only.
3. The DEO funding column may be broken out by program, if desired. (May help in applying the indirect rate to the individual funding sources.)

**EXHIBIT D: Statement of Indirect Costs**

**Indirect Cost Rate – Modified Total Direct Cost Base**

**West Coast Subrecipient**  
**Sample -- Distribution of Indirect Costs to Direct Funding Sources**  
**Indirect Cost Rate -- Modified Total Direct Cost Base**  
**Fill in: Final or Provisional and Organization's Fiscal Year**

	Total Costs	Indirect Costs	Direct Costs	DEO Direct Funding									Other Direct Funding		
				WIOA	Welfare Transition	Wagner-Peyser	SNAP E&T	Reemp. and Elig. Assessm.	NDWG Opiod	Veterans	Trade Adj. Assist.	WIOA Performance Incentives	Private Foundation	Discretionary	(List each separately)
Total Costs	5,560,828	769,830	4,790,998	3,293,055	829,397	239,835	127,671	92,815	66,244	49,046	35,804	33,731	18,400	5,000	0
Less items not in MTDC:															
Leases			428,942	296,276	74,621	21,578	11,487	8,351	5,960	4,413	3,221	3,035			
Equipment Capital Outlay			64,001	44,206	11,134	3,220	1,714	1,246	889	658	481	453			
Total MTDC Exclusions			492,943	340,482	85,755	24,798	13,201	9,597	6,849	5,071	3,702	3,488	0	0	0
Modified Total Direct Cost Allocation Base			4,298,055	2,952,573	743,642	215,037	114,470	83,218	59,395	43,975	32,102	30,243	18,400	5,000	0
Indirect Cost Rate		17.91%													
Indirect Cost Applied			769,830	528,839	133,195	38,516	20,503	14,905	10,638	7,876	5,750	5,417	3,296	896	0

1. This schedule could be combined with the Total Cost schedule.
2. Use only the columns needed, but include all funding sources. Columns listed here are for illustrative purposes only.
3. Breaking out DEO funding helps in seeing the effect of the indirect rate on individual funding sources.

**EXHIBIT D: Statement of Indirect Costs (continued)**

**Indirect Cost Rate – Salaries and Benefits Base**

**West Coast Subrecipient**  
**Sample – Distribution of Indirect Costs to Direct Funding Sources**  
**Indirect Cost Rate -- Salaries and Benefits Base**  
**Fill in: Final or Provisional and Organization's Fiscal Year**

	Total Costs	Indirect Costs	Direct Costs	DEO Direct Funding									Other Direct Funding		
				WIOA	Welfare Transition	Wagner-Peyser	SNAP E&T	Reemp. and Elig. Assessm.	NDWG Opioid	Veterans	Trade Adj. Assist.	WIOA Performance Incentives	Private Foundation	Discretionary	(List each separately)
Salaries and Benefits			2,570,055	1,762,469	443,899	128,361	68,331	49,675	35,453	26,250	19,163	18,054	18,400		
Total Costs		769,830													
Indirect Cost Rate		↑ 29.95%													
Indirect Cost Applied			769,830	527,927	132,965	38,449	20,468	14,880	10,620	7,863	5,740	5,408	5,512	0	0
(Difference between MTDC and S&B Bases, Indirect Cost Rate)			0	912	230	67	35	26	19	14	10	9	(2,216)	896	0

1. This schedule could be combined with the Total Cost schedule.
2. Use only the columns needed, but include all funding sources. Columns listed here are for illustrative purposes only.
3. Breaking out DEO funding helps in seeing the effect of the indirect rate on individual funding sources.

**EXHIBIT D: Statement of Indirect Costs (continued)**

**Cost Allocation Method – Modified Total Direct Cost Base**

**West Coast Subrecipient**  
**Sample -- Distribution of Indirect Costs to Direct Funding Sources**  
**Cost Allocation Method -- Modified Total Direct Cost Base**  
**Fill in: Final or Provisional and Organization's Fiscal Year**

	Total Costs	Indirect Costs	Direct Costs	DEO Direct Funding									Other Direct Funding		
				WIOA	Welfare Transition	Wagner-Peyser	SNAP E&T	Reemp. and Elig. Assessm.	NDWG Opioid	Veterans	Trade Adj. Assist.	WIOA Performance Incentives	Private Foundation	Discretionary	(List each separately)
Total Costs	5,560,828	769,830	4,790,998	3,293,055	829,397	239,835	127,671	92,815	66,244	49,046	35,804	33,731	18,400	5,000	0
Less items not in MTDC:															
Leases			428,942	296,276	74,621	21,578	11,487	8,351	5,960	4,413	3,221	3,035			
Equipment Capital Outlay			64,001	44,206	11,134	3,220	1,714	1,246	889	658	481	453			
Total MTDC Exclusions			492,943	340,482	85,755	24,798	13,201	9,597	6,849	5,071	3,702	3,488	0	0	0
Modified Total Direct Cost Allocation Base			4,298,055	2,952,573	743,642	215,037	114,470	83,218	59,395	43,975	32,102	30,243	18,400	5,000	0
Percentage of MTDC			100.00%	68.70%	17.30%	5.00%	2.66%	1.94%	1.38%	1.02%	0.75%	0.70%	0.43%	0.12%	0.00%
Indirect Cost Applied			769,830	528,839	133,195	38,516	20,503	14,905	10,638	7,876	5,750	5,417	3,296	896	0

1. This schedule could be combined with the Total Cost schedule.
2. Use only the columns needed, but include all funding sources. Columns listed here are for illustrative purposes only.
3. Breaking out DEO funding helps in seeing the effect of the indirect rate on individual funding sources.

**EXHIBIT D: Statement of Indirect Costs (continued)**

**Cost Allocation Method – Salaries and Benefits**

**West Coast Subrecipient**  
**Sample -- Distribution of Indirect Costs to Direct Funding Sources**  
**Cost Allocation Method -- Salaries and Benefits Base**  
**Fill in: Final or Provisional and Organization's Fiscal Year**

	Total Costs	Indirect Costs	Direct Costs	DEO Direct Funding									Other Direct Funding		
				WIOA	Welfare Transition	Wagner-Peyser	SNAP E&T	Reemp. and Elig. Assessm.	NDWG Opioid	Veterans	Trade Adj. Assist.	WIOA Performance Incentives	Private Foundation	(List each Discretionary separately)	
Salaries and Benefits			2,570,055	1,762,469	443,899	128,361	68,331	49,675	35,453	26,250	19,163	18,054	18,400		
Total Costs		769,830													
Percentage of Salaries and Benefits			100.00%	68.58%	17.27%	4.99%	2.66%	1.93%	1.38%	1.02%	0.75%	0.70%	0.72%	0.00%	0.00%
Indirect Cost Applied		769,830		527,927	132,965	38,449	20,468	14,880	10,620	7,863	5,740	5,408	5,512	0	0
(Difference between MTDC and S&B Bases, Cost Alloc. Method)			0	912	230	67	35	26	19	14	10	9	(2,216)	896	0

1. This schedule could be combined with the Total Cost schedule.
2. Use only the columns needed, but include all funding sources. Columns listed here are for illustrative purposes only.
3. Breaking out DEO funding helps in seeing the effect of the indirect rate on individual funding sources.

**EXHIBIT D-1: Supplemental Schedule of MTDC Allocation Base**

**West Coast Subrecipient  
Sample -- Supplemental Schedule of MTDC Allocation Base**

	Subawardee/Subcontractor	Total Expenditures for Current FY	Federal Programs			Non-Federal Programs					
			Total Federal Programs	Dept. of Labor	Dept. of HHS	Dept. of Education	Total Non-Federal Programs	Private Foundation		Fund-raising	
1	One-Stop Provider	74,000.00	74,000.00	0.00	0.00	74,000.00	a	0.00	0.00	0.00	a
2	Goodwill	83,000.00	83,000.00	0.00	0.00	83,000.00	b	0.00	0.00	0.00	b
3	LWDB xx (joint project)	18,000.00	0.00	0.00	0.00	0.00	c	18,000.00	18,000.00	0.00	c
	Total Subaward/ Subcontract Costs	175,000.00	157,000.00	0.00	0.00	157,000.00		18,000.00	18,000.00	0.00	
	First \$25,000 Inclusion in MTDC* Allocation Base										
1	One-Stop Provider	25,000.00	25,000.00	0.00	0.00	25,000.00	d	0.00	0.00	0.00	d
2	Goodwill	25,000.00	25,000.00	0.00	0.00	25,000.00	e	0.00	0.00	0.00	e
3	LWDB xx (joint project)	18,000.00	0.00	0.00	0.00	0.00	f	18,000.00	18,000.00	0.00	f
	Total Inclusion in MTDC	68,000.00	50,000.00	0.00	0.00	50,000.00		18,000.00	18,000.00	0.00	
	Exclusions from MTDC Allocation Base										
1	One-Stop Provider	49,000.00	49,000.00	0.00	0.00	49,000.00	a-d	0.00	0.00	0.00	a-d
2	Goodwill	58,000.00	58,000.00	0.00	0.00	58,000.00	b-e	0.00	0.00	0.00	b-e
3	LWDB xx (joint project)	0.00	0.00	0.00	0.00	0.00	c-f	0.00	0.00	0.00	c-f
	Total Exclusions from MTDC	107,000.00	107,000.00	0.00	0.00	107,000.00	**	0.00	0.00	0.00	**

\* MTDC = Modified Total Direct Costs

\*\* Reconciled to Exhibit D.

**EXHIBIT E: ETA/State Salary Cap Worksheet**

**West Coast Subrecipient  
Sample -- ETA/State Salary Cap Worksheet  
Fill in: Organization's Fiscal Year**

Employee Last Name	Employee First Name	Position Title	Actual Salary and Bonus Amount	Employee Begin Date	Employee End Date	Percentage of Year Worked	Full Time (100%) or Part Time %	Annual Salary and Bonus Rate Amount	Amount of Actual Salary and Bonus Funded by ETA Activities	Percentage of Salary and Bonus Rate Funded by ETA	ETA Annual Salary and Bonus Cap	ETA Prorated Salary and Bonus Cap	Amount of Unallowable Salary and Bonus Over the Cap
Doe	John	Executive Director	\$ 220,000.00	1/1/2021	12/31/2021	100.00%	100.00%	\$ 220,000.00	\$ 209,000.00	95.00%	\$ 199,300.00	\$ 189,335.00	\$ 19,665.00
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -
				1/1/2021	12/31/2021	100.00%	100.00%	\$ -	\$ -	0.00%	\$ 199,300.00	\$ -	\$ -

1. Assuming 95% of salary is funded by ETA grants and/or those covered by state appropriations.
2. The salary cap typically is adjusted annually each January 1.

**EXHIBIT F: Listing of Non-DEO Grants and Contracts**

**West Coast Subrecipient  
Sample -- Listing of Non-DEO Grants and Contracts  
[Final or Provisional] Indirect Cost Proposal for [Organization's Fiscal Year]**

<b>Grantor</b>	<b>Federal Subagency</b>	<b>Funding Source</b>	<b>Grant/Contract Amount</b>	<b>Period of Performance</b>	<b>Indirect Cost or CAP Limitations</b>	<b>Grant/Contract Notice Attached</b>	<b>Type of Contract Awarded*</b>
U.S. Dept. of Labor	ETA	Youth Build	\$ 50,000	1/1/2021-12/31/2023	N/A	Yes	
U.S. Dept. of Labor	ILAB	Child Labor	\$ 3,000	7/1/2021-12/31/2021	N/A	Yes	
U.S. Dept. of HHS	ACF	Head Start	\$ 100,000	7/1/2021-6/30/2022	5% of Total Award	Yes	
Bill and Melinda Gates Foundation		Workforce Innovation	\$ 23,000	7/1/2021/6/30/2022	N/A	Yes	
U.S. Dept. of Labor	ETA	Job Corps	\$ 10,000	1/1/2021-12/31/2022	N/A	Yes	Cost Reimbursable

\* For contracts only. For example: Cost Reimbursable, Time & Materials, Fixed Price, etc.

**EXHIBIT G — Certificate of Indirect Costs**

CERTIFICATE OF INDIRECT COSTS

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

**(Use this paragraph and paragraph (2) for indirect cost rate proposal.)**

(1) All costs included in this proposal [identify date] to establish [provisional 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 the provisions of 2 CFR Part 200, Subpart E — Cost Principles. Unallowable costs have been adjusted for in allocating costs as indicated in the indirect cost proposal.

**(Use this paragraph and paragraph (2) for cost allocation method.)**

(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 2 CFR Part 200, Subpart E — Cost Principles 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 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 Department of Economic Opportunity will be notified of any accounting changes that would affect the negotiated agreement.

I declare that the foregoing is true and correct.

Workforce Unit:

Signature:

Name of Official:

Title:

Date of Execution:

## **APPENDIX I — ETA/State Salary Cap**

Since June 15, 2006, a provision in the federal appropriations act prohibits Department of Labor Employment and Training Administration (ETA) appropriations to be used by a grant recipient or subrecipient to pay the salary and bonuses of an individual, either as direct or indirect costs, at a rate in excess of Executive Level II.

The Workforce Innovation and Opportunity Act (WIOA; Public Law 113-128) §194(15)(A) codified this limitation for salaries paid through WIOA funding, but the annual appropriations act limitation encompasses all of the ETA's funding sources.

Since July 1, 2018, the Florida Legislature each year has added proviso language to the Local Workforce Development Boards Grants and Aids appropriation to DEO that prohibits any funds to be used to pay the salary, bonus or incentive of any employee in excess of federal Executive Level II, regardless of fund source. In addition to the federal cap on ETA funding, the DEO cap also covers VETS, TANF and SNAP awards. Almost all NFAs to the Boards provide funding through this specific Grants and Aids appropriation category.

A salary table providing this rate is listed on the Federal Office of Personnel Management website ([www.opm.gov](http://www.opm.gov)) under Federal Salaries & Wages. These levels may be adjusted annually. The limitation does not apply to benefits that are not salaries and bonuses (e.g., fringe benefits, insurance premiums or pension plans paid by a recipient or subrecipient).