



2026

Cost Allocation Plan

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EIN: 41-0914274

Cost Allocation and Indirect Cost Plan Checklist

<input type="checkbox"/>	1. Contact Person Information <ul style="list-style-type: none"> ○ Entity Name ○ Employer Identification Number (EIN) ○ Point-of-Contact Name and Position Title ○ Email Address ○ Phone & Fax numbers ○ Entity's Internet Website Address 	Arrowhead Regional Development Commission <u>41-0914274</u> <u>Kristi Kane</u> <u>kkane@ardc.org</u> <u>218-529-7524 Fax 218-529-7592</u> https://ardc.org	
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CERTIFICATE OF INDIRECT COSTS

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

- (1) All costs included in this proposal dated November 12, 2025 to establish indirect costs rate(s) for calendar year 2026 are allowable in accordance with the requirements of the Federal award(s) to which they apply and OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." Unallowable costs have been adjusted for allocating costs as indicated in the cost allocation plan.
- (2) All costs included in this proposal are properly allocated to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.
- (3) The indirect cost rate calculated within the proposal is 12.25% which was calculated using an indirect cost rate base type of Salaries and Fringe Benefits. Calculations were based off fiscal year 2025 annual budget to obtain a federal and non-federal indirect billing rate for calendar year 2026.

All documentation supporting the indirect cost rate identified above must be retained by the Recipient. This rate should be reviewed and validated as part of the Recipient’s annual financial audit.

Subject to the provisions of the Program Fraud Civil Remedies Act of 1986, (31 USC 3801 et seq.), the False Claims Act (18 USC 287 and 31 USC 3729); and the False Statement Act (18 USC 1001), I declare to the best of my knowledge that the foregoing is true and correct:

Organization Name: Arrowhead Regional Development Commission

Signature: 

Name of Authorized Official: Kristi Kane

Title: Executive Director

Date of Execution: 

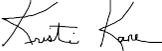
LOBBYING CERTIFICATE

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

As the official having the authority to negotiate the indirect cost rates on behalf of the ARDC, I hereby certify that the Organization has complied with the federal requirements and standards on lobbying costs in as set forth in OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments", in the development of the indirect cost billing rate for the fiscal year ending 2026, based off the fiscal year 2025 annual budget.

Subject to the provisions of the Program Fraud Civil Remedies Act of 1986, (31 USC 3801 et seq.), the False Claims Act (18 USC 287 and 31 USC 3729); and the False Statement Act (18 USC 1001), I declare to the best of my knowledge that the foregoing is true and correct.

Organization Name: Arrowhead Regional Development Commission

Signature: 

Name of Authorized Official: Kristi Kane

Title: Executive Director

Date of Execution: 

Purpose

The purpose of this cost allocation plan for the calendar year 2026 is to summarize, in writing, the methods and procedures that the Arrowhead Regional Development Commission (ARDC) will use to allocate costs to various programs, grants, contracts and agreements.

The plan addresses elements of costs incurred by ARDC and identifies common/shared costs that require consistent and sound allocation to be equitably shared by all work elements. The plan will not increase shared costs and provides for identification and equitable distribution on an agency-wide basis.

History

ARDC was created for the seven northeastern counties of Minnesota as Region III pursuant to Minnesota Statutes Section 462.381-462.396. The purpose of regional development commissions is to work with and on behalf of local units of government to develop plans or implement programs to address economic, social, physical, and governmental concerns of each region of the state. The commission may assist with, develop, or implement plans or programs for individual local units of government.

ARDC has been designated:

- Minnesota Board on Aging as the Area Agency on Aging for Region III Planning and Service Area (PSA), Region III comprises the counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis.
- Metropolitan Planning Organization (MPO), to provide guidance and leadership on transportation and land use planning issues in the Duluth-Superior metropolitan planning area
- Northeast Minnesota Economic Development District, which provides economic development planning assistance to communities in the counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis.

The business and affairs of the Commission are managed by a Board of Commissioners. The Board of Commissioners has the power to designate management and has the ability to significantly influence operation and primary accountability for fiscal matters. The Commission receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

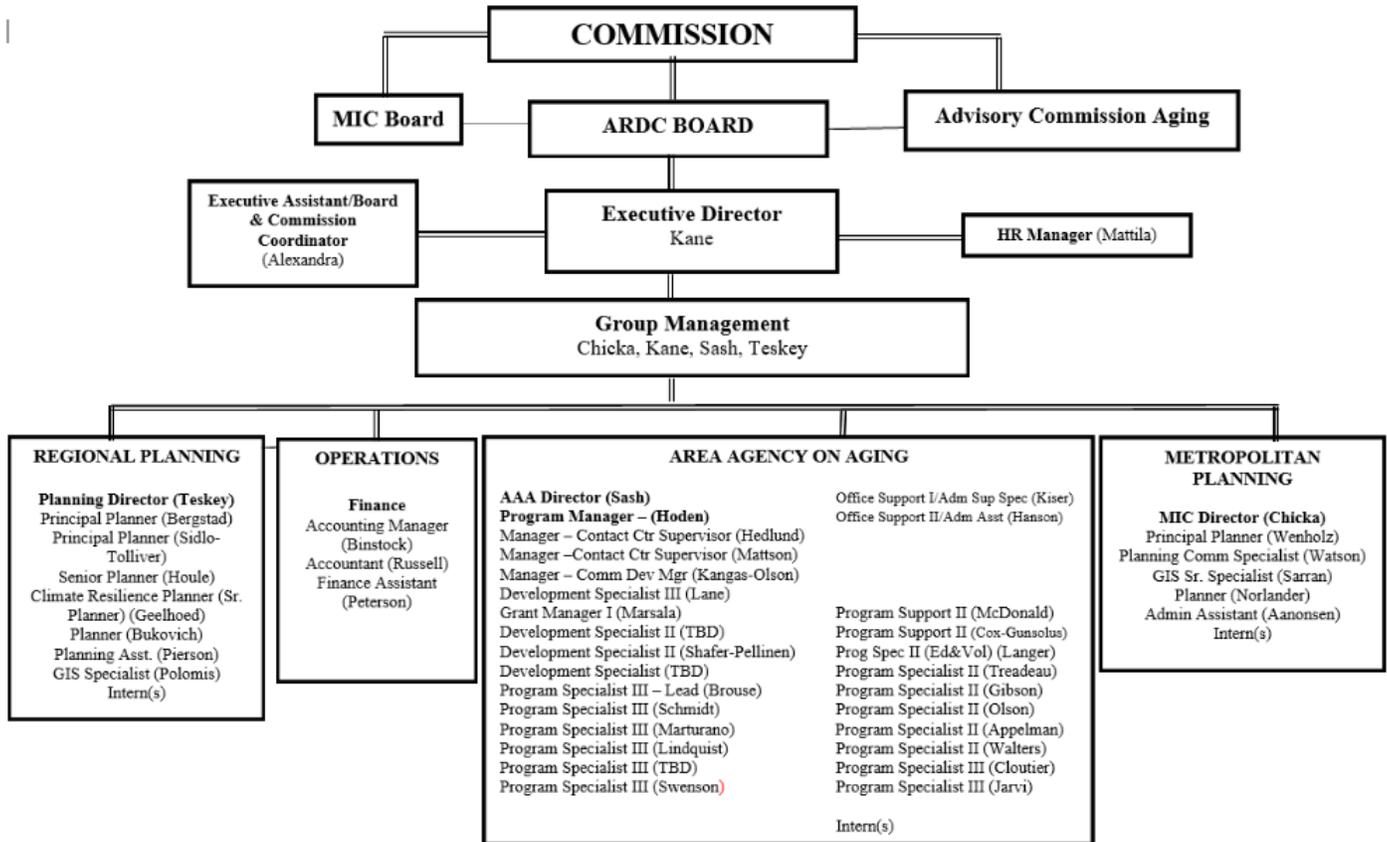
ACCOUNTING SYSTEM DESCRIPTION

The ARDC uses a totally integrated Grants Management System (GMS) software designed specifically for public and non-profit multi-funded organizations receiving contract and grant funds. Separate journals and ledgers (organization codes and project numbers) are maintained for each individual program in the direct cost base. A separate journal and general ledger (organization codes and project numbers) are also maintained for the indirect cost pool.

The composition of total costs of a project is allowable direct costs plus the allocated portion of the allowable indirect costs of the Commission. The Cost Allocation Plan has been developed using allowable costs as documented in *Final OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards 2CFR 200.27 Subpart F, Appendix IV, Appendix V, Appendix IX*.

The cost allocation structure contained in this plan provides the agency with an ability to monitor the various components of allocated cost. It also provides the basis for a consistent budgetary, accounting and reporting structure for the agency so that all components of the financial management system are compatible. The direct and indirect characteristics of each category of expenditures are delineated.

Arrowhead Regional Development Commission Organizational Chart
October 2025



Leave Policies of the Commission

The leave pool does not require the issuance of a rate since leave is budgeted as a part of salaries. Salaries are budgeted in terms of annual salaries without a distinction between service and leave time. Therefore, the billing rate per hour is the hourly rate paid to the employee increased by the portion that has been taken as leave. Treatment of paid absences: Vacation, holiday, sick leave and other paid absences are included in salaries and wages and are claimed on grants, contracts, and other agreements as part of the normal cost for the salaries and wages.

Leave

Leave time is a salary cost within the financial management system in order to synchronize budgeting, accounting and financial reporting for salaries. Leave is the first allocation made in the system in order to distribute leave costs on the basis of in-service salary charges to each work element. The distribution of leave costs is an internal routine within the category of salary expenditures. By recognizing leave in this manner, ARDC can monitor the actual costs of leave based on organizational personnel policies, and the procedure precludes the need for employees to arbitrarily charge leave directly to work elements. Leave charges are related to direct salary charges and together are equivalent to the budgeted annual salaries of employees. In addition, the financial management system reflects, in monetary terms, the Personnel Policies of the agency. All work elements share leave costs based on consistent rates. ARDC leave policies are generally consistent with compensation practices under Minnesota State guidelines and is representative of the Duluth labor market.

Paid Time Off

The amounts of paid time off employees receive each year increases with the length of their employment as shown in the following schedule.

Years of Continuous Employment	Accrual Rate per Per 80-Hour Payroll Period
0 – 3	7.08 hours
3 – 8	8.08 hours
8 – 18	10.08 hours
18 – 25	10.58 hours
25+	11.08 hours

Changes in the rate of accumulation for eligible employees are made effective at the beginning of the next payroll period following completion of the specified amount of service.

Paid Time Off (PTO) is available to employees to provide opportunities for rest and relaxation, personal pursuits, purposes defined under the MN Earned Sick and Safe Time and/or other Federal and State leaves of absences. Employees begin accruing PTO on their first day of employment. Supervisors may determine the time and establish schedules governing the use of PTO subject to the requirements of Minnesota Earned Sick and Safe Time law and other applicable leave laws.

Sick Leave Taken

Effective January 1, 2026, ARDC is transitioning to a Paid Time Off system, removing the itemization of Sick Leave

Holiday Leave

The Company observes eleven holidays annually. Holiday leave is a cost in the period in which the holiday falls.

Fringe Benefits and their Cost

Fringe benefits are established by the ARDC Commission Board of Directors and are documented in the Employee Handbook. Actual costs for the fringe benefits are accumulated in the accounting system on an accrual basis. The accumulated pool costs are distributed to each work element through the actual rate which is the ratio of fringe costs to total salaries.

The proposed Fringe Benefit Rate is calculated by total fringe benefits divided by total Direct Salaries (Exhibit A)

$$\text{Fringe} = \$1,058,361 / \$3,287,856 = 32.19\% \text{ calculated rate}$$

The Cost Allocation Plan and supporting methodology allows the Agency to establish and maintain accountability for each grant or contract regardless of when received. The integrated financial management structure treats cost consistently. During the year the accounting system produces indirect rates based on actual expenditures on a cumulative year-to-date basis. At the end of the fiscal year the previous actual rate will serve as the basis for developing the ensuing year’s plan.

Allowable Costs

Individual elements of cost are classified as direct or indirect in accordance with principles contained in *Final OMB Uniform Guidance: Cost Principles, Audit, & Administrative Requirements for Federal Awards 2CFR 200.27 Subpart F, Appendix IV, Appendix V, Appendix IX*

(a) An indirect cost is reasonable when it is necessary for the operation of the Commission, and the purchase is made in compliance with the Purchase and Procurement Policy of the Commission.

(b) The costs are consistent with generally accepted accounting principles. The Commission is responsible for making sure that purchases are allowable and reasonable under the cost principles in *2CFR 200.27*.

(c) Internal controls - the Commission’s policies and procedures ensure there is separation of duties to ensure no one person has control over all aspects of a financial transaction.

Indirect Costs (Exhibit B)

Indirect costs are costs that are not readily identified with a particular project but are nevertheless incurred for the joint benefit of Commission programs. Indirect pools/cost centers are used with bases to facilitate an equitable and consistent distribution of indirect costs to work elements. The accounting system identifies actual indirect cost rates for comparison with the rate proposed herein.

(a) A base period for allocating indirect costs - the base period for ARDC actual costs is the calendar year.

(b) All grants or contracts that contain salaries bear a pro rata share of indirect costs.

(c) The Commission’s method of allocating indirect costs is in accordance with generally accepted accounting principles consistently applied.

Indirect Cost Rate

The indirect cost rate is the ratio of total indirect costs divided by the base - salaries plus fringe.

ARDC Commissioners have identified the need for in-house services to the ARDC Divisions as follows:

1. A Human Resources Specialist and payroll processing coordination and management.
2. Accounting personnel data processing accounts payable, payroll and accounts receivable.
3. Information Technology monitoring and coordination
4. Depreciation costs associated with it building/facilities and equipment are included in Indirect Costs. The straight line depreciation method used identifies the asset class and expected life of the asset.
5. IT server equipment under \$2,500 are included in Indirect Costs and software licenses, virus protection and other items related to security of data security.

Indirect Costs Pools - are accumulated in the accounting software to consistently distribute to each element/project through a rate calculation of **total indirect costs** divided by **indirect cost base** (agency-wide salary + fringe).

	2024 Actual	2025 Final Budget	2026 Proposed Budget
Indirect Cost Pool	337,823	431,202	532,293
Base for Distribution	3,467,674	3,938,066	4,346,217
Indirect Cost Rate	9.74%	10.95%	12.25%

Cost Allocation and Direct Expense

A direct cost is any cost that can be identified specifically with a particular cost objective/work element. Each project has a budget for direct costs and are charged directly to the contract. Salaries, wages, staff travel, photocopy, printing, contractual purchases, etc. identifiable to a particular project are charged directly to that project

(a) All allowable direct costs are charged directly to programs, grants, activity, etc.

(b) Allowable direct costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the particular cost being prorated. Examples include facilities which are allocated on a square footage basis and professional liability insurance allocated by the number of hours recorded for each project.

The ARDC provides facilities (workspace) and certain services to all of the Divisions on a centralized basis. A process has been developed whereby these central service costs are identified and charged to benefited grants and contracts on a reasonable and consistent basis. Space cost is allocated to benefiting programs based on the square footage of space occupied by program personnel. Considerations in determining an appropriate base for allocating costs include the relative benefits received, the materiality of the cost, and the amount of time and cost to perform the allocation. Costs of central-type services to the Divisions are directly charged using allocation bases for cost distribution. Bases are established for each type of expense category and distributed through transfer coding.

Agency administrative and financial personnel (executive director, assistant director, fiscal director, financial assistants, etc.) record the time they spend working on specific programs and general agency matters on their time sheets. The time specifically identifiable to a particular program is charged to that program. The time spent on general agency matters is charged to the Commission Administrative budget that is funded by property levy funds.

Commission travel includes charges for mileage, airfare, lodging, meals, taxi and per diems for Commissioners. All Commission travel charges are charged to the Commission administrative budget that is funded directly by the General Fund. The Commission is funded by property tax levy receipts.

Requests for Information

Questions concerning information provided in this Cost Allocation Plan, or requests for additional financial information, should be addressed to:

Arrowhead Regional Development Commission
221 West First Street Duluth, Minnesota 55802

Attention: Kristi Kane, Executive Director

Exhibit A
 Arrowhead Regional Development Commission
 Employee Fringe Benefits 2026
 January 1, 2026, to December 31, 2026

Classification	FTE	Salaries & Wages Annualized	FICA & Medicare	PERA	Coverage Single/Family	ARDC Employer Health	ARDC Annual Dental	Total SUI	H.S.A (26 pays)	Total Fringe
Office Support II	100.00%	\$ 58,614	\$ 4,484	\$ 4,396	Family	16,081.93	1,113.42	274	2,340	18,868
Office Support II	100.00%	\$ 50,918	\$ 3,895	\$ 3,819	Single	3,711.95	289.86	274	2,340	16,391
Program Specialist II	80.00%	\$ 47,241	\$ 3,614	\$ 3,543	Single	8,000.03	289.86	274	2,340	15,207
Principal Planner	100.00%	\$ 94,328	\$ 7,216	\$ 7,075	Single	6,745.19	289.86	274	2,340	30,364
Finance II	100.00%	\$ 73,320	\$ 5,609	\$ 5,499	Family	19,233.37	1,113.42	274	2,340	23,602
Program Specialist III	100.00%	\$ 67,787	\$ 5,186	\$ 5,084	Single	4,989.69	289.86	274	2,340	21,821
Planner	100.00%	\$ 60,674	\$ 4,642	\$ 4,551	Single	5,057.13	289.86	274	2,340	19,531
Division Director	100.00%	\$ 140,837	\$ 10,774	\$ 10,563	Family	30,465.97	1,113.42	274	2,340	45,335
Program Specialist III	100.00%	\$ 54,101	\$ 4,139	\$ 4,058	Single	7,344.21	1,113.42	274	2,340	17,415
Program Support	100.00%	\$ 50,586	\$ 3,870	\$ 3,794	Single	4,881.57	289.86	274	2,340	16,284
Development Specialist I	100.00%	\$ 51,022	\$ 3,903	\$ 3,827	Family	19,638.61	1,113.42	274	2,340	16,424
Senior Planner	100.00%	\$ 69,930	\$ 5,350	\$ 5,245	Single	4,881.57	289.86	274	2,340	22,510
Program Specialist II	100.00%	\$ 61,090	\$ 4,673	\$ 4,582	Single	11,882.25	289.86	274	2,340	19,665
Office Support II	100.00%	\$ 63,877	\$ 4,887	\$ 4,791	Single	12,953.73	289.86	274	2,340	20,562
Manager	100.00%	\$ 71,178	\$ 5,445	\$ 5,338	Family	22,115.73	1,113.42	274	2,340	22,912
Program Manager	100.00%	\$ 75,483	\$ 5,774	\$ 5,661	Single	5,237.25	289.86	274	2,340	24,298
Senior Planner	100.00%	\$ 68,078	\$ 5,208	\$ 5,106	Declined	-	-	274	-	21,914
Program Specialist III	100.00%	\$ 54,101	\$ 4,139	\$ 4,058	Family	17,631.09	1,113.42	274	2,340	17,415
Executive Director	100.00%	\$ 133,890	\$ 10,243	\$ 10,042	Family	21,907.89	1,113.42	274	2,340	43,099
Manager	100.00%	\$ 72,966	\$ 5,582	\$ 5,472	Family	20,912.65	1,113.42	274	2,340	23,488
Office Support I	40.00%	\$ 16,607	\$ 1,270	\$ 1,246	Not eligible	-	-	106	-	5,346
Development Specialist III	70.00%	\$ 54,367	\$ 4,159	\$ 4,078	Not eligible	-	-	274	-	17,501
Program Specialist II	100.00%	\$ 61,422	\$ 4,699	\$ 4,607	Single	4,557.45	289.86	274	2,340	19,772
Program Specialist III	100.00%	\$ 62,587	\$ 4,788	\$ 4,694	Single	9,623.73	289.86	274	2,340	20,147
Grants Manager I	100.00%	\$ 59,051	\$ 4,517	\$ 4,429	Single	4,881.57	289.86	274	2,340	19,009
Program Specialist III	100.00%	\$ 65,333	\$ 4,998	\$ 4,900	Single	4,773.57	289.86	274	2,340	21,031
Manager	100.00%	\$ 86,923	\$ 6,650	\$ 6,519	Declined	-	1,113.42	274	-	27,981
Manager	100.00%	\$ 71,802	\$ 5,493	\$ 5,385	Single	4,773.57	1,113.42	274	2,340	23,113
Program Support	50.00%	\$ 29,037	\$ 2,221	\$ 2,178	Not eligible	-	-	185	-	9,347
Planner	100.00%	\$ 61,526	\$ 4,707	\$ 4,614	Declined	-	289.86	274	-	19,805
Program Specialist II	100.00%	\$ 58,635	\$ 4,486	\$ 4,398	Single	9,703.29	1,113.42	274	2,340	18,875
Finance I	100.00%	\$ 44,554	\$ 3,408	\$ 3,342	Declined	17,316.21	1,113.42	274	2,340	14,342
Office Support II	70.00%	\$ 47,029	\$ 3,598	\$ 3,527	Not eligible	-	-	274	-	15,139
GIS Specialist	100.00%	\$ 53,102	\$ 4,062	\$ 3,983	Declined	-	-	274	-	17,094
Finance II	100.00%	\$ 61,526	\$ 4,707	\$ 4,614	Declined	-	289.86	274	-	19,805
GIS Specialist Sr.	100.00%	\$ 70,034	\$ 5,358	\$ 5,253	Single	4,989.69	1,113.42	274	2,340	22,544
Division Director	100.00%	\$ 107,099	\$ 8,193	\$ 8,032	Declined	-	1,113.42	274	-	34,475
Program Specialist III	100.00%	\$ 67,787	\$ 5,186	\$ 5,084	Single	11,134.89	289.86	274	2,340	21,821
Development Specialist II	100.00%	\$ 65,957	\$ 5,046	\$ 4,947	Family	17,225.85	1,113.42	274	2,340	21,231
Principal Planner	100.00%	\$ 80,288	\$ 6,142	\$ 6,022	Family	14,443.21	1,113.42	274	2,340	25,845
Program Specialist III	100.00%	\$ 64,230	\$ 4,914	\$ 4,817	Family	23,802.97	1,113.42	274	2,340	20,676
Division Director	100.00%	\$ 107,099	\$ 8,193	\$ 8,032	Single	12,314.49	289.86	274	2,340	34,475
Program Specialist II	100.00%	\$ 60,549	\$ 4,632	\$ 4,541	Single	2,629.55	289.86	274	2,340	19,491
Program Specialist II	80.00%	\$ 44,129	\$ 3,376	\$ 3,310	Family	9,588.45	1,113.42	274	2,340	14,205
Senior Planner	100.00%	\$ 76,107	\$ 5,822	\$ 5,708	Single	13,169.85	289.86	274	2,340	24,499
Principal Planner	100.00%	\$ 99,112	\$ 7,582	\$ 7,433	Single	9,703.29	289.86	274	2,340	31,904
Program Manager	50.00%	\$ 40,206	\$ 3,076	\$ 3,015	Declined	-	-	256	-	12,942
Intern	40.00%	\$ 10,184	\$ 779	\$ 764	Not eligible	-	-	65	-	3,278
Division Director	100.00%	\$ 132,642	\$ 10,147	\$ 9,948	Single	14,831.75	289.86	274	2,340	42,697
Intern	35.00%	\$ 8,911	\$ 682	\$ 668	Not eligible	-	-	57	-	2,868
		\$ 3,287,856	\$ 251,521	\$ 246,589		\$ 433,135.14	\$ 27,531.90	\$ 13,003.63	\$ 86,580.00	\$ 1,058,361
									Total Fringe Rate	32.19%

<u>ARROWHEAD REGIONAL DEVELOPMENT COMMISSION</u>			
<u>Indirect Costs</u>			
<u>Comparative - Actual 2024 Budget 2025 to Proposed Budget 2026</u>			
	2024 Actual	2025 Final Budget	2026 Proposed Budget
<u>EXPENDITURES</u>			
Salaries	139,896	159,056	196,939
Fringe	43,436	55,669	63,395
Software Licenses	23,565	23,400	13,800
Equipment maintenance	1,156	6,000	14,680
Dues and Memberships	264	450	300
Facilities			1,200
Insurance	8,218	9,000	14,220
Meetings			
Depreciation	28,014	25,500	28,500
Consultants/Contracted Services	72,498	88,282	152,000
Photocopying/Printing	1,231	1,500	1,300
Postage	478	1,000	500
Staff Training	1,747	2,400	3,500
Mileage - staff travel	4,927	5,000	3,900
Phone	750	18,600	18,600
Supplies	727	24,000	8,000
Website Maintenance	754	600	600
Miscellaneous	10,162	10,745	10,859
TOTAL EXPENDITURES	337,823	431,202	532,293
Indirect Cost Pool	337,823	431,202	532,293
Base for Distribution	3,467,674	3,938,066	4,346,217
Indirect Cost Rate	9.74%	10.95%	12.25%

Exhibit C - Expense Allocation

Expense Description	Methodology of Allocation
Contractual services	Actual usage – Direct expense
Depreciation / use allowance	Indirect cost
Equipment rental and maintenance	Internal Services Pool Allocated by usage logs
Equipment / capital	Internal Service Allocated by usage
Equipment / minor	Actual usage – Direct expense to project
Insurance – Professional Liability	Allocated on hours - Actual time spent on project
Facilities/Occupancy	Charges for maintenance repairs, utilities are calculated on basis of square footage used by employee multiplied by the time spent on the project
Office supplies	Directly expensed to program
Postage	Actual usage based on log directly expensed to project
Printing	Actual usage based on log directly expensed to project
Professional fees	Accounting and audit, payroll processing services, are charged on work performed for administrative services
Program materials	Direct expense
Program supplies	Charged to project as costs are incurred; direct cost
Renovations and improvements	Direct cost to Internal Service
Telephone	Basic services allocated on number of phones used
Travel	Actual usage Directly charged to program

Schedule of indirect costs (budgeted and actual) is sufficiently detailed to determine the purpose and classification, including salaries and unallowable expenses (e.g. contributed salaries and services, interest expense, bad debts, advertising, depreciation on federally funded assets and lobbying costs) are eliminated from the indirect cost pool.

Exhibit D - Narrative description of Cost Allocation Approach and Procedures

Personnel includes all charges for staff salary and wages documented with biweekly timesheets showing time distribution for all employees and allocated based on time spent on each program or grant. Salaries and wages are charged directly to the program for which work has been done. Costs that benefit more than one program are allocated to those programs based on the ratio of the program's hours to the total of such hours. Costs that benefit all programs are charged to indirect costs using a rate with a base of salary and fringe.

Fringe benefits includes all charges for FICA, UC, and Worker's Compensation, PERA (Public Employee Retirement), health savings account payments, health insurance, dental insurance, life and disability and other fringe benefits are allocated to personnel charges. All fringe benefits are recorded as actual.

Insurance needed for a particular program is charged directly to the program. Insurance for general and professional liability coverage are expensed allocated by the number of hours spent working on a project.

Contracted Services charged directly to the program that have direct benefit. These costs include charges for consultants, legal services, audit services, etc.

Postage is allocated based on usage and charged directly to that program as documented in the postage log.

Printing and photocopying (including supplies, maintenance and repair) expenses are charged directly to programs that benefit from the service. An internal service fund is maintained for printing and copying. The copier/printers have logging software that charges the work project or contract for each copy printed or photocopied.

Program Supplies are charged directly to programs that benefit from their use.

Internet and Telephone are purchased as a bundled product. The costs of the internet and telephone are charged to facilities. Telephone service for off-site staff is charged directly to the projects they are working on. Cell phone costs are also charged directly.

Training/Conferences/Seminars are allocated to the program benefiting from the training, conferences or seminars.

Auto and Travel Costs include charges for mileage, airfare, lodging, meals. All travel costs are charged directly to the program for which the travel is incurred. Staff travel for Human Resource and IT Coordination are charged to indirect charges.

Facilities Expenses (includes utilities, maintenance and repairs, Property Insurance, garbage, shredding etc) are allocated based upon a ratio of Division usable square footage distributed over the total square footage of the building including shared space (hallways, bathrooms, etc.) Facilities costs related to central activities are considered shared space.

Information Technology (IT) Managed Services Provider is contracted to monitor server and computer backups, patches and security, email services, and to provide 24-hour monitoring, managing and/or problem resolution for the IT systems. These Managed IT costs are recorded and charged to indirect expense. Workstation equipment (desktop computers/laptops are charged directly to the Division grants.

Rent for offsite locations are charged directly to the contract/grant that is making use of the rented space.

Other Costs (including membership dues, licenses, fees, etc.) if allowable are expensed directly to programs that benefit from the service. These purchases that benefit more than one program are allocated using a prorated method

Periodicals, Subscriptions include charges for magazines, books, pamphlets are charged directly to the benefited Division. Periodicals and subscriptions that benefit all Divisions are charged to Commission administrative budget.