

Indirect Cost - Admin and Program Breakdown:

- (1) Review all costs included in the cost pool and identify as "Admin" or "Program"

Indirect Cost Pool:

Accounting/Payroll:	Admin
Executive Management:	Admin & Program
Case Managers:	Program
MIS:	Program

- (2) Calculate the proportion of each category to total costs.

Indirect Cost Pool:

	Admin	Program	Total
Accounting/Payroll	10%		10%
Executive Management	5%	20%	25%
Case Managers		40%	40%
MIS		25%	25%
Total	15%	85%	100%

- (3) Calculate the total indirect cost attributable to the contract/grant.

City WIA Adult Contract = \$1,000,000

City WIA Adult Direct Salaries = \$200,000 (Basis)

Approved Indirect Cost Rate = **30%** of Direct Salaries

Total Indirect Costs Attributable to City Contract = \$200,000 x 30% = \$60,000

City WIA Adult Admin Cap = **4%** or \$40,000

- (4) Apply the % calculated in #2 above to the total indirect cost amount calculated in #3 above.

EXPENDITURE REPORT

	Admin	Program	Total
Direct Salaries	10,000 5%	190,000 95%	200,000
Other Costs	22,000	199,000	221,000
Participant Related Costs		519,000	519,000
Indirect costs	9,000	51,000	60,000
Total	41,000	959,000	1,000,000
Less: Disallowed Excess Admin Cost	(1,000)		(1,000)
Total Allowable	40,000	959,000	999,000

Examples of incorrect methods of computing the Admin/Program breakdown:

	Admin	Program	Total
(a) 100% Program		60,000	60,000 X
(b) 4% Admin	2,400 (\$60,000 x 4%)	57,600	60,000 X
(c) Based on Direct Salaries	3,000 (\$10,000 x 30%)	57,000 (\$190,000 x 30%)	60,000 X