



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE CHIEF FINANCIAL OFFICER

JAN 13 2006

Pamela Davis, Comptroller  
Disabled Citizens Alliance for Independence, Inc.  
Post Office Box 675  
Viburnum, MO 65566

Reference: Cost Allocation Plan - Agreement No. 2004-320

Dear Ms. Davis:

This letter is to advise you of approval of the Cost Allocation Plan (CAP) for **Disabled Citizens Alliance for Independence, Inc.** The CAP is effective beginning October 1, 2005 and will remain in effect until a revision is necessary. A copy of the approved CAP is enclosed.

The CAP describes the methodology the organization will use in identifying and assigning costs to benefiting activities on a reasonable and consistent basis. It is for use on awards governed by the Office of Management and Budget Circular A-122.

This approval presumes the existence of an accounting system with internal controls adequate to protect the interests of the Federal Government. This approval relates to the accounting treatment accorded the costs of your programs only, and nothing contained herein should be construed to approve activities not otherwise authorized by approved program plans, Federal legislation or regulations.

The use of the approved CAP is subject to review by authorized Federal staff, (such as the Indirect Cost Group, program administrators, the Office of Inspector General, etc.) as well as independent auditors. The disclosure of inequities during such reviews may necessitate changes to the CAP.


A yearly certification (see enclosure) is required to ensure changes have not been made to the CAP. The certification should be submitted not later than 30 days after the end of the fiscal year. Revisions to the plan must be submitted to our office not later than 30 days after the effective date of the change and must be approved. Revisions should be submitted to the following address:

U.S. Department of Education  
OCFO / FIPAO  
Attention: Richard Mueller  
400 Maryland Avenue, SW  
Washington, DC 20202-4450

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Please sign the original of this letter in the space provided to indicate your concurrence and return it to this office. The copies provided should be retained for your files. If we may be of further assistance, please contact Mr. Brickman at (202) 377-3831.

Sincerely,

  
Richard T. Mueller  
Director, Indirect Cost Group  
Office of the Chief Financial Officer

CONCURRENCE:

  
(Signature)

PAMELA DAVIS  
(Name)

COMPTROLLER  
(Title)

1-31-06  
(Date)

Enclosures:

- Yearly Certification Form
- Cost Allocation Plan

cc: Thomas Kelley, Rehabilitation Services Administration

( ) ( )

**Disabled Citizens Alliance for Independence, Inc.**  
**P. O. Box 675**  
**Viburnum, MO 65566**  
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**Cost Allocation Plan**

**Purpose/General Statements**

The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that this center will use to allocate costs to various programs, grants, contracts and agreements.

Disabled Citizens Alliance for Independence, Inc. Cost Allocation Plan is based on the Direct Allocation method described in OMB Circular A-122. The Direct Allocation Method treats all costs as direct costs except general administration and general expenses.

Direct costs are those that can be identified specifically with a particular final cost objective. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final costs objective.

Only costs that are allowable, in accordance with the cost principles, will be allocated to benefiting programs by Disabled Citizens Alliance for Independence, Inc.

**General Approach**

The general approach of Disabled Citizens Alliance for Independence, Inc. in allocating costs to particular grants and contracts is as follows:

- 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.
- C. All other allowable general and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated to programs, grants, etc. using a base that results in an equitable distribution.

**Schedule of Awards**

Attached is a schedule of current and anticipated awards by grantor agency. Included in the schedule is the catalog of federal domestic assistance number, award number, and the amount of award. It includes the state award, award number and the amount of award. The schedule also includes funds received from the

April 2005

state on a fee for service basis. This is a statewide program entitled 'Personal Assistant Services' in which we receive reimbursement for administrative duties, on a set rate per hour basis. The PAS monies will be figured on an estimated basis since the reimbursement will vary every month.

## **Reconciliation with IRS Form 990**

The direct expenses and the indirect expenses allocated under this plan for a fiscal year are reconcilable to the functional expenses reported by the CIL on its Form 990-Return of Organization Exempt From Income Tax for the same fiscal year.

## **Allocation of Costs**

The following information summarizes the procedures that will be used by Disabled Citizens Alliance for Independence, Inc. beginning October 1, 2004.

### **A. Compensation for Personnel**

All CIL employees designate hours worked on a weekly timesheet. At the end of each week each employee signs their timesheet and submits it to their immediate supervisor for approval. Costs are distributed by and equitable basis to the proper programs.

Only staff engaged in the actual administration of the agency are considered administrative staff. Administrative personnel costs were figured by each administrative individual identifying time spent, on a weekly basis, on each program.

### **B. Fringe Benefits**

Fringe benefits (FICA, SUI, and Worker's Comp.) are allocated in the same manner as salaries and wages. Health insurance, Dental insurance and Life & Disability and other fringe benefits are also allocated in the same manner as salaries and wages.

### **C. Travel Costs**

Employee mileage reimbursement is placed in the travel category of our budget and is charged directly to the program that will benefit.

### **D. Equipment**

Disabled Citizens Alliance for Independence depreciates equipment when the initial acquisition cost exceeds \$500. Items below \$500 are reflected in the supplies category and expensed in the current year. Unless allowed by the awarding agency, equipment purchases are recovered through depreciation. Depreciation costs for allowable equipment used solely by one program is charged directly to the program using the equipment.

E. Office Supplies (including postage), and Printing

Office supplies and printed materials used for a specific program will be charged directly to that program to the extent possible.

F. Construction

Construction expense will be allocated to each program that will benefit to the extent possible.

G. Contractual Services & Professional Service Costs

Contractual services consisting of interpreter services, recreation services, and consumer service contracts are charged directly to the programs benefiting from the services. Professional service costs are also charged directly to the program for which the service was incurred. Contractual and professional service costs that benefit all programs will be allocated based on a ratio of each program's expenses to total program expenses. Contractual and professional services that benefit only a few programs will be allocated to those programs based on the ratio of each program's direct expenses to total of the selected program direct expenses.

H. Other Costs (including telephone, electric, licenses, fees, insurance, etc.)

Due to the limit of budget categories our other costs include numerous categories. Other joint costs will be allocated on a basis determined to be appropriate to the particular costs. Other costs that benefit all programs and cannot be identified to a specific program are allocated using a base that results in an equitable distribution.

I. Unallowable Costs

Costs that are unallowable in accordance with OMB Circular A-122, include alcoholic beverages, entertainment and lobbying, however are treated as direct costs and allocated to our PAS (fee for service) program.



# DISABLED CITIZENS ALLIANCE FOR INDEPENDENCE, INC

P.O BOX 675

VIBURNUM, MO 65566

*All allocations based on direct salaries*

Excl o/t; Incl Admin

GRANT	EMPL. SALARIES	%
FED. IL	\$ 147,645.00	8%
STATE IL	\$ 55,632.00	3%
MEHTAP	\$ 2,820.00	0%
PAS	\$ 1,646,275.00	89%
TOTAL	\$ 1,852,372.00	100%

%	ADMIN. ALLOCATED
8%	\$ 18,968.00
3%	\$ 7,113.00
0%	\$ -
89%	\$ 211,019.00
100%	\$ 237,100.00

*OK  
See  
check  
worksheet  
WP-F&H*

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GRANT	FRINGE BENEFITS	%
FED. IL	\$ 56,689.00	9%
STATE IL	\$ 26,191.00	4%
MEHTAP	\$ -	0%
PAS	\$ 520,950.00	86%
TOTAL	\$ 603,830.00	100%

%	ADMIN. ALLOCATED
8%	\$ 3,229.00
3%	\$ 1,211.00
0%	\$ -
89%	\$ 35,918.00
100%	\$ 40,358.00

*OK  
See check  
worksheet  
WP-F&H*

A

GRANT	OTHER COSTS	%
FED. IL	\$ 46,423.00	11%
STATE IL	\$ 4,157.00	1%
MEHTAP	\$ -	0%
PAS	\$ 375,081.00	88%
TOTAL	\$ 425,661.00	100%

%	ADMIN. ALLOCATED
8%	\$ 497.00
0%	\$ -
0%	\$ -
92%	\$ 5,710.00
100%	\$ 6,207.00

*fact to see  
Adm. Alloc.  
Same as  
other cost  
but see  
worksheet  
WP-F&H*

A

"A"; Salaries of employees deemed "admin/indirect" 100% of the time were totaled.

These % reflect the individual grant award \$ of the grand total awarded \$.

Note PAS % for "other" is slightly different due to the fact we decided not to allocate any "other" to STATE since no "other" costs were originally budgeted for STATE \$.

STATEMENT OF TOTAL COSTS  
Fiscal Year Ending 9/30/05  
Direct Allocation Method

<u>CATEGORY</u>	<u>Federal IL Grant</u>	<u>State IL Grant</u>	<u>MEHTAP Grant</u>	<u>"A" PAS</u>	<u>Indirect Federal</u>	<u>Indirect State</u>	<u>Indirect PAS</u>	<u>Indirect Expenses</u>	<u>Total Costs</u>
Salaries	\$ 128,677	\$ 48,519	\$ 2,820	\$ 1,394,256	\$ 18,968	\$ 7,113	\$ 211,019	\$ 237,100	\$ 1,811,372
Unallowable Salaries	\$ -	\$ -	\$ -	\$ 41,000					\$ 41,000
Fringes	53,460	24,980		485,032	3,229	1,211	35,918	40,358	\$ 603,830
Travel	10,000	3,000		104,000				-	\$ 117,000
Unallowable Travel	-	-		14,000					\$ 14,000
Equipment				13,000				-	\$ 13,000
Supplies	5,500			94,000			2,160	2,160	\$ 101,660
Contractual				14,100				-	\$ 14,100
Construction	-			-				-	\$ -
Other	45,926	4,157		371,531	497		3,550	4,047	\$ 425,661
Allocated Costs	\$ 22,694	\$ 8,324	\$ -	\$ 252,647				\$ (283,665)	\$ -
Total Expenses	\$ 266,257 ✓	\$ 88,980 ✓	2,820	\$ 2,783,566 ✓	\$ 22,694	\$ 8,324	\$ 252,647	\$ -	\$ 3,141,623
									\$ 3,141,623

"A" Expenses for PAS will vary compared to budget due to fact program is "reimbursement for services".

✓ = less to budget

DISABLED CITIZENS ALLIANCE FOR INDEPENDENCE, INC  
P.O. BOX 675  
VIBURNUM, MO 65566

GRANT AWARDS BY AGENCY

GRANTOR	AWARD NUMBER	AWARD AMOUNT	
FEDERAL IL GRANT	H132A937004-03	\$ 266,257.00	FEDERAL ASSISTANCE NO. 84-132A
STATE IL GRANT	05-16-05	\$ 88,980.00	
MEHTAP STATE GRANT	TMEHTP05 DN1	\$ 2,820.00	
PAS INCOME (FEE FOR SERVICE)		\$ 3,100,000.00	ESTIMATED ANNUAL INCOME
		\$ 3,458,057.00	