

# Administrative Grant Costs: State and Non-profit Perspective

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New England Intergovernmental Audit  
Forum

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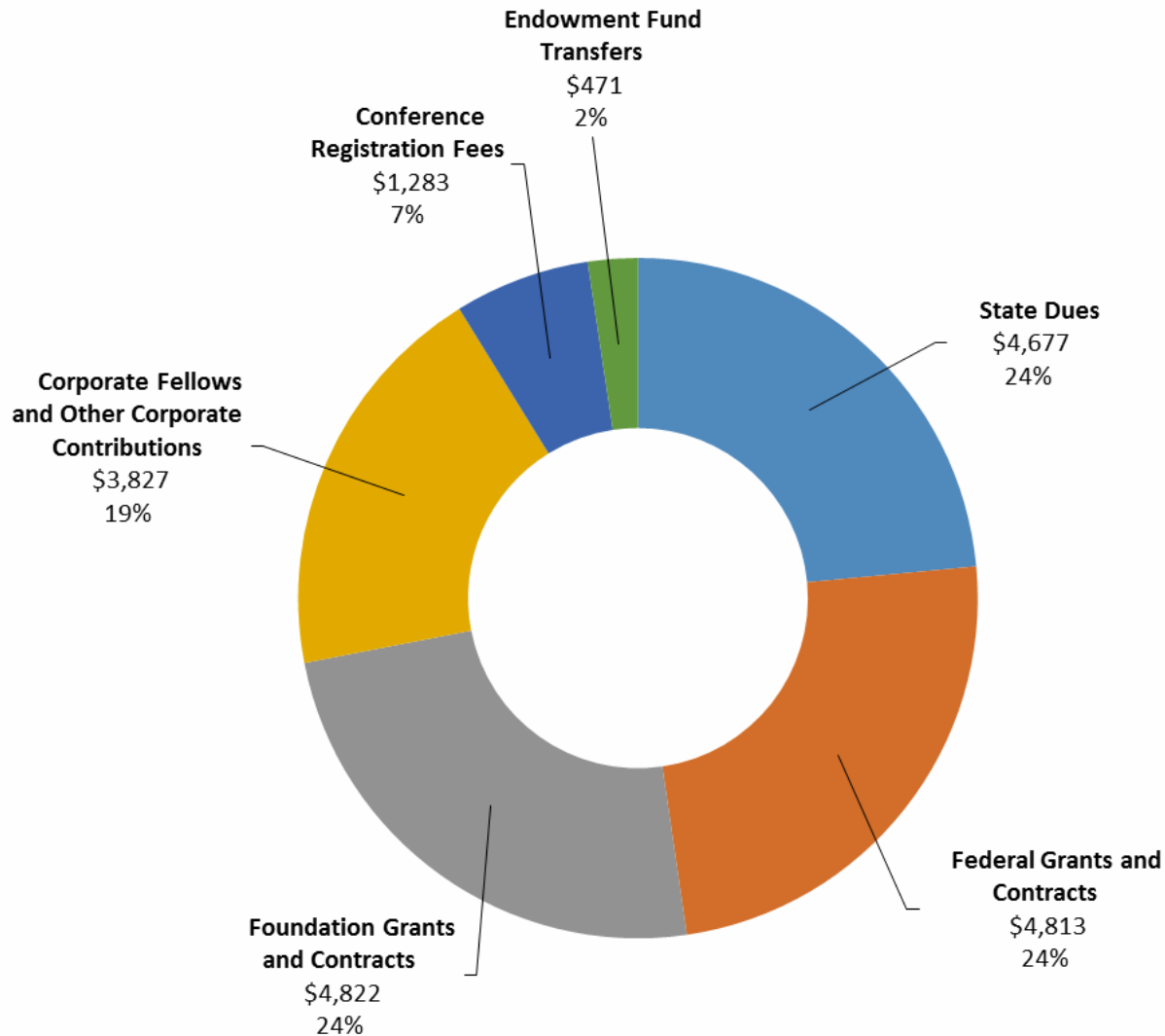


# NATIONAL GOVERNORS ASSOCIATION

- Nonprofit 501C3, Instrumentality of the States
- Funding: State dues, federal assistance, private foundations
- Funded projects delivered via the National Governors Association Center for Best Practices
- Headquartered in Washington, DC

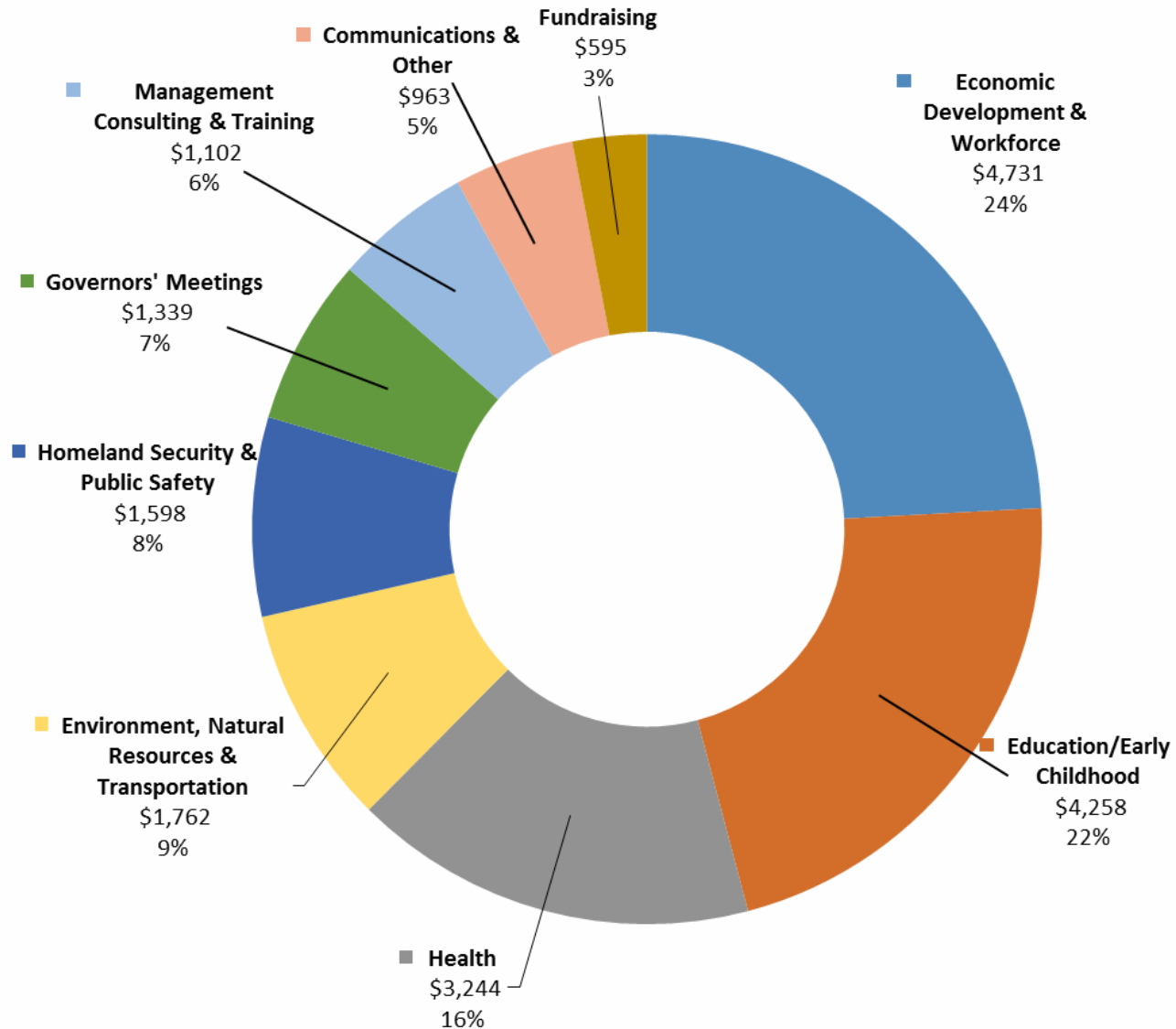
# NGA Consolidated Revenues for Fiscal Year 2013

(Dollars in Thousands, Based on Audited Financial Statements)



# NGA Consolidated Expenditures for Fiscal Year 2013

(Dollars in Thousands, Based on Audited Financial Statements)



## EXAMPLES OF FEDERAL FUNDING SOURCES

- US Department of Labor (NGA/NGA Center Cognizant Agency) – Veterans Licensing and Certification
- Health and Human Services Administration – Health Policy Advisors Meetings
- US Department of Energy – Energy Efficiency and Reliability Projects
- US Department of Justice – Justice Information Sharing

# EXAMPLES OF FOUNDATION FUNDING SOURCES

- The Bill and Melinda Gates Foundation – Education Standards
- Robert Wood Johnson Foundation – Implementing the Super-utilizer model
- JP Morgan Chase – Post-secondary Workforce Training

# COMPONENTS OF INDIRECT COST

## Administrative Costs

- Accounting
- Human Resources
- IT Staff
- Executive Management

## Overhead Costs

- Occupancy
- Office Services

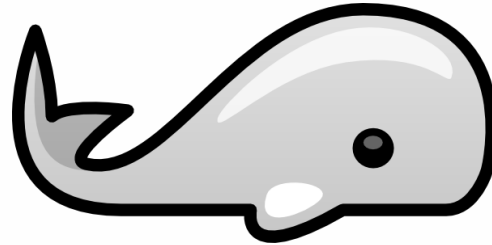
# APPLICATION OF INDIRECT COSTS

- Rate Applied to Estimated Base
  - Personnel
  - Total Direct Cost
  
- Costs Allocated Evenly Across Organization
  
- Provisional/Final Rate
  
- Year End True-up of Actual Costs



## COGNIZANT AGENCY = Federal Agency with Largest \$\$ Value of Awards

- Department of Labor



- Year End: Final Rate Submission
- Approval of Final rate 5-6 months later

# FACTORS AFFECTING IDC RATE

- Staff Turnover/Vacancy
- Cost Variability
- Project level charging

# RATE PRESENTATION TO FOUNDATION FUNDER

	Actual	Foundation
Personnel	100,000	100,000
Other Direct Costs	75,000	113,044
Total Direct Costs	175,000	213,044
Indirect Costs (70% of Personnel)	70,000	
Indirect Costs (15% of Total Direct)		31,957
Total	245,000	245,000

Foundations generally accept IDC Rate of 10-15%. In cases where full rate is not allowed by a foundation the organization must choose whether to fund the shortfall to proceed with the project.

# VARYING RATE CAPTURE BY FEDERAL FUNDERS

		<b>Internal Project Budget</b>	<b>Federal Funder 1</b>	<b>Federal Funder 2</b>
Base Salaries		100,000	100,000	100,000
Salary Adjustment SES Limit			(4,000)	
Subtotal Salaries		100,000	96,000	100,000
Fringe Benefits	24%	24,000	23,040	24,000
<b>Total Personnel</b>		<b>124,000</b>	<b>119,040</b>	<b>124,000</b>
Other Direct Costs		100,000	100,000	100,000
<b>Total Direct Cost</b>		<b>224,000</b>	<b>219,040</b>	<b>224,000</b>
IDC (Fed Rate - Funder 1)	66%		63,360	
IDC (Fed Rate - All other funders)	70%	70,000		70,000
<b>Total Budget</b>		<b>294,000</b>	<b>282,400</b>	<b>294,000</b>

Full IDC recovery may also fall short due to inconsistency in federal funder regulations.

# The Brain Trust

