APPENDIX E (REQUEST FOR PROPOSALS (RFP) TRANSMITTAL TO REQUEST A SOLICITATION REQUIREMENTS REVIEW)

Potential Proposer's Name: _____ Date of Request: _____

Project Title: _____ Project Number: _____

A **Solicitation Requirements Review** is being requested because potential Proposer asserts that it is being unfairly disadvantaged for the following reason(s) *(check all that apply)*:

- ☐ Application of **Minimum Mandatory Qualifications**
- ☐ Application of **Evaluation Criteria**
- ☐ Application of **Business Requirements**
- ☐ Due to **unclear instructions**, the process may result in County not receiving the best possible responses

For each area contested, potential Proposer must explain in detail the factual reason(s) for the requested review *(attach additional pages and supporting documentation as necessary)*:

_____

_____

_____

I understand that this request must be received by County within **ten (10) business days** of issuance of the solicitation document.

Request submitted by:

Name: _____

Signature: _____

Title: _____

For County Use Only	
Date Transmittal Received by County:	
Date Solicitation Released:	
Date Response Sent to Potential Proposer:	
Reviewed by:	
Results of Review and Comments:	

APPENDIX F (COUNTY OF LOS ANGELES POLICY ON DOING BUSINESS WITH SMALL BUSINESS)

Forty-two percent (42%) of businesses in Los Angeles County have five (5) or fewer employees. Only about four percent (4%) of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE:

The importance of small business to the County. . .

- in fueling local economic growth
- providing new jobs
- creating new local tax revenues
- offering new entrepreneurial opportunities to those historically under-represented in business

The County can play a positive role in helping small business grow. . .

- as a multi-billion dollar purchaser of goods and services
- as a broker of intergovernmental cooperation among numerous local jurisdictions
- by greater outreach in providing information and training
- by simplifying the bid/proposal process
- by maintaining selection criteria which are fair to all
- by streamlining the payment process

WE SHALL THEREFORE:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.

2. Maintain a strong outreach program, fully-coordinated among our departments and districts, as well as other participating governments to: a) inform and assist the local business community in competing to provide goods and services; and, b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.

3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting and conduct business with our vendors, in order to: a) expand opportunities for small business to compete for our business; and b) to further opportunities for all businesses to compete regardless of size.

4. Ensure that staff who manage and carry out the business of purchasing goods and services are well trained, capable and highly motivated to carry out the letter and spirit of this policy.

APPENDIX G (JURY SERVICE ORDINANCE)

2.203.010 Findings.
2.203.020 Definitions.
2.203.030 Applicability.
2.203.040 Contractor Jury Service Policy.
2.203.050 Other Provisions.
2.203.060 Enforcement and Remedies.
2.203.070 Exceptions.
2.203.090 Severability.

2.203.010 Findings.

The Board of Supervisors makes the following findings. The County of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the County of Los Angeles, who pay their permanent, full-time employees while on jury duty. For these reasons, the County of Los Angeles has determined that it is appropriate to require that the businesses with which the County contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.

C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the County but does not include:

   1. A contract where the Board of Supervisors finds that special circumstances exist that justify a waiver of the requirements of this chapter.

2. A contract where or State law or a condition of a Federal or State program mandates the use of a particular contractor.

3. A purchase made through a State or Federal contract.

4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the County pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision.

5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision.

6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision.

7. A non-agreement purchase with a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision.

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if either condition applies:

1. The lesser number is a recognized industry standard as determined by the chief administrative officer.

2. The contractor has a long-standing practice that defines the lesser number of hours as full time.

E. "County" means the County of Los Angeles or any public entities for which the Board of Supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the

chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of County Counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other County departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the County that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:

1. Recommend to the Board of Supervisors the termination of the contract; and/or,

2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070 Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period.

2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than $500,000.

3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed $500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

APPENDIX H (LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY)

List of Debarred Contractors in Los Angeles County may be obtained by going to the following website:

http://doingbusiness.lacounty.gov/DebarmentList.htm

APPENDIX I (INTERNAL REVENUE SERVICE NOTICE 1015)

Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2014)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2014 are less than $52,427 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 9, 2015.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

How Will My Employees Know If They Can Claim the EIC?

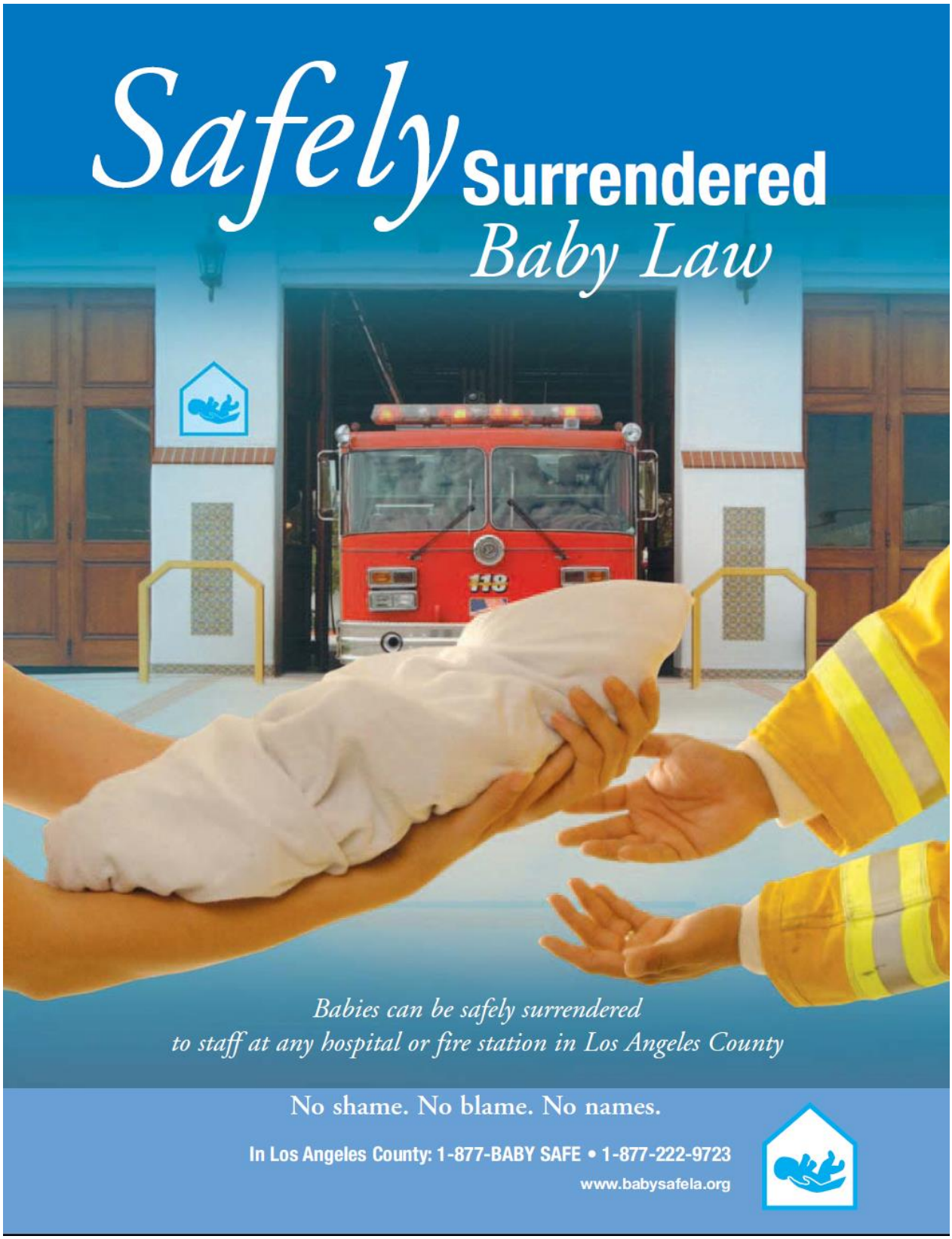
The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2014 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2014 and owes no tax but is eligible for a credit of $800, he or she must file a 2014 tax return to get the $800 refund.

Please visit the Internal Revenue Service website for the latest version of this Notice at: http://www.irs.gov/uac/Notice-1015,-Have-You-Told-Your-Employees-About-the-Earned-Income-Credit-(EIC)%3F

APPENDIX J (SAFELY SURRENDERED BABY LAW)



In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at **1-800-540-4000**.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

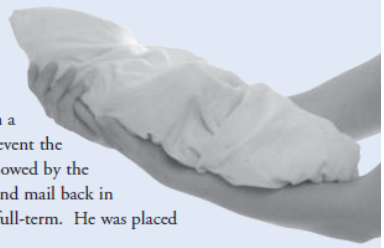
What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the **Safely Surrendered Baby Law** is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The **Safely Surrendered Baby Law** prevents this tragedy from ever happening again in California.

A baby's story



Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.

Ley de Entrega de Bebés
Sin Peligro
118
Los recién nacidos pueden ser entregados en forma segura al personal
de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles
Sin pena. Sin culpa. Sin nombres.
En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

Ley de Entrega de Bebés *Sin Peligro*

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al **1-800-540-4000**.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan *si tienen custodia legal.*

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la **Ley de Entrega de Bebés sin Peligro** es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La **Ley de Entrega de Bebés sin Peligro** impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.

APPENDIX K

(INTENTIONALLY OMITTED)

APPENDIX L (DETERMINATIONS OF CONTRACTOR NON-RESPONSIBILITY)

2.202.010 Findings and declarations.
2.202.020 Definitions.
2.202.030 Determination of contractor non-responsibility.
2.202.040 Debarment of contractors.
2.202.050 Pre-emption.
2.202.060 Severability.

2.202.010 Findings and declarations.

A. The Board of Supervisors finds that, in order to promote integrity in the County's contracting processes and to protect the public interest, the County's policy shall be to conduct business only with responsible contractors. The Board of Supervisors further finds that debarment is to be imposed only in the public interest for the County's protection and not for the purpose of punishment.

B. Determinations of contractor non-responsibility and contractor debarment shall be made in accordance with the procedures set forth in the ordinance codified in this chapter and implementation instructions issued by the Internal Services Department.

(Ord. 2014-0035 § 1, 2014: Ord. 2005-0066 § 1, 2005: Ord. 2000-0011 § 1 (part), 2000.)

2.202.020 Definitions.

For purposes of this chapter, the following definitions apply:

A. "Contractor" means a person, partnership, corporation, or other entity who has contracted with, or is seeking to contract with, the County or a nonprofit corporation created by the County to provide goods to, or perform services for or on behalf of, the County or a nonprofit corporation created by the County. A contractor includes a contractor, subcontractor, vendor, or any of their respective officers, directors, owners, co-owners, shareholders, partners, managers, employees, or other individuals associated with the contractor, subcontractor, or vendor who participated in, knew of, or should reasonably have known of conduct that results in a finding of non-responsibility or debarment.

B. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the County or a nonprofit corporation created by the County.

C. "Debarment" means an action taken by the County which results in a contractor being prohibited from bidding or proposing on, being awarded and/or performing

work on a contract with the County. A contractor who has been determined by the County to be subject to such a prohibition is "debarred."

D. "Department head" means either the head of a department responsible for administering a particular contract for the County or the designee of same.

E. "County" means the County of Los Angeles, any public entities for which the Board of Supervisors is the governing body, and any joint powers authorities of which the County is a member that have adopted County contracting procedures.

F. "Contractor hearing board" means the persons designated to preside over contractor debarment hearings and make recommendations on debarment to the Board of Supervisors.

G. Determination of "non-responsibility" means an action taken by the County which results in a contractor who submitted a bid or proposal on a particular contract being prohibited from being awarded and/or performing work on that contract. A contractor who has been determined by the County to be subject to such a prohibition is "non-responsible" for purposes of that particular contract.

H. "Bid or proposal" means a bid, proposal, or any other response to a solicitation submitted by or on behalf of a contractor seeking an award of a contract.

(Ord. 2014-0035 § 2, 2014: Ord. 2005-0066 § 2, 2005: Ord. 2004-0009 § 1, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.030 Determination of contractor non-responsibility.

A. Prior to a contract being awarded by the County, the County may determine that a contractor submitting a bid or proposal is non-responsible for purposes of that contract. In the event that the County determines that a contractor is non-responsible for a particular contract, said contractor shall be prohibited from being awarded and/or performing work on that contract.

B. The County may declare a contractor to be non-responsible for purposes of a particular contract if the County, in its discretion, finds that the contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County or any other public entity.

C. The decision by the County to find a contractor non-responsible for a particular contract is within the discretion of the County. The seriousness and extent of the contractor's acts, omissions, patterns, or practices as well as any relevant mitigating or aggravating factors, including those described in Subsection 2.202.040 (E) below, may be considered by the County in determining whether a contractor should be deemed non-responsible.

D. Before making a determination of non-responsibility pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed non-responsibility determination, and shall advise the contractor that a non-responsibility hearing will be scheduled on a date certain. Thereafter, the department head shall conduct a hearing where evidence on the proposed non-responsibility determination is presented. The contractor and/or attorney or other authorized representative of the contractor shall be afforded an opportunity to appear at the non-responsibility hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence. After such hearing, the department head shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be found non-responsible with respect to the contract(s) at issue. A record of the hearing, the proposed decision, and any recommendation shall be presented to the Board of Supervisors. The Board of Supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the department head. A non-responsibility finding shall become final upon approval by the Board of Supervisors.

(Ord. 2005-0066 § 3, 2005: Ord. 2004-0009 § 2, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.040 Debarment of contractors.

A. The County may debar a contractor who has had a contract with the County in the preceding three years and/or a contractor who has submitted a bid or proposal for a new contract with the County.

B. The County may debar a contractor if the County finds, in its discretion, that the contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County or any other public entity.

C. The decision by the County to debar a contractor is within the discretion of the County. The seriousness and extent of the contractor's acts, omissions, patterns, or practices as well as any relevant mitigating or aggravating factors, including those described in Subsection (E) below, may be considered by the County in determining whether to debar a contractor and the period of debarment. Generally, the period of debarment should not exceed five years. However, if circumstances warrant, the County may impose a longer period of debarment up to and including permanent debarment.

D. To impose a debarment period of longer than five years, and up to and including permanent debarment, in addition to the grounds described in Subsection (B) above, the County shall further find that the contractor's acts or omissions are of such an extremely serious nature that removal of the contractor from future County contracting opportunities for the specified period is necessary to protect the County's interests.

E. Mitigating and aggravating factors that the County may consider in determining whether to debar a contractor and the period of debarment include but are not limited to:

(1) The actual or potential harm or impact that results or may result from the wrongdoing.

(2) The frequency and/or number of incidents and/or duration of the wrongdoing.

(3) Whether there is a pattern or prior history of wrongdoing.

(4) A contractor's overall performance record. For example, the County may evaluate the contractor's activity cited as the basis for the debarment in the broader context of the contractor's overall performance history.

(5) Whether a contractor is or has been debarred, found non-responsible, or disqualified by another public entity on a basis of conduct similar to one or more of the grounds for debarment specified in this Section.

(6) Whether a contractor's wrongdoing was intentional or inadvertent. For example, the County may consider whether and to what extent a contractor planned, initiated, or carried out the wrongdoing.

(7) Whether a contractor has accepted responsibility for the wrongdoing and recognizes the seriousness of the misconduct that led to the grounds for debarment and/or has taken corrective action to cure the wrongdoing, such as establishing ethics training and implementing programs to prevent recurrence.

(8) Whether and to what extent a contractor has paid or agreed to pay criminal, civil, and administrative liabilities for the improper activity, and to what extent, if any, has the contractor made or agreed to make restitution.

(9) Whether a contractor has cooperated fully with the County during the investigation, and any court or administrative action. In determining the extent of cooperation, the County may consider when the cooperation began and whether the contractor disclosed all pertinent information known to the contractor.

(10) Whether the wrongdoing was pervasive within a contractor's organization.

(11) The positions held by the individuals involved in the wrongdoing.

(12) Whether a contractor participated in, knew of, or tolerated the offense.

(13) Whether a contractor brought the activity cited as a basis for the debarment to the attention of the County in a timely manner.

(14) Whether a contractor has fully investigated the circumstances surrounding the cause for debarment and, if so, made the result of the investigation available to the County.

(15) Whether a contractor had effective standards of conduct and internal control systems in place at the time the questioned conduct occurred.

(16) Whether a contractor has taken appropriate disciplinary action against the individuals responsible for the activity which constitutes the cause for debarment.

(17) Other factors that are appropriate to the circumstances of a particular case.

(Ord. 2014-0035 § 4, 2014: Ord. 2005-0066 § 4, 2005: Ord. 2004-0009 § 3, 2004: Ord. 2000-0011 § 1 (part), 2000.)

F. Before making a debarment determination pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed debarment, and shall advise the contractor that a debarment hearing will be scheduled on a date certain. The contractor hearing board shall conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or attorney or other authorized representative must be given an opportunity to appear at the debarment hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence at that hearing. After such hearing, the contractor hearing board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be

debarred and, if so, the appropriate length of time for the debarment. A record of the hearing, the proposed decision, and any recommendation shall be presented to the Board of Supervisors. The Board of Supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A debarment finding shall become final upon the approval of the Board of Supervisors.

G. In making a debarment determination, the Board of Supervisors may also, in its discretion and consistent with the terms of any existing contracts that the contractor may have with the County, terminate any or all such existing contracts. In the event that any existing contract is terminated by the Board of Supervisors, the County shall maintain the right to pursue all other rights and remedies provided by the contract and/or applicable law.

H. With respect to a contractor who has been debarred for a period longer than five years, the contractor may, after the debarment has been in effect for at least five years, request that the County review the debarment determination to reduce the period of debarment or terminate the debarment. The County may consider a contractor's request to review a debarment determination based upon the following circumstances: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County. A request for review shall be in writing, supported by documentary evidence, and submitted to the chair of the contractor hearing board. The chair of the contractor hearing board may either: 1) determine that the written request is insufficient on its face and deny the contractor's request for review; or (2) schedule the matter for consideration by the contractor hearing board which shall hold a hearing to consider the contractor's request for review, and, after the hearing, prepare a proposed decision and a recommendation to be presented to the Board of Supervisors. The Board of Supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A reduction of the period of the debarment or termination of the debarment shall become final upon the approval of the Board of Supervisors.

(Ord. 2005-0066 § 4, 2005: Ord. 2004-0009 § 3, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.050 Pre-emption.

In the event any contract is subject to Federal and/or State laws that are inconsistent with the terms of the ordinance codified in this chapter, such laws shall control. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.060 Severability.

If any section, subsection, subpart or provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of this chapter and the application of such to other persons or circumstances shall not be affected thereby. (Ord. 2000-0011 § 1 (part), 2000.)

APPENDIX M

(INTENTIONALLY OMITTED)

APPENDIX N (BACKGROUND AND RESOURCES – CALIFORNIA CHARITIES REGULATION)

There is a keen public interest in preventing the misuse of charitable contributions. California's Supervision of Trustees and Fundraisers for Charitable Purposes Act ("Charitable Purposes Act" or "Act") regulates those raising and receiving charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) tightened Charitable Purposes Act requirements for charitable organization administration and fundraising.

The Charitable Purposes Act rules cover California public benefit corporations, unincorporated associations, and trustee entities. They may include similar foreign corporations doing business or holding property in California. Generally, an organization is subject to the registration and reporting requirements of the Charitable Purposes Act if it is a California nonprofit public benefit corporation or is tax exempt under Internal Revenue Code Section 501(c)(3), and not exempt from reporting under Government Code Section 12583. Most educational institutions, hospitals, cemeteries, and religious organizations are exempt from the Charitable Purposes Act requirements.

Key new Charitable Purposes Act requirements affect executive compensation, fund-raising practices and documentation. Charities with over $2 million of revenues (excluding grants and service-contract funds a governmental entity requires to be accounted for) have new audit requirements. Charities required to have audits must also establish an audit committee whose members have no material financial interest in any entity doing business with the charity.

Organizations or persons that receive or raise charitable contributions are likely to be subject to the Charitable Purposes Act. A Proposer on Los Angeles County contracts must determine if it is subject to the Charitable Purposes Act and certify either that:

- It is not presently subject to the Act, but will comply if later activities make it subject, or,
- If subject, it is currently in compliance with the Act.

RESOURCES

The following references to resources are offered to assist Proposers who engage in charitable contributions activities. Each Proposer, however, is ultimately responsible for researching and determining its own legal obligations and properly completing its compliance certification (Appendix D (Required Forms), Exhibit 20 (Charitable Contributions Certification)).

In California, supervision of charities is the responsibility of the Attorney General, whose website (**http://oag.ca.gov/**) contains helpful information for regulated charitable organizations.

1. LAWS AFFECTING NONPROFITS

The Charitable Purposes Act is found at California Government Code Sections 12580 through 12599.7. Implementing regulations are found at Title 11, California Code of Regulations Sections 300 through 312. In California, charitable solicitations ("advertising") are governed by Business & Professions Code Sections 17510 through 17510.95. Regulation of nonprofit corporations is found at Title 11 California Code of Regulations Sections 999.1 through 999.5 (amended regulations are pending). Links to all of these rules are at: **http://oag.ca.gov/charities/laws.**

2. SUPPORT FOR NONPROFIT ORGANIZATIONS

Several organizations offer both complimentary and fee-based assistance to nonprofits, including the *Center for Nonprofit Management,* 606 S. Olive St #2450, Los Angeles, CA 90014 (213) 623-7080 **http://www.cnmsocal.org/**, and statewide, the *California Association of Nonprofits,* **http://www.calnonprofits.org/.** Both organizations' websites offer information about how to establish and manage a charitable organization.

The above information, including the organizations listed therein, provided under this Subsection of this Appendix N is for informational purposes only. Nothing contained in this Subsection shall be construed as an endorsement by the County of Los Angeles of such organizations.

APPENDIX O (DEFAULTED PROPERTY TAX REDUCTION PROGRAM)

2.206.010 Findings and declarations.
2.206.020 Definitions.
2.206.030 Applicability.
2.206.040 Required solicitation and contract language.
2.206.050 Administration and compliance certification.
2.206.060 Exclusions/Exemptions.
2.206.070 Enforcement and remedies.
2.206.080 Severability.

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

A. “Contractor” shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.

B. “County” shall mean the County of Los Angeles or any public entities for which the Board of Supervisors is the governing body.

C. “County Property Taxes” shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the contractor.

D. “Department” shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.

E. “Default” shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California

Revenue and Taxation Code section 2922 (except for any property tax obligation dispute pending before the Assessment Appeals Board).

F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.

G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

A. Requires any contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;

B. Provides that the failure of the contractor to comply with the provisions in this chapter may prevent the contractor from being awarded a new contract; and

C. Provides that the failure of the contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.

B. Proposer/contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments

due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

A. This chapter shall not apply to the following contracts:

1. Chief Executive Office delegated authority agreements under $50,000.

2. A contract where Federal or State law or a condition of a Federal or State program mandates the use of a particular contractor.

3. A purchase made through a State or Federal contract.

4. A contract where State or Federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance.

5. Purchase orders under a master agreement, where the contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.

6. Purchase orders issued by Internal Services Department under $100,000 that are not the result of a competitive bidding process.

7. Program agreements that utilize Board of Supervisors' discretionary funds.

8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization.

9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the County pursuant to the Los Angeles Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision.

10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.6.0 or a successor provision.

11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision.

12. A non-agreement purchase worth a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision.

13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual Section P-0900 or a successor provision.

14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.

B. Other laws. This chapter shall not be interpreted or applied to any contractor in a manner inconsistent with the laws of the United States or the State of California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.

A. The information furnished by each contractor certifying that it is in compliance with this chapter shall be provided under penalty of perjury.

B. Contractor shall not willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.

C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:

1. Recommend to the Board of Supervisors the termination of the contract.

2. Pursuant to chapter 2.202, seek the debarment of the contractor.

3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

APPENDIX P (COST ALLOCATION AND INDIRECT COST REQUIREMENTS)

COUNTY OF LOS ANGELES
COMMUNITY AND SENIOR SERVICES

DIRECTIVE

Number: CCD- 15 - 03	**SUBJECT: Cost Allocation and Indirect Cost Requirements for CSS Subawards**
Date: September 24, 2015	**Effective Date: Immediately**

TO: **ALL CSS SUBRECIPIENTS**

PURPOSE:

The purpose of this directive is to provide subrecipients with the requirements for submission and approval of cost allocation and indirect cost plans applicable to County of Los Angeles Community and Senior Services (CSS) subawards.

This directive will provide guidance on cost allocation principles, methods of allocating shared costs, and the development of cost allocation and indirect cost plans.

APPLICATION:

This directive applies to subrecipients and contractors funded by CSS through, but not limited to the following funding sources:

- CalWorks (from any fund source, i.e., Single Allocation)
- Older Americans Act
- Workforce Innovation and Opportunity Act

REFERENCES:

- 2 CFR Chapter I and Chapter II, Parts 200, 215, 220, 225, and 230 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule

BACKGROUND:

On December 26, 2013, the Office of Management and Budget revised the Uniform Administrative Requirements for Federal grants, combining those requirements with those of the audit requirements and cost principles. These regulations are codified at 2 CFR Chapter I and Chapter II, Parts 200, 215, 220, 225, and 230, became effective December 26, 2014, and are referred to as the Uniform Guidance. These rules contain the guidance and criteria for the establishment of cost allocation plans and indirect cost rates.

DEFINITIONS:

Allocation means 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. (2 CFR 200.4)

All costs that are allocated to cost objectives must be actual and not estimated and must be documented.

Cognizant agency for indirect costs means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this Part on behalf of all Federal agencies. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit. (2 CFR 200.19)

Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this Part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward. (2 CFR 200.22)

Cost objective means 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, products, jobs, capital projects, etc. A cost objective may be a major function of the non-Federal entity, a particular service or project, a Federal award, or an indirect (Facilities & Administrative (F&A)) cost activity. (2 CFR 200.28)

Final cost objective means a cost objective which has allocated to it both direct and indirect costs and, in the non-Federal entity's accumulation system, is one of the final accumulation points, such as a particular award, internal project, or other direct activity of a non-Federal entity. (2 CFR 200.44)

Generally Accepted Accounting Principles (GAAP) has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). (2 CFR 200.49)

Indirect (F&A) costs means 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. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. (2 CFR 200.56)

Indirect cost rate proposal means the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate as described in the Uniform Guidance. (2 CFR 200.57)

Intermediate cost objective means a cost objective that is used to accumulate indirect costs or service center costs that are subsequently allocated to one or more indirect cost pools or final cost objectives. (2 CFR 200.60)

Modified Total Direct Costs (MTDC) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first $25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, client support costs and the portion of each subaward and subcontract in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs. (2 CFR 200.68)

To clarify, the first $25,000 of subawards or subcontracts applies to agreements between the CSS subrecipient and lower tiered level providers.

Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program. (2 CFR 200.74)

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. (2 CFR 200.92)

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. (2 CFR 200.93)

POLICY:

All CSS subrecipients must have approved plans for the allocation of shared costs to subawards and cost categories and for charging indirect costs to subawards.

Effective with the subawards made by CSS to subrecipients beginning July 1, 2015, subrecipients must develop written plans for cost allocation and indirect costs. **The plans must be submitted to CSS no later than October 7, 2015 for review. Submission of a plan does not automatically confer approval. CSS reserves the right to require changes to a submitted plan. Once plans are submitted by the subrecipient and approved by CSS, there can be no changes to the methodology except as required by CSS. For contracts with multiple contract years, the**

subrecipient will have an opportunity to request changes to the methodology and plan prior to April 1st of each contract year.

They must be forwarded to CSS at the following address:

County of Los Angeles Community and Senior Services
Attention: Compliance Division
3175 W. 6th Street
Los Angeles, CA 90020 and at
mtarver@css.lacounty.gov

All future CSS procurements, cost allocation and indirect cost plans will be required as part of the subrecipient's submission to a CSS Request for Proposal. Failure to submit plans that meet the requirements set forth in this directive will result in a nonresponsive proposal which shall not be considered for funding.

COST PRINCIPLES:

The Uniform Guidance requires organizations to follow the cost principles described in that document. These cost principles require, in general, that, to be allowable:

1. a cost shall be necessary and reasonable for the proper and efficient administration of the program;
2. be allocable to the program; and,
3. except as provided in the case of governmental subrecipients, not be a general expense required to carry out the overall responsibilities of the governmental subrecipient.

Whether a cost is charged as a direct cost or as an indirect cost shall be determined in accordance with the descriptions of direct and indirect costs contained in those cost principles.

Allocability: Allocability is one of the basic cost principles used in determining whether costs are allowable to federally funded subawards. Allocability is a measure of the extent to which a cost benefits the subaward in general and its cost objectives in particular. **To the extent that a cost does not benefit the program, the cost cannot be charged to the subaward.**

Consistent Treatment: For a cost to be allocable to a particular cost objective, it must be treated consistently with other costs incurred for the same purpose in like circumstances. A cost may not be assigned to a subaward as a direct cost if any other cost incurred for the same purpose, in like circumstances, has been allocated to an award as an indirect cost. Costs identified specifically with subawards are direct costs of the subawards and are to be assigned accordingly. Costs identified specifically with other final cost objectives of the organization are direct costs of those cost objectives and are not to be assigned to other awards directly or indirectly.

Example: The subrecipient has three case managers who perform identical duties, each serving a clientele from multiple programs. One case manager reports time as the basis for the costs associated with that position while the other two case manager salaries are allocated to programs based on number of clients served.

It would not meet the standard of consistent treatment to use different bases to allocate the same type of cost to programs. The salaries of the three case managers should be treated the same for all programs.

It is possible for a portion of a cost to be attributable to an indirect cost pool and another portion to be directly assignable to a program. In those instances, the subrecipient must take care to treat the costs consistently.

Example: A director has administrative responsibility for a youth program and a Area Agency on Aging (AAA) program and spends four hours a week teaching a class to youth participants on work skills. The remainder of the director's time (36 hours) is spent on general administrative duties of the subrecipient. For consistent treatment, the costs associated with time spent on administrative duties would be charged to all programs through the indirect cost rate while the four hours of teaching time can be charged directly to the youth program regardless of how the administrative costs were charged, since the teaching costs were not incurred for the same purpose as the administrative costs.

TYPES OF COSTS:

The total cost of a subaward program is comprised of the allowable direct costs incident to its performance, plus the allocable portion of allowable indirect costs, less applicable credits.

Direct Costs: Direct costs are readily identified with and directly charged to a specific cost objective. Direct costs may be specifically identified with and assigned to a final cost objective, such as a specific program cost category. Direct costs are charged directly to a final cost objective and do not require any further allocation or breakdown by the subrecipient.

For a direct cost to be assignable in its entirety to a particular cost objective, the cost objective must receive the full benefit from the goods, services, activities, or effort that make up that cost. In this instance, measuring benefit entails no more than identifying the full cost of the activity and assigning it to the correct cost objective.

Example: The salary cost of a staff person performing case management duties only for a specific fund source of the subrecipient is directly assignable to the program cost category under that program.

Example: The staff person in the above example performed case management duties for two programs serving clients from each program and documented the hours spent on each program on a time sheet. The salary costs would be a direct cost to both programs, based on the documented time sheet hours.

Shared Costs: Shared costs are costs that cannot be readily assigned to a final cost objective, but which are directly charged to an intermediate cost objective or cost pool and subsequently allocated to final cost objectives. These costs are incurred for a common or joint purpose benefiting more than one cost objective. These costs are similar to the general indirect costs in that it is easier to assign or allocate them based on some measure of benefit received than to assign them directly to final cost objectives.

When the direct measurement of benefit cannot be done efficiently and effectively, then it is appropriate to pool the costs for later distribution. An allocation base is the mechanism used to allocate the pooled costs to final cost objectives. Using the above example, instead of staff recording time spent by activity, the organization could use the relative number of clients in each activity or some other equitable basis for measuring benefit to each program. Care should be taken to ensure that the basis chosen does not distort the results and that the basis is appropriate to the cost objectives receiving the costs.

Any distribution of costs between programs or between direct and indirect costs must be documented. Estimates or verbal attestation is not sufficient. Auditable documentation must support the allocation of these costs.

Example: Three staff members provide case management services to clients in two CSS funded programs without regard to which program the clients are enrolled and it is difficult to identify time spent by client. The case managers' costs are directly assigned to the program cost category but are not readily assignable by type of client. The case managers' costs could be directly charged to a cost pool established to accumulate such costs and later distributed to the appropriate category using an appropriate allocation method, such as the relative number of clients enrolled.

Indirect Costs: These costs may originate in the subrecipient's own organization or in other departments that supply goods, services, or facilities to the CSS funded program. Most often, however, general indirect costs are costs that are incurred to support the overall operation of the organization, and for which a direct relationship to a particular CSS funded program cannot be shown without effort disproportionate to the results achieved. Indirect costs are charged back to the program using an indirect cost plan or rate. Indirect costs are required to have a documentable and approved basis of allocation.

INTERMEDIATE AND FINAL COST OBJECTIVES:

Costs that are not readily chargeable to a final cost objective are often aggregated into intermediate cost objectives, usually called cost pools, and are periodically allocated to final cost objectives using an appropriate allocation methodology. Cost pools can be established for any type of cost when it is beneficial or necessary to pool costs. All pooled costs must ultimately be allocated to the final cost objectives in proportion to the relative benefits received by each cost objective.

A cost objective is an activity for which separate cost measurement is performed. A further distinction is made between intermediate and final cost objectives. An intermediate cost objective can be a cost pool, center, or area established for the accumulation of costs, assigned to such dissimilar categories as organizational units, functions, objects, or items of expense. Final cost objectives include specific funding sources, cost categories, grants, program activities, projects, contracts, and/or other activities.

Cost Pools: Cost pools can be established for any types of common costs when it is practical or necessary to pool such costs.

Example: A subrecipient has staff members who conduct the initial intake for both a CSS program and other programs. An intake manager is responsible for overseeing and managing the client flow process, supervising the intake workers, and reporting to the deputy director. All costs are unassignable, initially pooled, and charged temporarily to an intake related cost pool account. These costs include the salary and fringe benefits of the line staff and intake manager, materials, phones, and other related costs required to carry out the intake function. Then, based on an approved formula that distributes costs based on benefits received by each program (such as the number of eligibility determinations completed for each program or the number of persons enrolled during the period), the costs are charged back to the appropriate programs.

Cost pools reduce some of the burden of tracking expenditures because they are vehicles for temporarily accumulating unassignable direct and indirect costs that later will be allocated to a particular program. As costs accrue, a formula based on the benefits received by each program dictates how these costs will be distributed and reported by program or cost category. This eliminates trying to assign all staff time and every expenditure by program or cost category at the time it is incurred.

NOTE: The allocation of pooled costs based on fund availability or percentage of funding source administrative dollars (contribution method) is not allowable.

ALLOCATION OF SHARED COSTS:

Allocating Shared Personnel Services Costs: Amounts charged to CSS funded programs for personnel services, regardless of whether treated as direct, shared or indirect costs, must be based on payrolls documented and approved in accordance with the established practice of the employing entity.

Standards for Documentation of Personnel Expenses: Charges to CSS subawards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into the official records of the subrecipient;

- Reasonably reflect the total activity for which the employee is compensated by subrecipient, not exceeding 100% of compensated activities;
- Encompass all programs (both CSS and non-CSS);
- Comply with the established accounting policies and practices of the subrecipient; and
- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one program; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
- Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federally funded subawards, but may be used for interim accounting purposes, provided that:

    - The system for establishing the estimates produces reasonable approximations of the activity actually performed;

    - Significant changes in the corresponding work activity (as defined by the subrecipient's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and

    - The subrecipient's system of internal controls includes processes to review after-the-fact interim charges made to the subaward based on budget estimates. All necessary adjustment must be made such that the final amount charged to the subaward is accurate, allowable, and properly allocated.

Because practices vary as to the activity constituting a full workload, records may reflect categories of activities expressed as a percentage distribution of total activities.

For records which meet the standards described above, the subrecipient will not be required to provide additional support or documentation for the work performed, other than the requirements of the Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR Part 516), for charges of nonexempt employees' salaries and wages. In addition to the supporting documentation described in this section, salaries must also be supported by records indicating the total number of hours worked each day.

Salaries and wages of employees used in meeting cost sharing or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards.

For local government subrecipients, substitute processes or systems for allocating salaries and wages to CSS subawards may be used in place of or in addition to the records described in the paragraph above if approved by the cognizant agency for indirect cost. Such systems may include, but are not limited to, random moment sampling, ``rolling" time studies, case counts, or other quantifiable measures of work performed.

Allocating Shared Nonpersonnel Services Costs: Nonpersonnel services costs, when directly associated with time worked by the subrecipient's staff, may also be allocated to the benefiting cost objectives based on documented distributions of actual time worked. These costs could include space costs, utilities, building maintenance, supplies, and other such costs correlated with staff usage. To use time distribution as the basis for allocation of nonpersonnel services costs, time worked must be an equitable measure of the benefit derived from nonpersonnel services costs.

Example: Desktop supplies are stored centrally and used by all staff in performing their jobs. It is reasonable to conclude that the supplies are used in the same manner and for the same purpose as the time spent by staff while using the supplies. It is acceptable to use time distribution as the basis for allocating the cost of desktop supplies to various cost categories.

ALLOCATION BASES:

When costs are pooled instead of being directly assigned to a final cost objective, the ability to directly assign benefit for each item of cost is lost. Instead, the pool contains a group of common costs to be allocated by using an indirect or approximate measure of benefit. The approximate measure of benefit is the allocation base. An allocation base is the method of documentation used to measure the extent of benefits received when allocating joint costs among multiple cost objectives.

Many different types of bases can be used in allocating costs. The most appropriate base will vary with the circumstances prevailing in each instance. An organization is likely to use several different bases for allocating different types of costs. Acceptable methods for distributing pooled costs may vary by type of organization, functional units or levels within an organization, types of cost to be allocated, and cost category. The basis used to allocate a particular type of cost should be used consistently over time and be described in the Cost Allocation Plan (CAP).

Acceptable Allocation Bases: An allocation base is acceptable if it represents a fair measure of cost generation or cost benefit, is documented, and if it results in an equitable distribution of the costs of services rendered or goods provided. Each base should be considered on its own merits as to the purpose for using it and the degree of equity it will achieve in allocating joint costs. In selecting a method, the additional effort and expense required to achieve a greater degree of accuracy should be considered. General criteria that should be used in selecting an allocation base include the following:

Minimal Distortion. The base should distribute costs in a fair and equitable manner without distorting the results. This requires that the base be as causally related as possible to the types of costs being allocated so that benefit can be measured as accurately as possible.

Example: It is appropriate to allocate pooled intake costs based on the proportionate number of eligible applicants per program, since there is a direct relationship between incurring intake costs and determining eligibility. It also is appropriate to use the number of new enrollments by program as the basis for allocating intake costs when enrollments provide an equitable measure of effort, since the benefit of intake is the eventual enrollment of clients into the programs.

General Acceptability. The base should be generally accepted and in conformance with GAAP. For example, it should be consistently applied over time. The base should also be drawn from the same period during which the costs to be allocated have been incurred.

Example: It is not appropriate to change the base for allocating a pooled cost from quarter to quarter, such as using direct program expenditures in the first quarter, number of clients served in the second quarter, and time distribution in the third quarter. It is also not appropriate to use last year's client data as the basis for allocating this year's expenditures.

Represents Actual Cost or Effort Expended. The base should be a measure of actual cost or actual effort expended. It should not be based solely on a plan, budget, job description, or other estimates of planned activity.

Example: Pooled costs may not be allocated to subawards on the basis of the proportionate amount of funds available from each funding source. It is generally not appropriate to use the relative amount of funds required to be spent as the basis for allocating this pool of costs since budgets are not a measure of actual activity or effort.

Timely Management Control. The base should be within management's ability to control on a timely basis. The base should produce reliable and fairly predictable results. If the base is erratic and unpredictable, beyond management's ability to control, or not timely, it is likely to produce unacceptable results.

Example: If a subrecipient uses client data as the base for allocating some of its organization-wide costs, it risks having the data used for allocation skewed by periods of poor performance. The inconsistency of a client population as the basis for allocation of its organization wide costs hinders management's control of organizational expenses.

Consistency with Variations in Funding. The base must be able to accommodate and withstand changes in funding during the year and from year to year. If the base includes factors that are affected by variations in funding, it will produce distorted results.

Example: It is not appropriate to allocate costs using a basis that does not include all benefiting funding received during the year. If an organization operates a six month funded program, then shared costs associated with that program must be included in the mix of activities during that six month period, or the distribution of costs may not be equitable.

Materiality of Costs Involved. The time and expense spent in developing the base should not be greater than justified by the materiality of the costs to be allocated. In other words, the grantee should not spend more on obtaining the information needed to allocate pooled costs than the dollars in the pool warrant. The base should be sufficiently detailed to provide the most equitable and accurate allocation possible. At the same time, the base should be simple enough to be efficient while still attaining a fair distribution of costs.

Example: It is not appropriate to fold a larger pool of costs, such as management staff costs, into another unrelated pool of costs rather than allocate the costs separately or to distribute staff costs equally among the programs. For pooled management staff costs, a base should be used that more accurately measures benefit to each program, such as direct time charges per program.

Practicality and Cost of Using the Base. The base should be as efficient as possible in terms of the cost or effort in developing it. Thus, wherever possible, a data base that already exists in the subrecipient's record keeping and reporting systems should be used rather than create a separate data base to be used only for allocating costs.

Example: It is appropriate and more efficient, without unduly sacrificing accuracy, to allocate client transportation costs using current enrollment data that is already available, rather than creating a separate data base on the exact number of clients receiving transportation assistance by type of client.

What Is the Best Base? There is no single answer to this question. The answer varies by type of organization, levels within an organization, organizational structure, method of program delivery, accounting and client reporting systems, types of costs included in the pool, and availability of other types of data to use as a base. The general guidelines presented here can be used to help with decision-making.

When choosing among available bases, a base should be chosen that is more directly related to, and the better measure of, the costs being allocated and the benefits being received.

Subrecipients are encouraged to develop and use appropriate expenditure bases (such as salaries and fringe benefits and total direct costs) and client bases (such as number of clients enrolled) to allocate joint costs. Where a subrecipient conducts several human services programs with multiple funding sources and uses an automated accounting system, an appropriate expenditure base is usually one that reflects time

spent or clients served. This is also a more easily managed base than using multiple bases or a base dependent upon additional sources of information.

Possible Bases for Allocation: Some possible bases for allocation are as follows. These are suggested bases only, and subrecipients are cautioned to review these bases for applicability to their programs. In addition, any base used for allocation of costs must comply with the requirements for an allowable base.

- Accounting - Number of transactions; direct labor hours; allowable survey methods
- Auditing - Direct audit hours; expenditures audited
- Budgeting - Direct labor hours
- Consumable Supplies - Total direct costs; direct labor hours
- Counselor - Direct labor hours; number of clients counseled
- Data Processing System - Usage; direct labor hours
- Disbursing Service - Number of checks issued; direct labor hours
- Fidelity Bond - Number of bonded employees
- Health Services - Number of employees
- Intake - Number of eligible clients; current period enrollments
- Legal Services - Direct hours
- Office Space - Square feet of space occupied; staff salary distribution
- Payroll Services - Number of employees
- Personnel Services - Number of employees
- Postage - Direct usage; acceptable survey methods
- Printing/Reproduction - Direct labor hours; job basis; pages printed
- Retirement System - Payroll; number of employees contributing administration
- Telephone - Number of instruments; staff salary distribution
- Travel - Mileage; actual expenses; direct labor hours
- Utilities - Square feet of space occupied; staff salary distribution

Unacceptable Allocation Bases: In general, unacceptable allocation bases are those that do not meet the general guidelines discussed above. Unacceptable bases are those that:

- Distort the final results
- Do not represent actual effort or actual expenditures
- Are not used consistently over time and with variations in funding
- Do not have an integral relationship to the types of costs being allocated.

Some commonly used bases that fall into this unacceptable category include the use of:

- **Relative funds available to allocate unassigned direct costs**
- **Job descriptions to allocate staff costs**
- **Fixed or predetermined number of staff hours assigned to an activity to allocate staff costs**
- **Planned client levels to allocate client-related costs**
- **Results from prior periods to allocate current period costs.**

- **Are based on budget or estimates**

DEVELOPMENT OF A COST ALLOCATION PLAN (CAP):

An allocation plan is a document that identifies allowable indirect and direct costs and is used to accumulate and distribute such costs. The allocation plan also identifies the allocation methodology used for distributing the costs. A plan for allocating joint costs is required to support the distribution of those costs to each subaward program. All costs included in the plan must be supported by formal accounting records to substantiate the propriety of the eventual charges.

Attached as Attachment A is a sample format for the development of a Cost Allocation Plan for the distribution of shared costs among CSS and non-CSS programs.

The subrecipient must identify all types of shared costs that will be allocated among programs and the methodology that will be used to make that distribution to cost objectives in the plan submission. The following are the procedures for the development of the plan:

1. Review Subaward Funding

Prepare a list of all funded programs of the subrecipient.

2. Organization Review

If one does not already exist, prepare an organizational chart and identify the various services and/or functions for each unit. Determine which units are direct or shared functions of the organization.

Determine the services that are allowable and allocable to subawards per the cost principles in the Uniform Guidance.

3. Prepare a Cost Allocation Plan (See Attachment A as an example.)

Develop a written policy that outlines the costs considered as direct and the costs considered as shared among programs and the rationale to support those costs.

This would include all joint or pooled costs needing to be allocated (such as staff whose work benefits more than one cost objective, cost pools established other types of pooled costs, and all other costs that cannot be readily assigned to a single cost objective).

Description of the methods used in distributing the expenses to benefiting cost objectives. This requires identifying the basis for allocating each type of joint or pooled cost and the documentation for supporting each basis for allocation.

For every cost, the subrecipient must provide the basis for its distribution (e.g. time distribution, number of participant's served, square footage, etc.)

Arbitrary percentages are not allowable. Any direct salary that is distributed to more than one program must also be supported by an allowable time distribution methodology. Time distribution must be based on after-the-fact determination of actual activity performed by employees and not estimates.

The subrecipient must maintain a time distribution system for use by employees whose time is charged to more than one cost objective. Payroll documentation should be maintained to support the charging of salaries and wages as direct or indirect.

INDIRECT COST RATE (ICR):

Indirect cost rates place ceilings on the amount that may be charged to the subaward and are only applicable if the subrecipient utilizes one of the following:

- An approved Federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or,

- If no such recognized rate exists, (1) the subrecipient may utilize a de minimis indirect cost rate of 10% of modified total direct costs (MTDC) which may be used indefinitely, or (2) a subrecipient may apply to CSS for a negotiated rate utilizing Attachment A.

- With the exception of Federally-approved rates, all other rates are subject to CSS review, acceptance and or approval.

These requirements apply regardless of whether the costs are classified as Administration or Program.

For those subrecipients who have federally approved indirect cost rates, the guidance is meant to ensure compliance with those rates.

NOTE: All subrecipients receiving Older American Act funds from CSS will be limited to a 10% indirect cost rate, an increase from the previous 8% limit, per CSS' subgrant with the California Department of Aging.

In general terms, an ICR is the percentage of an organization's indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

The ICR can be used to budget the maximum amount of indirect costs allowable for a program and then to claim the actual amount of indirect costs after the program expenditures have been made. It is important to remember that when recovering/charging indirect costs, the ICR is applied to the amount **actually expended, not the total amount budgeted—those actual expenditures must be documented and documentation must be submitted as required**. The indirect cost plan identifies and distributes the costs of services provided by support organizations (such as human resources, fiscal, upper level management) to the fund sources of a subrecipient.

It is the responsibility of the subrecipient to ensure that any indirect costs charged to a CSS subaward does not exceed the amount approved in the subaward budget and that the plan is current.

No indirect costs will be reimbursed in instances where the subrecipient has not maintained an approved rate or cannot demonstrate that it has submitted documentation to its Federal awarding agency to obtain a provisional or final rate in a timely manner. Indirect costs will be limited to either an approved rate from a Federal cognizant agency or a CSS approved rate.

DEVELOPMENT OF AN INDIRECT COST PLAN:

The subrecipient is to use data for a complete fiscal year (July 1, 2014 to June 30, 2015) to ensure that all costs are captured for the period. The plan methodology is to be used continuously for the entire year of the subaward beginning July 1, 2015. Any changes must be approved by CSS.

Notwithstanding that this directive has been issued after July 1, 2015, it is a requirement that the subrecipient apply the cost allocation plan to expenditures beginning July 1, 2015.

The following are the procedures for the development of the plan:

1. List all Funding/Revenue

Prepare a list of all funded programs and/or revenue of the subrecipient. Identify the amount or percent of reimbursement of direct and indirect cost and any subaward restrictions or references regulations.

2. Organization Review

If one does not already exist, prepare an organizational chart and identify the various services and/or functions for each unit. Determine which units are indirect (administrative) functions of the organization.

Determine the services that are allowable and allocable to subawards per the cost principles in the Uniform Guidance.

3. Review the Accounting Structure

Obtain a chart of accounts, or some other list of accounts for your organization, in which the actual dollars expended can be related to various programs and/or organization structure.

Reconcile the accounting structure to the organization chart.

4. Prepare an Indirect Cost Plan (See Attachment A as an example.)

Develop a written policy that outlines the costs considered as direct or shared, the costs considered to be indirect, and the rationale to support those costs. The costs considered direct or shared must reconcile to the Cost Allocation Plan.

The plan should include a description of the types of services provided and their relevance to CSS funded programs (generally called a Function and Benefit Statement). This would include all CSS and non-CSS funded revenue sources and cost objectives.

5. Prepare an Allocation of Personnel Salaries Worksheet (See Attachment C as an example.)

This worksheet should include the salaries of all staff within the organization. It must reflect the estimated or actual salary costs for each subaward and Non-Federal award cost objective. The percentage of time per position should be entered under the appropriate cost objective, making sure that 100 percent is allocated for each position.

The salaries are to be categorized between indirect and direct costs applying the definition applicable to each category. The subrecipient must ensure that any salary that is allocated between indirect and direct costs or among the direct cost objectives is supported by documentation that demonstrates the amounts charged to each category.

Arbitrary percentages are not allowable. Any direct salary that is distributed to more than one program must also be supported by an allowable time distribution methodology. Time distribution must be based on after-the-fact determination of actual activity performed by employees and not estimates.

The subrecipient must maintain a time distribution system for use by employees whose time is charged to more than one cost objective. Payroll documentation should be maintained to support the charging of salaries and wages as direct or indirect.

6. Prepare a Distribution of Indirect Costs to Cost Centers Worksheet (See Attachment D as an example.)

This worksheet must identify total costs of the organization in the following categories:

Salaries – This amount should be the total amount of salaries shown on the Allocation of Personnel Salaries Worksheet.

Any time spent by staff on unallowable activities such as fundraising must also be identified. Unallowable activities are to bear their fair share of indirect costs as all other programs.

Fringe Benefits – This is the total amount paid for employee benefits of the organization. The amount must be allocated by direct and indirect costs. The methodology for the allocation of fringe benefits between direct and indirect cost is the percentage of salaries charged to indirect and direct cost objectives. The allocation to specific programs within the Direct Costs category is based on the percentage of salaries within

a cost objective to total direct salaries times the portion of employee benefits allocable to Direct Costs.

Non-Personnel Costs - These costs are examples and may not reflect the costs of the organization. This list should represent the costs of the organization. Nonpersonnel costs that are not direct charges supported by documentation may be charged based on the percentages of salary distribution.

Costs not allowable under the cost principles such as fundraising, entertainment, bad debts, etc. are to be identified separately and not included as indirect costs. Unallowable costs may not be distributed to subaward programs.

Allocation of Indirect Costs - Once all costs of the organization have been identified as either Indirect, Direct or Unallowable, an allocation may be made.

That rate is applied to total direct costs by cost objective to determine the amount of indirect costs allocable to that cost objective.

7. Review Proposal Before Submission

Ensure the allocation plan reflects all programs and personnel identified in the organization chart.

Perform a mathematical verification of the proposal.

Determine that the proposal reconciles with the supporting audit, official budget or financial statements.

Review the financial statements and audit report for any indication of activities which may have been omitted from the indirect cost proposal, i.e., the omission of restricted fund costs or the existence of an affiliated organization receiving supportive service from the parent organization.

Determine that costs that are statutorily unallowable, or for reasons of non-allocability, have been eliminated from the indirect cost pool and are not charges as direct costs.

8. Certification

The document (Attachment B) must be certified by an authorized subrecipient official that the plan has been prepared in accordance with applicable requirements and will be the method used to charge indirect costs to the subaward.

RETENTION OF RECORDS:

The plans and supporting records shall have a 3-year retention period starting from the end of the fiscal year (or other accounting period) covered by the proposal.

ACTION:

CSS and its subrecipients shall follow this policy. This policy shall remain in effect until such time that a revision is required.

INQUIRIES:

If you have any questions regarding this Directive, please contact Melissa Tarver at (213) 738-3605 or mtarver@css.lacounty.gov

PAUL GOLDMAN, Assistant Director
Contracting Services

Attachments
A – Sample Cost Allocation Plan and Indirect Cost Plan
B – Certificate of Indirect Costs and Proposed Indirect Cost Rate
C – Allocation of Personnel Worksheet
D – Distribution of Indirect Costs to Cost Centers Worksheet

Attachments

A – Sample Cost Allocation Plan and Indirect Cost Plan
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Please note that these attachments should be utilized for examples only, and should not be copied as a template for acceptable plans.

EXAMPLE

ATTACHMENT A

COST ALLOCATION PLAN

SUBRECIPIENT'S NAME AND ADDRESS

PURPOSE/GENERAL STATEMENT:

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

The Uniform Guidance at 2 CFR Chapter I and Chapter II, Parts 200, 215, 220, 225, and 230 establishes the principles for determining costs of subgrants, contracts and other agreements in Federally funded programs. This Cost Allocation Plan is based on the Direct Allocation method which treats all costs as direct costs except general administration and general expenses which will be distributed to programs based on an indirect cost rate approved by the County of Los Angeles Community and Senior Services.

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 cost objective.

Only costs that are allowable, in accordance with the cost principles, will be allocated to benefiting programs by (Subrecipient's Name).

1. General Approach for Direct & Shared Direct Costs

The general approach of (Subrecipient's Name) in allocating costs to specific programs 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. based on an approved indirect cost rate.

Allocation of Costs

The following information summarizes the procedures that will be used by (Subrecipient's Name) beginning July 1, 2015:

A. Compensation for Personal Services - Documented with 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 will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see example 2).

   - Fringe benefits (FICA, UC, and Worker's Compensation) are allocated in the same manner as salaries and wages. Health insurance, dental insurance, life & disability and other fringe benefits are also allocated in the same manner as salaries and wages.

   - Vacation, holiday, and sick pay are allocated in the same manner as salaries and wages.

B. Travel Costs - Allocated based on purpose of travel. All travel costs (local and out-of-town) are charged directly to the program for which the travel was incurred. Travel costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Travel costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see Example 2).

C. Professional Services Costs (such as consultants) - Allocated to the program benefiting from the service. All professional service costs are charged directly to the program for which the service was incurred. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see Example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see Example 4).

D. Office Expense and Supplies (including office supplies and postage) - Allocated based on usage. Expenses used for a specific program will be charged directly to that program. Postage expenses are charged directly to programs to the extent possible. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see Example 3). Costs that benefit all programs will be allocated

based on the ratio of each program's expenses to total expenses (see Example 4).

E. Equipment - (Subrecipient's Name) depreciates equipment when the initial acquisition cost exceeds $x,xxx. Items below $x,xxx 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 are charged directly to the program using the equipment. If more than one program uses the equipment, then an allocation of the depreciation costs will be based on the ratio of each program's expenses to the total of such expenses (see example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

F. Printing (including supplies, maintenance and repair) - Expenses are charged directly to programs that benefit from the service. Expenses that benefit more than one program are allocated based the ratio of the costs to total expenses. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

G. Insurance - Insurance needed for a particular program is charged directly to the program requiring the coverage. Other insurance coverage that benefits all programs is allocated based on the ratio of each program's expenses to total expenses (see example 4).

H. Telephone/Communications - Long distance and local calls are charged to programs if readily identifiable. Other telephone or communications expenses that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

I. Facilities Expenses - Allocated based upon usable square footage. The ratio of total square footage used by all personnel to total square footage is calculated (see example 5). Facilities costs related to general and administrative activities are allocated to program based on an approved indirect cost rate.

J. Training/Conferences/Seminars – Allocated to the program benefiting from the training, conferences or seminars. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see Example 2).

K. Other Costs (including dues, licenses, fees, etc.) - Other joint costs will be allocated on a basis determined to be appropriate to the particular costs. *(Subrecipient should describe methodology for applicable costs).*

L. Unallowable Costs – Costs that are unallowable in accordance with the Uniform Guidance, including alcoholic beverages, bad debts, advertising (other than help-wanted ads), contributions, entertainment, fines and penalties. Legal Fees, Lobbying and fundraising costs are unallowable, however, are treated as direct costs and allocated their share of general and administrative expenses.

Examples of Allocation Methodology

Example 1

Expense Amount = $5,000

Costs that are shared and benefit two or more specific programs, but not all programs, are allocated to those programs based on the ratio of each program's personnel costs (salaries & applicable benefits) to the total of such personnel costs, as follows:

The amount to be allocated among various programs is $5,000. Grant A (below) represents CSS's program. Based on the direct costs of personnel, Agency can calculate that Grant A should be allocated 20%, since $20,000 of the $100,000 total personnel costs pertained to Grant A. Therefore, 20% of the $5,000 to be allocated should go to Grant A, which is $1,000.

Grant	Personnel Costs	%	Amount Allocated
A	$ 20,000	20%	$1,000
C	$ 30,000	30%	$1,500
E	$ 50,000	50%	$2,500
Total	$100,000	100%	$5,000

Example 2

Expense Amount = $10,000

Costs that are shared benefit **all** programs are allocated based on a ratio of each program's personnel costs (salaries & applicable benefits) to total personnel costs as follows:

The amount to be allocated among various programs is $10,000. Grant A (below) represents CSS's program. Based on the direct costs of personnel, Agency can calculate that Grant A should be allocated 13%, since $20,000 of the $150,000 total personnel costs pertained to Grant A. Therefore, 13% of the $10,000 to be allocated should go to Grant A, which is $1,300.

Grant	Personnel Costs	%	Amount Allocated
A	$ 20,000	13%	$1,300
B	$ 10,000	7%	$ 700
C	$ 30,000	20%	$2,000
D	$ 40,000	27%	$2,700
E	$ 50,000	33%	$3,300
Total	$150,000	100%	$10,000

Example 3

Expense Amount = $4,000

Costs that are shared and benefit two or more specific programs, but not all programs, are allocated to those programs based on the ratio of each program's expenses (direct costs other than salaries & benefits) to the total of such expenses, as follows:

The amount to be allocated among various programs is $4,000. Grant A (below) represents CSS's program. Based on the direct costs of program expenses, Agency can calculate that Grant A should be allocated 30%, since $120,000 of the $400,000 total personnel costs pertained to Grant A. Therefore, 30% of the $4,000 to be allocated should go to Grant A, which is $1,200.

Grant	Program Expenses	%	Amount Allocated
A	$ 120,000	30%	$1,200
C	$ 130,000	33%	$1,320
E	$ 150,000	37%	$1,480
Total	$ 400,000	100%	$4,000

Example 4

Expense Amount = $8,000

Costs that are shared and benefit **all** programs will be allocated based on a ratio of each program's salaries to total salaries as follows:

Grant	Program Expenses	%	Amount Allocated
A	$ 120,000	18%	$1,440
B	$ 110,000	17%	$1,360
C	$ 130,000	20%	$1,600
D	$ 140,000	22%	$1,760
E	$ 150,000	23%	$1,840
Total	$650,000	100%	$8,000

Example 5

Facilities Expense Amount = $10,000

Shared facilities costs are allocated based on square footage. Square footage for each program and general and administrative activity is considered in the analysis. Facilities and space that is allocable to the indirect cost category are distributed back to programs through the indirect cost rate. The calculation for shared facilities costs is as follows:

Grant	Square Footage	%	Amount Allocated
A	300	30%	$ 3,000
B	100	10%	$ 1,000
C	200	20%	$ 2,000
D	200	20%	$ 2,000
E	200	20%	$ 2,000
Total	1,000	100%	$10,000

GENERAL AND ADMINISTRATIVE COSTS

All general and administrative costs of the organization are distributed to subawards based on an approved indirect cost rate.

2. General Approach for Indirect Costs

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 – _____

E. (Subrecipient Name) maintains adequate internal controls to insure that no cost is charged both directly and indirectly to County of Los Angeles Community and Senior Service (CSS) subawards and other subawards and subcontracts. (Include a description of the accounting system software.)

II. Federal and Non-Federal Funding

List all funded programs in detail as to the amount or percent of reimbursement of direct and indirect costs and any restrictions imposed through subgrants or regulations.

III. Description of Methodologies

A. Salaries and Wages

1. Direct Costs – The majority of (Subrecipient Name)'s employees direct charge their time since their work is specifically identifiable to specific subawards, subcontracts, or other activities of the organization such as fund raising or providing services to participants. The charges are supported by auditable labor distribution reports which reflect the actual activities of the employees.

2.Indirect Costs – The following staff charge 100% of their salary costs indirectly:

(List those employees who charge 100% of their time to indirect activities.)

The distinction between direct and indirect is primarily based on functions performed. For example, when the Executive Director is 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.

3. Multiple Cost Objectives - The following employees may charge their salary costs to both direct, indirect, or multiple cost objectives:

(List those employees who charge their time to both direct and indirect or multiple cost objectives.)

Auditable time distribution records which reflect the actual activities of employees are maintained to support the charges to indirect, direct and multiple cost objectives. The time records are certified by the _____.
Executive Director or designee

B. Fringe Benefits

(Subrecipient Name) contributes to the following fringe benefits for its employees:

1. unemployment insurance,
2. worker's compensation,
3. F.I.C.A., health insurance and
4. matching contributions to a defined benefit pension plan.

Treatment of Fringe Benefits: (Subrecipient Name)'s accounting system tracks fringe benefit costs by individual employee and charges those costs directly or indirectly in the same manner as salary and wage costs are recorded. (Subrecipient Name) does not need to have a fringe benefit rate established.

Treatment of Paid Absences - Release time costs (vacation leave earned, sick leave used, and holiday pay) are considered part of salary costs. Consequently, separate claims for release time costs are not made. (Subrecipient Name)'s accounting system records release time as a direct or indirect cost in the same manner that salary costs are recorded. Vacation leave earned but not used during each fiscal period is recorded as a cost in the period earned.

C. Travel

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

For example: The Executive Director of the subrecipient travels to attend a workshop on executive management organizational skills the trip would be indirect in nature and would be charged as an indirect cost. However, if the Executive Director travels to a conference delivering information for a specific program administered by the subrecipient, the trip would be considered a direct cost.

D. Board Expenses (if applicable)

For those subrecipients that are nonprofit organizations, most board meeting expenses are charged on an indirect basis because their activity benefits the entire organization. Board expenses for member attendance at meetings involving specific programs administered by the subrecipient may be charged as a direct cost to that program.

Most directors of public benefit corporations serve on a volunteer basis, and do not receive compensation, other than occasional reimbursement for actual expenses of attending meetings (mileage, parking fees, meal costs). However, California law permits directors to receive reasonable "compensation as a director or officer," and distinguishes such compensation from other payments to directors that raise conflict of interest questions. It is the subrecipient's responsibility to document the expenses and demonstrate that they were reasonable and necessary.

E. Supplies and Materials

To the maximum extent possible, office supplies and materials are direct charged to a subaward which uses the supplies or materials.

Supplies and materials used by staff who are engaged in multiple cost objectives, both direct and indirect, will be will be allocated based on salaries, both direct and indirect.

F. Occupancy Expenses

Rent and related costs of occupancy (e.g. utilities, maintenance, security) – (Subrecipient Name) occupies space it leases from (Name). The lease provides for equal monthly payments during the term of the lease. All occupancy costs are categorized as indirect costs.

All other ancillary costs of occupancy (utilities, maintenance, security) are also categorized as indirect costs.

G. Communications

The cost of communications (FAX, internet, land lines, cell phones) is allocated based on salaries, both direct and indirect.

H. Photocopying and Printing

With the exception of printing activity for a specific program that will be charged directly, all other photocopy and printing costs will be allocated based on salaries, both direct and indirect.

I. Outside Services

(Subrecipient Name) incurs outside services costs for its annual audit, consultants, legal fees, and for staff development specialists.

- The cost of the annual audit is charged indirectly.
- Consultant fees are charged either directly or indirectly based on the services rendered.
- In general, allowable legal fees are charged directly to the benefiting program or activity.
- Allowable Legal fees that are not identifiable to specific direct programs are charged indirectly.

J. Depreciation

The cost of capital items purchased with non-Federal funds which are used in a manner which benefits Federal subawards is recovered through depreciation charged. (Subrecipient Name) recovers the cost of capital items using the straight line depreciation method in accordance with generally accepted accounting principles. Depreciation is charged either directly or indirectly based on the benefits received.

Depreciation may not be charged if the subrecipient has been reimbursed for the purchase of the item through the subaward agreement.

K. Program Services

The cost of activities performed primarily as services to participants, clients, or the general public are classified as direct costs and bear their fair share of indirect costs. These activities include:

- Training Costs
- Supportive Service Costs
- Maintenance of Enrollment Data

- Subscriptions
- Publications providing information to members, legislative or administrative bodies, or the public
- Program marketing and outreach
- Meetings and conferences except those held to conduct the general administration of (Subrecipient Name)

L. Unallowable Costs

(Subrecipient Name) recognizes that unallowable costs, as defined in the Uniform Guidance at 2 CFR Section 421-475), cannot be charged to Federal subawards and has internal controls in place to insure that this is followed. Examples of unallowable costs are included but not limited to:

- Advertising and public relations
- Entertainment/alcoholic beverages
- Contributions and Donations
- Capital expenditures
- Interest Expense
- Lobbying and fund raising

CERTIFICATION

All costs included in this plan are properly allocable to County of Los Angeles Community and Senior Services (CSS) subawards 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 Federal cost principles.

Further, the same costs that have been treated as direct or shared costs have not been treated as indirect costs. Similar types of costs have been accounted for consistently.

_____ _____

Signature Date

_____

Title

(Subrecipient Name and Address)

EXAMPLE

ATTACHMENT B

Certificate of Indirect Costs and Proposed Indirect Cost Rate

I have reviewed the indirect cost proposal dated_____ . This is to certify that:

All costs included in the proposal submitted on_____ to establish a cost rate for the period_____ through _____ are allowable in accordance with the requirements for subawards governed by Uniform Guidance at 2 CFR Chapter I and II.

This proposal does not include any costs which are unallowable under applicable Federal cost principles.

All costs included in this proposal are properly allocable to County of Los Angeles Community and Senior Services (CSS) subawards 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 Federal cost principles.

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 Statements Act (18 USC 1001), I declare to the best of my knowledge the foregoing is true and correct.

Subrecipient Name: _____

Signature: _____

_____
Name of Authorized Official (in CSS contract):

Title: _____

Date: _____

Attachments

Allocation of Personnel Worksheet
Distribution of Indirect Costs to Cost Centers Worksheet

ATTACHMENT B

Example - Allocation of Personnel Worksheet

Position	B + C Annual Salary	Indirect Costs	D thru H Direct Costs	WIOA	AAA	CalWorks	GROW	Fund Raising
	A	B	C	D	E	F	G	H
Executive Director*	90,000	80,000	10,000					10,000
Administrative Assistant	60,000	60,000						
Finance Director	75,000	5,000						
Accountant	60,000	60,000						
Personnel Director	60,000	60,000						
Program Manager	70,000	7,000	63,000	50,400		12,600		
*% of Distribution***	100%	10%	90%	80%		20%		
Program Manager	65,000		65,000		65,000			
Program Manager	65,000		65,000				65,000	
MIS Director	60,000		60,000	36,000	6,000	12,000	6,000	
% of Distribution				60%	10%	20%	10%	
Data Entry Clerk	50,000		50,000	30,000	5,000	10,000	5,000	
% of Distribution				60%	10%	20%	10%	
All Other Positions**	700,000		700,000	250,000	150,000	100,000	200,000	
TOTAL	1,355,000	342,000	1,013,000	366,400	226,000	134,600	276,000	10,000

*Costs are allocated to the unallowable cost objective of Fundraising. All cost objectives must bear their fair share of indirect costs. Time spent on fundraising or any other unallowable activity must be documented.

**% of Distribution is based on time reported by staff (time distribution) to various program activities.

Note: The salaries included in this exhibit are for illustrative purposes only.

EXAMPLE - INDIRECT COST PLAN

ATTACHMENT C

PAGE 1

BASE - TOTAL DIRECT COSTS

Budget Category	A = C + D Total Costs	Less Exclusions & Unallowable costs	Indirect Costs	D = E thru I Total Direct Costs	WIOA	AAA	CalWorks	GROW	Fund Raising
	A	B	C	D	E	F	G	H	I
Salaries	1,355,000		342,000	1,013,000	366,400	226,000	134,600	276,000	10,000
Fringe Benefits (42%)*	569,100		143,640	425,460	153,888	94,920	56,532	115,920	4,200
Total Personnel Costs	1,924,100		485,640	1,438,460	520,288	320,920	191,132	391,920	14,200
% of Direct Salaries & Benefits*					36%	22%	13%	27%	1%
Consultant Services	75,000		75,000						
Staff Travel	40,000		15,000	25,000	9,042	5,577	3,322	6,811	247
Funding Raising	15,000	15,000		15,000					15,000
Rent	360,000		360,000						
Consumable Supplies	20,000		5,000	15,000	5,425	3,346	1,993	4,087	148
Purchase, Lease of Equipment	20,000		20,000						
Communications	35,000		8,750	26,250	9,495	5,856	3,488	7,152	259
Printing	10,000			10,000	3,617	2,231	1,329	2,725	99
Insurance	35,000		8,750	26,250	9,495	5,856	3,488	7,152	259
Postage	5,000			5,000	1,808	1,115	664	1,362	49
Depreciation	20,000		5,000	15,000	5,425	3,346	1,993	4,087	148
Program Costs	1,500,000			1,500,000	800,000	300,000	300,000	100,000	
Participant Support Costs	75,000			75,000	30,000		20,000	25,000	
Total Nonpersonnel Costs* **	2,210,000	15,000	497,500	1,712,500	874,308	327,330	336,277	158,376	16,209
Total Organization Costs	4,134,100	15,000	983,140	3,150,960	1,394,596	648,250	527,409	550,296	30,409

*Allocated between Direct and Indirect Costs based on the percentage of Direct Salaries to Indirect Salaries.

**Percentages derived from calculating Direct Personnel Costs by Program to total Direct Personnel Costs.

***Allocated to programs based on percentage derived from percentage of Direct to Indirect Salaries & Benefits and the percentage of Direct Salaries and Benefits to Total Direct Salaries and Benefits.

EXAMPLE - INDIRECT COST PLAN

BASE - TOTAL DIRECT COSTS

			WIOA	AAA	CalWorks	GROW	Fund Raising	Total
Indirect Costs	983,140	Allocation Base	1,394,596	648,250	527,409	550,296	30,409	3,150,960
Total Direct Costs	3,150,960	Times Indirect Rate	31.2013%	31.2013%	31.2013%	31.2013%	31.2013%	31.2013%
Indirect Rate	**31.2013%**	Allocation Share of IC	**435,132**	**202,262**	**164,558**	**171,699**	**9,488.09**	**983,140**

APPENDIX Q

EXHIBIT 1 (INSTRUCTIONS FOR DEVELOPING THE PROPOSED PROGRAM SERVICES FORM FOR DISEASE PREVENTION AND HEALTH PROMOTION PROGRAM)

EXHIBIT 2 (INSTRUCTIONS FOR DEVELOPING THE PROPOSED BUDGET FOR DISEASE PREVENTION AND HEALTH PROMOTION PROGRAM)

INSTRUCTIONS FOR DEVELOPING THE PROPOSED PROGRAM SERVICES FORM FOR DISEASE PREVENTION AND HEALTH PROMOTION PROGRAM

Please use the following instructions to complete the electronic *Proposed Program Services.* The worksheet has been protected to preclude changes to key fields/cells except for designated areas which shall be completed by the Proposer. The form automatically performs all necessary calculations and validations. Please note: Proposer shall complete the applicable sections in order to accurately reflect the Services to be provided for the Fiscal Year. When working with calculations, any additional information other than whole number will often create mathematical variances therefore, **please refrain from using formulas or decimals.**

PART I - PROPOSED PROGRAM SERVICES (PPS) FOR DISEASE PREVENTION AND HEALTH PROMOTION PROGRAM SERVICES (DPHP)

PAGE 1

Cover Sheet: Please provide all requested information as indicated in the blue font**.** Once the Fiscal Year and Proposer's Legal Name have been entered as indicated, the information will automatically generate on all pages of the workbook.

1. **Enter the Fiscal Year:** Enter the Fiscal Year of 2016-2017 onto the appropriate line at the top of the page.

2. **Enter Proposer's Legal Name:** Enter Proposer's full legal name onto the appropriate line at the top of the page and do not abbreviate. The name listed must match the name on the Articles of Incorporation, Business License, Charter, or By-Laws.

3. **Main Administrative Office Address:** Enter the address of the authorized signatory onto the appropriate line as indicated.

4. **City/Zip Code/Fax Number:** Enter the City, Zip Code, and Fax Number on the appropriate line as indicated. The State information has already been provided on the form and cannot be changed.

5. **Mailing Address:** This address should be entered if the Main Administrative Address and Mailing Address are different. If the Main Administrative office and the Mailing Address are the same, please delete the default (blue font) language and include "Same As Above" on the mailing address line.

6. **Prefix:** Enter the appropriate prefix.

7. **Official Authorized to Sign for the Proposer:** Enter the administrator authorized through the board resolution to sign on the appropriate line as indicated. A board resolution will be required prior to contract execution.

8. **Job Title:** Enter the title of the authorized signatory. Please abbreviate the job title if the tile does not fit in the cell.

9. **Phone Number/Ext.:** Enter the phone number and extension of the contact. Note: For the phone number, enter only numbers with no spaces, hyphens, parenthesis or any additional characters (i.e., 2223334444).

10. **E-Mail Address:** Enter the email address of the Official Authorized to Sign for Proposer.

11. **Prefix:** Enter the appropriate prefix for the Primary/Secondary Contact.

12. **Primary/Secondary Contact for Program**: CSS will only contact the Secondary Contact in cases where the authorized signatory is not available.

13. **Job Title:** Enter the title of the Primary/Secondary Contact. Please abbreviate the job title if the title does not fit in the cell. This person is considered the Project Manager (see Appendix A (Statement of Work) Section 6.3 (Project Manager). County will only contact the Secondary Contact in cases where the authorized signatory is not available.

14. **Phone Number/Ext.:** Enter the phone number and extension of the Primary/Secondary Contact. Note: For the phone number, enter only numbers with no spaces, hyphens, parenthesis or any additional characters (i.e.,... 2223334444).

15. **E-Mail Address:** Enter the email address of the Primary/Secondary Contact.

<u>PAGES 2 & 2a</u>

PAGE 2
Site Summary: Complete the information requested for **each** Disease Prevention and Health Promotion Site by providing the following:

NOTE: This information may be utilized for public use (e.g., directories, website, and brochures).

1. **Site Name:** Enter the Site name. Abbreviate if necessary.

2. **Sup. District (Supervisorial District):** Indicate in which of the five (5) Los Angeles County Supervisorial Districts the Site is located.

3. **Site Address:** Provide the address of the physical location.

4. **Public Phone Number:** Enter the telephone number that Clients may use to contact staff at the Site.

5. **Site Manager/Phone Number:** Provide the full name of the Site's Manager as well as his/her direct telephone number.

6. **Hours of Operation:** Enter the hours the Site is open for Services under the appropriate column according to the days of the week (Monday through Friday [M-F], Saturday [Sat] and/or Sunday [Sun]. For example, if the Proposer intends to provide Services on Monday, Wednesday, Friday, Saturday, and Sunday, then data would be entered as follows: Under column 'M-F' enter: Mon, Wed & Fri – 12 pm – 3 pm & 5 pm – 8 pm; (2) Under Column 'Sat' enter 12 pm – 3 pm & 5 pm – 8 pm; and, (3) under Column 'Sun' enter 12 pm – 3 pm & 5 pm – 8 pm.

PAGE 2a

Site Summary (Con't): If needed, please use this page as a continuation of page 2.

PAGE 3

Service Unit Summary: Provide the requested information for all five (5) Supervisorial Districts as indicated. Please note this information may be for public use.

1. **Proposed Number of Unduplicated Clients:** Indicate the Proposed Number of Unduplicated Clients for each Supervisorial District for the Fiscal Year of 2016-2017.

2. **Proposed Number of Contacts:** Indicate the Proposed Number of Contacts Proposer's plans to serve for each Supervisorial District for the Fiscal Year of 2016-2017. Enter the Costs to provide the Contacts for each Supervisorial District for the Fiscal Year of 2016-2017. The cells will calculate the average costs per unit for each Supervisorial District. Please review *Section 2.1.2 (DPHP Service Delivery)* of the 2016-2020 DPHP Request for Proposals (RFP) to see the Estimated Funding and Availability of DPHP Monies and the Estimated Annual Program Contacts for the DPHP Program.

   Once the Contacts and Costs for each Supervisorial District have been entered into the form, the form will calculate the average cost of service for each Supervisorial District.

Monthly Services: Provide the requested information for all five (5) Supervisorial Districts as indicated. Please note this information may be for public use.

1. **Proposed Number of Contacts:** Indicate the number of Proposed Contacts Proposer plans to serve for each month of the 2016-2017 Fiscal Year.

2. **Proposed Number of Unduplicated Clients:** Indicate the Proposed Number of Unduplicated Clients for each Supervisorial District for each month for the Fiscal Year of 2016-2017.

INSTRUCTIONS FOR DEVELOPING THE PROPOSED BUDGET FOR DISEASE PREVENTION AND HEALTH PROMOTION PROGRAM

Please use the following instructions to complete the electronic *Proposed Budget.* The worksheet has been protected to preclude changes to key fields/cells except for designated areas which shall be completed by the Proposer. The form automatically performs all necessary calculations and validations. Please note: Proposer shall complete the applicable sections in order to accurately reflect the Services to be provided for the Fiscal Year. When working with calculations, any additional information other than whole numbers will often create mathematical variances therefore, **please refrain from using formulas or decimals.**

PART I – PROPOSED BUDGET FOR DISEASE PREVENTION AND HEALTH PROMOTION PROGRAM SERVICES (DPHP)

PAGE 1 OF 6

Cover Sheet: Please provide all requested information as indicated in the blue font**.** Once the Fiscal Year, and Proposer's Legal Name have been entered as indicated, the information will automatically generate on all pages of the workbook.

1. **Enter the Fiscal Year:** Enter the Fiscal Year onto the appropriate line at the top of the page.

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7. **Official Authorized to Sign for the Proposer:** Enter the administrator authorized through the board resolution to sign on the appropriate line as indicated. A board resolution will be required prior to contract execution.

8. **Job Title:** Enter the title of the authorized signatory. Please abbreviate the job title if the title does not fit in the cell.

9. **Phone Number/Ext.:** Enter the phone number and extension of the Official Authorized to Sign for Proposer. Note: For the phone number, enter only numbers with no spaces, hyphens, parenthesis or any additional characters (i.e., 2223334444).

10. **E-Mail Address:** Enter the email address of the Official Authorized to Sign for Proposer.

11. **Prefix:** Enter the appropriate prefix for the Primary/Secondary Contact.

12. **Primary/Secondary Contact for Program**: Enter the Primary/Secondary Contact for the Program.

13. **Job Title:** Enter the title of the Primary/Secondary Contact. Please abbreviate the job title if the title does not fit in the cell. This person is considered the Project Manager (see Exhibit A (Statement of Work) Section 6.3 (Project Manager). County will only contact the Secondary Contact in cases where the authorized signatory is not available.

14. **Phone Number/Ext.:** Enter the phone number and extension of the Primary/Secondary Contact. Note: For the phone number, enter only numbers with no spaces, hyphens, parenthesis or any additional characters (i.e., 2223334444).

15. **E-Mail Address:** Enter the email address of the Primary/Secondary Contact.

Program Funding Summary Chart: This Chart will provide an overall summary of the total funding reflected on the corresponding pages of the budget document. Include information for the Chart as follows:

1. **Column A Supervisorial District:** <u>This Column is locked</u> as it is intended for the Proposer to use as a reference in completing the Chart.

2. **Column B Proposed Grant Funds:** Include the proposed amount of Grant Funds that Proposer plans to expend for each Supervisorial District.

3. **Column C Match:** Include the total proposed amount of Cash and/or In-Kind Match amount Proposer will add towards the DPHP Program (Program) for each Supervisorial District. (*For a definition of Match,* see *Contract Exhibit P (Definitions)).*

4. **Column D Non-Match:** Include the total proposed amount of Cash and/or In-Kind Non-Match amount Proposer will add towards the Program for each Supervisorial District. *(For a definition of Non-Match, see Contract Exhibit P (Definitions)).*

5. **Column E Program Income:** Include the total proposed amount of Program Income Proposer will add towards the Program for each Supervisorial District. (For a definition of Program Income, s*ee Contract Exhibit P (Definitions)).*

6. **Column F Total Funding:** <u>This Column is locked</u>. The Form will calculate all program funding entered within the Form to provide a sum of total funding for each Supervisorial District and an overall Grand Total.

<u>PAGE 2 OF 6</u>

Budget Summary: This form is intended to be a summary of all costs for the Program for Fiscal Year of 2016-2017. This summary shall reflect the totals for each Cost Category as reflected on the following pages of 3 of 6 to 6 of 6.

The Cost Categories noted on the form represent the areas of cost Proposer may reflect its expenses for operating the Program.

Include the data for Program costs (i.e., expenditures for operating the Program) and funding for each Supervisorial District as follows:

1. Please include the costs of Cash and/or In-Kind for each Supervisorial District for each Cost Category as listed (Personnel, Consultants/Sub-contractors, Space, Equipment or Materials, Training and Other Costs). The form will total the amounts of each Cost Category for Cash and/or In-Kind under the column titled Total Budget. The form will also calculate the Total Direct Costs of each Cost Category for each category for each Supervisorial District.

2. **Indirect Costs:** Please enter the total amount of Cash and/or In-Kind for each Supervisorial District for Indirect Costs. Indirect Cash is capped at 10% of the Proposed Grant Funds. Any Indirect costs that exceed the 10% administrative cap may be used as a Match.

   All Indirect Costs must be supported by an approved Indirect Cost rate (federal cognizant agency or CSS) and the Cost Allocation Plan. *(For more information regarding the Cost Allocation Plan, please refer to Appendix P (Cost Allocation and Indirect Cost Requirements for CSS Subawards).*

The form will calculate the Total Program Costs of Cash and/or In-Kind of each Cost Category and the Indirect Costs for each Supervisorial District.

3. Enter the amount of revenue of Cash and/or In-Kind necessary to operate the Program for each of the following categories: Match, Non-Match, and/or Grant Related Income *(see Appendix C (Sample Contract) Exhibit P (Definitions)*.

4. **Match Met/Match Not:** This area is designed to test whether the amount of Match entered meets the minimum Match requirement. When the appropriate amount of Match is entered, a message will appear on screen as "Match Met". If the Match is not met, a message will appear on screen as "Match Not Met" and the Proposer will need to provide additional Match contributions.

   The form will calculate the Total Funding of Cash and/or In-Kind to operate the Program. The form will also calculate the GRAND TOTAL for each Supervisorial District.

   NOTE: Proposer shall ensure there is no remaining Variance on the form when all costs have been added to the form. If Variances result on the form after cost data has been added, Proposer shall adjust the costs to ensure there is no Variance.

PAGE 3 OF 6
Personnel

1. Please complete as follows:

   a. **Position Titles:** Enter the title of each staff member who will work on the Program. Abbreviate the job title if the title does not fit in the cell.

   b. **Column (A) - No. of Employees:** Enter the number of employees for each position identified with similar pay and percentage of time.

   c. **Column (B) - % of Time on Program:** Enter the percentage of time the employee(s) will spend working on the Program. Use a separate line to report this information if the percentage of time will vary for employees with the same title.

   d. **Column (C) – Monthly Salary:** Enter the total monthly salary for this position. Do not enter hourly rates. Estimate the Monthly Salary if the employee is paid by an hourly wage.

e. **Column (D) – No. of Months:** Enter the number of months the employee will be paid under the Program (not to exceed 12 months).

Column (E) – Annual Salary: This Column is locked. The total will be calculated automatically. Please note all preceding cells must have data entered before calculations in this Column will work.

f. **Column (F) – Proposed Grant Funds:** Enter the amount of the Proposed Grant Funds that will be used to fund the annual salary for this position.

g. **Column (G) – Match (Cash/In-kind):** Enter the amount of Match in the form of either Cash or In-kind contributions that will be used to fund the annual salaries for each employee that will work on the Program.

h. **Column (H) – Non-Match (Cash/In-kind):** Enter the amount of Non-Match in the form of either Cash or In-kind contributions that will be used to fund the annual salaries for each employee that will work on the Program.

i. **Column (I) – Grant Related Income:** Enter the amount of Grant Related income that will be used to fund the annual salaries for each employee that will work on the Program.

Column (J) – Budget: This Column is locked. The total budget for each employee that will work on the Program should equal Column (E) – Annual Salary.

Column (K) – Variance: This Column will display variances between columns (E) Annual Salary, and (J) Budget. Proposer shall ensure there are no Variances.

j. **Taxes:** Highlighted in yellow (Lower left-hand corner). Enter the total percentage representing payroll taxes. Please note: Columns (E) and (J) must be equal.

k. **Benefits:** Highlighted in yellow (Lower left hand corner). Enter the total percentage representing employee benefits. Please note: Columns (E) and (J) must be equal.

The form will calculate the GRAND TOTAL of each employee for the Annual Salary (Column E), Proposed Grant Funds (Column F), Cash Match and In-Kind Match (Column G), Cash Non-Match and In-Kind Non-Match (Column H), and Grant Related Income (Column I).

The GRAND TOTAL of Personnel cost shall equal the same amount as reflected on the Budget Summary (Page 2 of 6).

PAGE 4 OF 6
Volunteers & Consultants/Sub-contractors

1. **Volunteers:** Enter the job title(s) of the volunteer(s). The title(s) of the volunteer(s) should be commensurate with the wage being reported. The total volunteer/wage equivalent detail cost must be listed on Line 1 (Personnel) on the Budget Summary as In-Kind.

   Enter the following data:
   a. **Column (A)** - No. of Volunteers

   b. **Column (B)** - % of Time on Program

   c. **Column (C)** – Salary Equivalent

   d. **Column (D)** – No. of Months (not to exceed 12 months)

   Column (E) – Annual Salary Equivalent - This column is locked. It will calculate Columns A – D and provide the Annual Salary equivalent.

   e. **Column (G)** – Match/In-Kind

   f. **Column (H)** – Non-Match/In-Kind

   Column (J) – This column is locked. It will calculate Columns E, G, and H and provide the Budget amount for Volunteers.

   Column (K) – Variance: This column will display variances between columns (E) Annual Salary Equivalent, and (J) Budget. Proposer shall ensure there are no Variances.

The TOTAL cost of Volunteers shall equal the same amount as reflected on the Budget Summary (Page 2 of 6).

2. **Consultants/Sub-contractors:** Enter the type of Consultants and/or Sub-contractors that will be utilized during the Fiscal Year. NOTE: For all Consultants and/or Subcontracts utilized by Proposer, Proposer must submit the Sub-contractor agreement to CSS prior to the start of Services for approval *(see Appendix C (Sample Contract) Section 8.40 Subcontracting)*. Complete the Columns as follows:

a. **Column (A) – Unit Cost:** Enter the actual negotiated rate of each listed Consultant/Sub-contractor Proposer plans to utilize in support of Program operations. The Unit Cost must be as reflective of the actual cost as possible. Although costs may differ from month to month, please provide the best estimated Unit Cost possible.

b. **Column (B) – Number of Units:** Enter the estimated or agreed reimbursement schedule/rate per month. For example, if you are paying for Services bi-weekly, then the costs should be reflected as: Agreed unit Cost/Rate of Reimbursement x 2 (for the number of times your agency will reimburse the Sub-contractor for one month) x 12 months.

c. **Column (C) – Number of Months:** Enter the number of months (not to exceed 12 months).

Column (D) – Total Cost: This Column is locked. The Column will calculate Columns A – C for the Total Cost. **NOTE:** Numeric values must be entered in Columns (A), (B), and (C) in order for Column (D) to calculate automatically.

d. **Column (E) – Grant Costs:** Enter the amount of the Proposed Grant Funds that will be used for Consultant/Sub-contractor costs.

e. **Column (F) – Match (Cash/In-kind)**: Enter the amount of the Proposer's Match in the form of either Cash or In-kind contributions that will be used for Consultant/Sub-contractor costs.

f. **Column (G) – Non-Match (Cash/In-kind):** Enter the amount of the Proposer's Non-Match in the form of either Cash or In-kind contributions that will be used for Consultant/Sub-contractor costs.

g. **Column (H) – Grant Related Income:** Enter the amount of proposed Grant Related Income that will be used for Consultant/Sub-contractor costs

Column (I) Budget: This Column is locked. This Column will calculate columns E – H. This amount should equal column (D) Total Costs.

Column (J) – Variance: This Column will display variances between Columns (D) Total Cost, and (I) Budget. Proposer shall ensure there are no Variances.

The TOTAL cost of Consultants/Sub-contractors shall equal the same amount as reflected on the Budget Summary (Page 2 of 6).

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Space/Training/Equipment

1. **Space** – Enter the location of the Space wherein Program or administrative services will be provided. Complete the Columns as follows:

    a. **Column (A) Unit Cost:** Enter the cost per square foot. This amount must be a fair market value and supported by documentation.

    b. **Column (B) Number of Units:** Enter the total square footage of Space being used for the Services.

    c. **Column (C) – The Number of Months:** Enter the number of months (not to exceed 12 months).

    Column (D) - Total Cost: This Column is locked. The Column will calculate Columns A – C.

    d. **Column (E) – Proposed Grant Funds:** Enter the amount of the Proposed Grant Funds that will be used for Space costs.

    e. **Column (F) – Match:** Enter the amount of the Proposer's Match in the form of Cash or In-kind contributions that will be used for Space costs.

    f. **Column (G) – Non-Match (Cash):** Enter the amount of the Proposer's Non-Match in the form of Cash contributions that will be used for Space costs.

    g. **Column (H) – Grant Related Income:** Enter the amount of proposed Grant Related Income that will be used for Space costs.

    Column (I) – Budget: This Column is locked. The Column will calculate Columns E – H. This amount should equal Column (D) Total Cost.

    Column (J) – Variance: This Column will display variances between Columns (D) Total Cost, and (I) Budget. Proposer shall ensure there are no Variances.

    The TOTAL cost of Space shall equal the same amount as reflected on the Budget Summary (Page 2 of 6).

2. **Training:** In the space provided, enter the training sessions that will be conducted for employees. Complete the Columns as follows:

a. **Column (A) – Unit Cost:** Enter the cost per training session. The unit cost must be as reflective of the actual costs as possible. Although costs may differ from month to month, please provide the best estimated cost possible.

b. **Column (B) – Number of Units:** Enter the number of training session to be conducted for the Fiscal Year.

c. **Column (C) – Number of Months:** Enter the number of months (not to exceed 12 months).

Column (D) – Total Cost: This Column is locked. The Column will calculate Columns A – C.

d. **Column (E) – Proposed Grant Funds:** Enter the amount of Proposed Grant Funds that will be used to provide the training sessions.

e. **Column (F) – Match (Cash/In-kind):** Enter the amount of the Proposer's Match in the form of either Cash or In-kind contributions that will be used towards the training sessions.

f. **Column (G) – Non-Match (Cash/In-kind):** Enter the amount of the Proposer's Non-Match in the form of either Cash or In-kind contributions that will be used to towards the training sessions.

g. **Column (H) – Grant Related Income:** Enter the amount of proposed Grant Related Income that will be used towards the training sessions.

Column (I) - Budget: This Column is locked. The Column will calculate Columns E – H. This amount should equal Column (D) – Total Cost.

Column (J) – Variance: This Column will display variances between Columns (D) Total Cost, and (I) Budget. Proposer shall ensure there are no Variances.

The TOTAL cost of Training shall equal the same amount as reflected on the Budget Summary (Page 2 of 6).

3. **Equipment:** In the space provided, enter equipment items that will be purchased for use in program operations. Complete the Columns as follows:

h. **Column (A) – Unit Cost:** Enter the cost per unit. The unit cost must be as reflective of the actual costs as possible. Although costs may differ from month to month, please provide the best estimated cost possible.

i. **Column (B) – Number of Units:** Enter the number of items to be purchased.

j. **Column (C) – Number of Months:** Enter the number of months (Not to exceed 12 months).

Column (D) – Total Cost: This Column is locked. The Column will calculate Columns A – C.

k. **Column (E) – Proposed Grant Funds:** Enter the amount of Proposed Grant Funds that will be used to purchase the equipment item(s).

l. **Column (F) – Match (Cash/In-kind):** Enter the amount of the Proposer's Match in the form of either Cash or In-kind contributions that will be used to purchase the equipment item(s).

m. **Column (G) – Non-Match (Cash/In-kind):** Enter the amount of the Proposer's Non-Match in the form of either Cash or In-kind contributions that will be used to purchase the equipment item(s).

n. **Column (H) – Grant Related Income:** Enter the amount of proposed Grant Related Income that will be used to purchase the equipment item(s).

Column (I) Budget: This Column is locked. The Column will calculate Columns E – H. This amount should equal Column (D) – Total Cost.

Column (J) – Variance: This column will display variances between Columns (D) Total Cost, and (I) Budget. Proposer shall ensure there are no Variances.

The TOTAL cost of Equipment shall equal the same amount as reflected on the Budget Summary (Page 2 of 6).

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Other Cost Detail: For each cost category (i.e., Accounting Services, Advertising, Audit Services, etc.) complete each that applies.

Mileage and Additional Other Cost Categories:

Mileage must be calculated by the cost per mile and the estimated number of miles. The cost per mile can't exceed the AAA approved unit rate which is currently .54 cents per mile.

Proposer may add additional Other Cost Categories if needed in the remaining rows of the Other Costs Detail.

a. **Column (A) Unit Cost:** The unit cost must be as reflective of the actual costs as possible. Although costs may differ from month to month, please provide the best estimated cost possible.

b. **Column (B) Number of Units:** Enter the number of items to be purchased or services to be used in support of the Program.

c. **Column (C) Number of Months:** Enter the number of months (not to exceed 12 months).

Column (D) Total Cost: This Column is locked. The Column will calculate Columns A – C.

d. **Column (E) Proposed Grant Funds:** Enter the amount of the Proposed Grant Funds that will be used to purchase the items or services.

e. **Column (F) Match (Cash/In-kind):** Enter the amount of the Proposer's Match in the form of either Cash or In-kind contributions that will be used to purchase the items or services.

f. **Column (G) Non-Match (Cash/In-kind):** Enter the amount of the Proposer's Non-Match in the form of either Cash or In-kind contributions that will be used to purchase the items or services.

g. **Column (H) Grant Related Income:** Enter the amount of proposed Grant Related Income that will be used to purchase the items or services.

Column (I) Budget: This Column is locked. The Column will calculate Columns E – H. This amount should equal column (D) Total Cost.

Column (J) – Variance: This Column will display variances between Columns (D) Total Cost, and (I) Budget. Proposer shall ensure there are no Variances.

The TOTAL cost of Other Cost shall equal the same amount as reflected on the Budget Summary (Page 2 of 6).

Indirect Costs:

Please note that Proposers can only charge 10% of the Proposed Grant Funds to the Program. Indirect Cash is capped at 10% of the Proposed Grant Funds. Any Indirect costs that exceed the 10% administrative cap may be used as a Match. All Indirect Costs must be supported by the Cost Allocation Plan submitted by Proposer. *(For more information*

regarding the Cost Allocation Plan, please refer to Appendix P (Cost Allocation and Indirect Cost Requirements for CSS Subawards).