

Slide Title and Transcript

Chat Resources

Direct and Indirect Costs (Cost Allocation Plan)

Producer Welcome to the third webinar in our OVC Tribal Financial Management Center Training series. We're glad you could join us today!

As Federal grantees, you should have a cost allocation plan to ensure you charge costs fairly and consistently. This topic is more involved than some we have presented in the past, it may be considered an intermediate level training.

This webinar will give you guidance on how to do that. Before we do that, though, let's quickly review how to participate in this webinar.

Using Adobe Connect

Producer Here's a quick overview of Adobe Connect, the platform we are using today. Let's cover what we'll be using in today's session.

I'd like to say a quick thank you to Tiffany who is our technical specialist on today's webinar. Thanks for helping us out today, Tiffany!

The slides for today's presentation are located on the left side of the screen. To the right of that pod, you'll see the Chat Pod. We'll use this during our Q&A session so you can follow along with the questions that are being asked.

If you would like to access a transcript of today's session, please visit the email or link from which you accessed this webinar recording.

Finally, we do have several handouts associated with today's session, so use the pod in the lower right corner of the screen to download the handouts referenced during today's session.

Webinar Producer

Producer I want to say a quick thank you to Yolanda Gibson, an OVC Grant Manager, and Bill Park, GFMD's IDC Expert, for their support with this session.

And I'd like to now introduce our presenters for today's webinar – Tamara Fulwyler and Alicia Nevaquaya . Tamara will be today's lead presenter, so Tamara, I'll hand the presentation over to you and let you and Alicia introduce yourselves.

Webinar Presenters

Tamara Welcome everyone! Chokma!/Greetings! This is Tamara. I bring three experiences that help me understand how to share this information with you today. I've served as the executive director of a regional victim service agency. I served as the Chief Financial Officer for a tribal entity. And I've been a grant/project reviewer for federal agencies funding victim services projects. I'm calling from the Puget Sound area of Washington State. The traditional lands of the Salish people. I recognize the ancestors of the Puyallup Indian Tribe and thank their leaders today for their stewardship of our land and waters. Now, to my colleague in Oklahoma.

Alicia Thanks, Tamara. Hello, my name is Alicia Nevaquaya. I am a financial specialist for the Tribal Financial Management Center. I am a member of the Choctaw Nation of Oklahoma, and I am Comanche by marriage. I have had the pleasure of working in Indian Country for more than 20 years now in various capacities as an environmental lawyer, agricultural lawyer, and a contracts and grants attorney, providing tribes and other organizations with the foundations on how to work with Indian people in a financial setting.

Webinar Objectives

Tamara *[READ the webinar objectives.]*

This presentation is like a tour of the topics on the objectives that are posted on the slide now on your screen.

We'll start with concepts that are at a basic accounting level about allowable costs and identifying direct and indirect costs.

Then we'll move on to an intermediate accounting level regarding the development of a cost allocation plan.

Finally, at the end of today's webinar, we will touch on an advanced accounting level concept of negotiating an indirect cost rate agreement.

We have resources attached to the webinar. We'll be providing information in the chat box as we. Then, we'll have a designated Q&A session when questions may be asked at that time.

A copy of the PowerPoint is available for you. A glossary sheet of terms used in the webinar is available. And we can follow-up with any questions you might have that don't get answered during today's session.

You may be new to working with cost allocation – you may be a veteran. I've been working with these concepts for 20 years. And, initially, I took a 24-hour long boot camp to learn the concepts and then had to master them through several years of preparing negotiated indirect cost rate packages. This is a big topic with a lot of technical concepts. Please note the resources, including the staff at the TFMC, to help you when you're ready to learn and apply cost allocation concepts.

OVC Tribal Financial Management Center

Alicia This is a NEW resource for OVC Tribal Grantees. Launched in the fall of 2018 to provide training/technical assistance (TTA) and resources to OVC Tribal grantees and applicants for the FY 2018 and 2019 Victim Services Set-Aside and CTAS (Purpose Areas 6 and 7). OVC TFMC provides financial management TTA and resources to support American Indian and Alaska Native (AI/AN) communities as they develop and maintain the capacity to successfully manage the financial aspects of their federal awards. A strong financial foundation will support each community's service to crime victims while enhancing the consistency and sustainability of tribal victim service programs.

Training and Technical Assistance (TTA) Approach

Alicia Our technical and training assistance approach includes individualized virtual and onsite TTA sessions; Virtual Support Center consults; webinars; peer-sharing web forums; regional workshops; Learning Circles; needs assessments; and peer-sharing web forums.

OVC TFMC Virtual Support Center (VSC)

Alicia The Virtual Support Center is available by using either the email or phone number listed here. You will receive a response by a TA provider to better understand your request and provide you support.

The hours of operation are noon to 7 p.m. eastern time; 11 a.m. to 6 p.m. central time; 10 a.m. to 5 p.m. mountain time, 9 a.m. to 4 p.m. pacific time and 8 a.m. to 3 p.m. Alaska time.

Our Promise: Cultural Humility

Alicia When working with tribal communities, we recognize not all tribal communities are alike – we are working with sovereign nations and understand the importance of honoring the indigenous ways of knowing.

We know trust is required before successfully working with tribal communities and building trust takes time.

Grant Management Team

Tamara We created this training to help you all in your role as grantees. There is a team supporting you. On the slide you can see the key players.

You may have received an introductory email from your grant manager upon receipt of your award. Your grant manager will be your main point of contact for any questions or issues related to the management of your grant. If you have not been in contact with them, you may want to reach out to them.

There are the programmatic TTA providers on your team. And, there are all of us here at the Tribal Financial Management Center on your team. We hope you'll call on us when we can support you!

What is a Cost Allocation Plan?

Tamara A cost allocation plan is a formal written document that outlines the specific accounting process an entity uses for allocating indirect costs to programs, functions, and activities. Cost allocation is specific to each entity. Unlike direct costs (which are traced), indirect costs are allocated, and that requires judgment, communication, and documentation.

The process isn't easy, but it's vital. You need to have a plan to allocate indirect costs carefully to understand the cost of a PROGRAM, FUNCTION, OR ACTIVITY.

Why Have a Cost Allocation Plan?

Tamara Every organization needs a cost allocation plan to equitably charge costs consistently. The goal is to ensure that each program bears its fair share, and only its fair share, of the total cost of its functions.

It ensures you are following federal regulations in the justification for allocation of administrative costs and it ensures the administrative costs are applied uniformly and shared equally between grants and contracts. You can see the link to the regulations in the chat box.

Section § 200.416 - Cost allocation plans and indirect cost proposals.
<https://www.govinfo.gov/app/details/CFR-2019-title2-vol1/CFR-2019-title2-vol1-sec200-416>

Five Criteria to Determine if a Cost is Allowable

- Alicia**
1. Reasonable – A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost and is comparable to market prices. “Reasonable” relevant to market prices can be very important in rural areas and Alaska. The cost of an item might be a lot higher in a rural than an urban area
 2. Allowable – in alignment with federal and organizational regulations, and not specifically disallowed. For example, fundraising and lobbying costs are generally not allowable. To help you determine allowable costs, there is an appendix to the VSSA applications which is very specific.
 3. Necessary – needed to accomplish the purpose.
 4. Allocable – A cost is allocable to a specific cost objective if the goods or services involved are chargeable or assignable to that cost objective according to the relative benefits received. All activities which benefit from the governmental unit's indirect costs, including unallowable activities and services donated to the entity by third parties, must consistently receive an appropriate allocation of indirect costs.

Documented - written records must be maintained for explaining the methodology for allocating costs, for example, time studies to document “time and effort” in specific functions

General Tests – An Example of Documentation

Alicia Charges made to Federal awards for salaries, wages, and fringe benefits must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization. They should reflect either after the fact distribution of actual activities or certifications of employee's actual worked performed.

Examples of items that may support these salaries and wages can include timesheets, time and effort reports, and activity reports. These documents should be certified by the employee and approved by a supervisor with firsthand knowledge of the work performed.

There is a great resource about costs for grantees at Appendix A: Allowable and Unallowable Costs Chart Office for Victims of Crime FY 2019 Tribal Victim Services Set-Aside Program Examples of Allowable and Unallowable Costs.

Also, see the U.S. Department of Interior list of unallowable costs table. It's an excellent job aid. There are links to both these resources in the Chat Box.

Appendix A: Allowable and Unallowable Costs Chart Office for Victims of Crime FY 2019 Tribal Victim Services Set-Aside Program (page 20)
<https://www.ovc.gov/grants/pdftxt/FY19-Tribal-VSSA-Solicitation.pdf>

Examples of Allowable and Unallowable Costs
<https://www.doi.gov/ibc/services/finance/indirect-cost-services>

More About “Costs”

Tamara A Little Extra About “Costs”

Get comfortably familiar with Title 2 CFR 200 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS, Subpart E and Appendix V

All the topics we cover today are spelled out in this resource. A link to this section of the 2 CFR 200 will be provided in the resource page.

What are the Features of a Cost Allocation Policy?

Tamara As per 2 CFR 200.302, federal grantees have written procedures for determining the allowability of costs in accordance with the terms and conditions of their federal award and with Subpart E – Cost Principles. This link is at the end of the presentation under resources.

<https://www.govinfo.gov/content/pkg/CFR-2019-title2-vol1/xml/CFR-2019-title2-vol1-sec200-302.xml>

Ensure your written procedures for determining allowable cost are monitored and updated in accordance with changes and new provisions as they occur in 2CFR200. You will also want to have policies and procedures on personnel, procurement, property and travel. TFMC will have guides available soon on some of these topics, including a policies and procedures template.

Questions to Help Guide Development of Cost Allocation Policies and Procedures

Tamara Here are some questions to help guide development of a cost allocation policy and procedures. TFMC will have a guide also available on this topic.

What is in a Cost Allocation Plan?

Alicia If an entity is not authorized to use the "de minimis rate of 10%, it should have a written cost allocation plan, explaining in detail the methodology used for allocating various types of costs. The plan should also explain which costs are allocated as direct costs and which costs are allocated as indirect costs. Clear allocation of expenses is important so that federal funds are used only to reimburse allowable activities.

Most governmental units provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally supported awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process. All costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

What is a Direct Cost?

Alicia A direct cost is one which can be readily identified as benefiting a particular program or cost center.

For example, costs that can be directly associated with a specific grant or contract may include direct labor salaries/wages and allocable fringe for the program's employees; travel of said employees and their program supplies; postage, printing, communications, equipment, rentals and other costs directly associated with the program.

What is an Indirect Cost?

Tamara Indirect costs are those which cannot be readily identified as benefiting a specific program or cost center. They are usually referred to as overhead expenses such as rent and utilities as well as administrative expenses including officers' salaries, accounting department costs and personnel department costs.

Indirect costs cannot be allocated on a basis that is equitable in consideration of the relative benefits a cost center receives.

These types of costs, such as general facilities expenses and administrative salaries, are combined into an "indirect costs pool."

What are Rules for Classifying Costs?

Alicia There is no universal rule for classifying certain costs as either direct or indirect. Each item of cost should be treated CONSISTENTLY to avoid possible double charging of federal awards.

What are the Steps in a Cost Allocation Plan?

Alicia The steps in a cost allocation plan are to separate unallowable from allowable costs. Identify all allowable **direct** costs. Identify all allowable **indirect** costs. Apply a cost methodology. We will discuss these individual steps in detail later in the presentation.

What is an Indirect Cost Pool?

Tamara The indirect cost pool is the accumulated costs that jointly benefit two or more programs or other cost centers (ALSO CALLED FUNCTIONS OR ACTIVITIES). Indirect cost pool expenditures typically include administrative salaries and fringe benefits associated with overall financial and organizational administration; operation and maintenance costs for facilities and equipment; and payroll and procurement.

There are a variety of cost allocation methodologies that can be used to determine the indirect cost pool. I'll describe one method and then we'll go on to a slide that shows how to allocate indirect costs using other methods.

One type of indirect cost pool is to use an **administrative basis**: for this, each program is allocated a percentage of pooled costs based on the full-time equivalent number of employees (or FTEs) paid in the programs in the prior year. Expenses charged to the indirect cost pool might be salaries, fringe, and travel associated with administrative, personnel, and payroll staff. Plus, the supplies, space costs, errors and omissions insurance, computer server costs and other associated costs will also be charged to this type of indirect cost pool.

At the end of each month, pooled indirect costs are directly allocated to the programs by expense line item based on the number of FTEs it had in the previous year.

The indirect cost pool contains no expenses that are charged directly to grant funds. The costs allocated each month are based on actual expenditures year to date and are not based on projections or estimates. The basis used allows for fair and equitable distribution of costs to all programs.

Remember, costs have to be allocated consistently and fairly. Your cost allocation plan has to be in writing to document your methods and procedures.

Let's go on to some examples of allocating the indirect cost pool items.

What are Cost Allocation Methodologies?

Tamara On the table on the left-hand slide, the first column shows the name of the program, like court advocacy or shelter. The second column shows the cost item that is in the indirect cost pool. In this example it is the cost of the phone system. The allocation method shown in this table is by percentage of total use by each program. So,

there are 30 phones on this analysis. Each program's phones are listed and the percentage of the total number of phones is calculated. To allocate the costs of the total phone expense, one cost allocation methodology would be to apply the percentage of the program use to the total expense and allocate that cost back to each program. This method works well when several programs share things like a central phone system or a copier.

There are other ways to do cost allocation that are similar to this. For example, as shown on the right-hand side example of the slide, to allocate the cost of the utilities, you could take the total square footage of the facility and the total FTEs in each program working from the facility, then divide the square footage used by each activity by the total agency square footage. Then you would multiply that percentage times the total utilities expense and allocate that cost back to each program.

Expressing the indirect cost pool as a percentage is the first step in learning how to use an "indirect cost rate." We're going to talk more about that in a little bit.

These are simple and common cost allocation methodologies. There are others and they can become quite complex. One important thing is that you are consistent in your cost allocation and that each program pays a fair share of the costs. AND THAT YOU DOCUMENT YOUR METHOD AND YOUR PROCESS.

What is Functional Expense Allocation?

Tamara Functional expense allocation means an entity uses distinct cost centers to record program and management functions. Each cost center has the specific expense account line items required for the cost center to perform its functions. Cost centers are often assigned to grants and contracts that fund programs. We're going to look at the next slide to help us understand more about cost center by functions.

Functional Expense Allocation

Tamara There is a spreadsheet on your screen showing expense allocation across three functional cost centers.

The first left-hand column is the general ledger code from the chart of account expenses. The second column names the expense.

The third, fourth, and fifth columns, highlighted in orange are what we call "program, activities, or functions." One for victim services, one for the shelter, one for the child advocacy program.

The last column, highlighted in purple, is the administrative/operations expense. The total is \$1,996,400. These are the items in the indirect cost pool.

This amount equals the same amount of indirect costs charged to the programs or functions, which at the bottom of the Programs Sub-total column, total indirect \$1,996,400. The total indirect cost pool has been allocated across the three functions by FTE.

So, let's say there were 100 FTEs for this entity in the past fiscal year working in these three function areas. There are 33.25 FTEs allocated in the programs of the victims' services function area, 66.75 FTEs are allocated to the shelter program function area and 0.25 FTEs allocated to the child advocacy function area. So, about one-third of the indirect cost pool is assigned to the victim services function area. Almost two-thirds of the indirect

cost pool is charged to the shelter function area. And there is a small amount of the indirect cost pool allocated to the child advocacy program.

This entity's cost allocation plan identifies, in writing, what will be allocated to the indirect cost pool, what will be directly charged to programs by function area, and what method for allocating the indirect costs to the functional areas will be used.

What is an Indirect Cost Rate (ICR)?

Alicia An indirect cost rate is a calculation for determining the proportion of indirect costs each program should bear. It is expressed as a percentage and is calculated by the ratio of total indirect costs, which is called the indirect cost pool, to the total of the direct costs, which is called the direct cost base. The pool of indirect cost pool (ICP) is divided by the direct cost base (DCB) to get a rate calculation that is expressed as a percentage. The formula would be $ICP/DCB = RATE$. The rate is applied to each program by multiplying the percentage to the direct costs in each program.

What is the Benefit of Having an Indirect Cost Rate?

Alicia It's how we pay to keep the doors open and the lights on while doing direct services.

Grant funded programs typically cover the costs of direct program expenses but don't cover the overhead costs that administrative and operations functions require. Having the ability to calculate and recover indirect costs is how we pay to keep the doors open and the lights on while doing direct services.

Otherwise, an organization that is primarily grant funded might not have enough money to fully cover their costs and they go out of business. Or, they have to raise additional revenues through donations and special events to cover these costs.

Establishing an Indirect Cost Rate

Alicia An indirect cost rate is established by preparing and negotiating an indirect cost rate proposal package to the federal government. The package normally includes the proposal, related audited financial statements, and other detail supports such as general ledger, trial balance, etc.

<https://www.doi.gov/ibc/services/finance/indirect-cost-services>

Tribal nations negotiate their indirect cost rate with the Department of the Interior, which would be called the "cognizant agency." Usually nonprofits which provide "general public assistance" have the U.S. Department of Health and Human Services as their cognizant agency.

Cognizant agency for indirect costs means the Federal agency responsible for reviewing and approving the governmental unit's indirect cost rate(s) on behalf of the Federal Government. The cognizant agency is the Federal awarding agency that provides the predominant amount of direct funding to an entity, unless

otherwise assigned by the White House Office of Management and Budget. Sometimes this office called OMB.

More about Indirect Cost Rates

Tamara If a Federal awarding agency has approved an indirect cost rate or allocation plan, then another awarding agency must accept the same indirect cost rate or allocation plan, provided the rate or plan is current and based on allocation methods substantially in accord with those set forth in the OMB Uniform Guidance for grant requirements. There are limited circumstances where a Federal agency may deviate from negotiated rates as discussed in 2 C.F.R. § 200.414 (Indirect (F&A) costs).

<https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/xml/CFR-2014-title2-vol1-sec200-414.xml>

A grantee that has a federally negotiated indirect cost rate, which has expired during the funding period cannot draw down funds budgeted for indirect costs until a new rate is approved and a copy is submitted to the awarding agency.

Any grantee that has a federally negotiated indirect cost rate may request a one-time extension of a current negotiated rate for a period of up to four years. This extension request is subject to approval from its cognizant agency for indirect costs. During the extension, the grantee may not request a rate review until the extension period ends. At the end of the 4-year extension, the grantee must re-apply to negotiate a rate.

A grantee that has never received a negotiated indirect cost rate, may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. The de minimis rate does not apply to tribal, state, and local governments. When using the de minimis cost rate, costs must be consistently charged as either indirect or direct costs, and they may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a grantee chooses to negotiate for a rate, which it may do at any time.

Choosing what type of indirect cost rate to use is a policy-level decision at your site.

For more information, you can refer to the link the producer dropped into the chat box.

2 CFR 200 Provides the Steps for Preparing an Indirect Cost Rate Proposal

Tamara The requirements for the development and submission of indirect cost proposals and cost allocation plans are set out in Appendices III – VII of 2 C.F.R. § 200. You can see the list of items addressed in these appendices on your screen.

Nonprofits:
<https://www.govinfo.gov/app/details/CFR-2014->

A non-federal entity should follow the guidelines applicable to its type of organization:

2 C.F.R. § 200, Appendix IV for Non-Profit Organizations

2 C.F.R. § 200, Appendix V for State/Local/Tribal governments

[title2-vol1/CFR-2014-title2-vol1-part200-appIV](#)

Tribal governments:
<https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/xml/CFR-2014-title2-vol1-part200-appVII.xml>

Tribal Indirect Cost Rate Proposal Package Example

Tamara Indirect Cost Rates are approved for a period of one year.

<https://ibc.doi.gov/ICS/tribal-faqs>

Preparing a complete indirect cost proposal takes teamwork, training, and practice as they are complex. Here is a screenshot of the cover page of the EXCEL workbook for the tribal indirect cost proposal package to the Department of Interior. The producer will drop a link to a frequently asked questions page at the Indian Tribal Government page of the Department of the Interior customer service site.

What Different Types of Indirect Cost Rates Can be Negotiated?

Alicia A final rate is an indirect cost rate established for a specific time period based upon the actual, allowable costs incurred during that time period. A fixed rate is an estimated indirect cost rate applied to a specific current or future time period and is subject to adjustment after actual costs are calculated. A predetermined rate is an indirect cost rate applied to a specific current or future time period which is not usually adjusted. And, finally, a provisional rate is a temporary indirect cost rate applied to a limited time period and used until a "final" rate is established for that same time period.

Indirect Cost Rates Conclusion

Tamara However, please note, they are time consuming. Require meticulous detail. You have to do an annual reconciliation by fiscal year. They require knowledge and skills to develop and manage properly. They must list all direct and indirect costs. For these reasons, some entities forego the burdensome process.

Webinar Objectives

Tamara Ok, we're at the end of our presentation and back to where we started with these objectives. We hope you now will be able to identify resources available to help with a cost allocation plan. You can state the five criteria to determine if a cost is allowable. You know the difference between a direct and an indirect cost. You have an idea about the benefits of having an indirect cost pool. You see the overview of steps required to prepare a cost allocation plan.

We're now ready for our Q&A. I'm going to hand the presentation back over to Kat to introduce how the Q&A will work.

Questions and Answers

Producer Thanks, Tamara! We're now ready for our Q&A. To see the questions being asked, refer to the Chat Pod in the upper right portion of the screen. Let's go ahead and get started with our first question!

How do we know if a cost is allocable?

Tamara can you take this first one?

Tamara Sure, Kat. Thanks. We know a cost is allocable when we know if it is incurred specifically for the tribal set-aside grant (VSSA). Does it benefit the tribal set-aside grant and can it be distributed among cost centers in a reasonable proportion to the benefits received. Is it necessary to the overall operation of an organization and is assignable in part to the tribal set-aside grant? For example: let' say some instructional media was purchased for your VSSA grant. It cannot be paid for with VOCA funds, just because VSSA fund have run out.

Producer Thanks for that response, Tamara! Now for our next question.

How do we know if a cost is reasonable?

Alicia, can you take this one on?

Alicia Considerations include:

Whether the cost is of a type generally recognized as ordinary and necessary for the proper and efficient performance of the tribal set-aside grant.

The restraints or requirements imposed by such factors such as: sound business practices; arm's length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the tribal set-aside grant.

Market prices for comparable goods or services for the geographic area.

Whether the individuals concerned acted with prudence under the circumstances.

Whether there are significant deviations from established practices and policies.

Producer Thanks for that response, Alicia, super helpful! Now for our next question.

Are there special considerations for travel costs?

Tamara, can you take this one on?

Tamara Sure. I can answer this one. Travel Costs (note: must follow the stricter of the tribe's own travel policy or the [U.S. Federal Travel Regulations](#) (Chapter 301 – Temp Duty Allowances). This resource has detailed info on when agencies can approve Fly America exceptions. It notes when business class travel can be allowed. It also has a great Q&A on other practical aspects of travel allowability including per diem, mileage reimbursement, etc. Just a reminder, though, it is not incorporated in full into all of agreements as regulations that we must adhere to but is a strong guide to what the government considers to be allowable.

[U.S. Federal Travel Regulations](#) (Chapter 301 – Temp Duty Allowances)

Producer Thanks, Tamara, great response! Now for our next question.

What are good payroll practices for documenting costs?

Alicia, can you answer this one?

Alicia Employees may work in projects funded by a single grant. They may work in projects funded by more than one grant or funding source. They may work on multiple projects funded by different grants. It is required that their "time and effort" for payroll is documented with certified time and effort reports which reflect an accurate after-the-fact distribution of the actual activity of each employee and account for the total activity for which the employee is compensated. They should be prepared regularly and reviewed and authorized by a supervisor.

EXAMPLE: Joan's payroll costs may be budgeted to a VSSA grant 50% of the time and a VOCA grant 50% of the time. She is paid every two weeks. For each pay period, her timesheet will probably not show 40 hours of VSSA and 40 hours of VOCA. Her actual time spent on the projects is what should be shown on her time sheet. So, if in a pay period she spends 60 hours on VSSA and 20 hours on VOCA, that's what her timesheet should reflect – even though she's budget for 40 hours in each program. It's her actual effort that should be documented.

Producer Thanks so much for that response, Alicia. And now for our next question.

What is a good way to manage tracking direct and indirect costs?

Tamara, can you answer this?

Tamara In your accounting system, maintain a separate grant number for each contract, grant and foundation award as well as a separate number for your indirect cost pool so that expenditures are easily identifiable. All allowable direct costs are charged directly to programs (including general and administrative costs). All allowable joint or shared costs are prorated based on the basis of reasonability and allocability, using consistent methodology. The general and administrative costs allocated to the indirect cost pool should be identified in writing as part of your cost allocation plan. This plan should be approved by your council or board.

Producer Thanks, Tamara! And now we have time for our final question, which is:

Are there special rules about cost allowability for meals?

Alicia, can you answer this question for us?

Alicia Yes! For travelers you have to follow your own policies or the U.S. Federal Travel Regulations, whichever is more strict. Also, there are special considerations for meal allowability for tribal set aside grants for conferences, program meetings, non-program business meetings, trainings, other program activities, etc.

Closing Questions and Answers

Producer And that wraps up our Q&A for today. Thanks for all of your great questions! As we get ready to end today's webinar, Alicia and Tamara do you have any closing remarks you'd like to share with participants?

Thanks so much Tamara and Alicia. Let's close our webinar with a few announcements about upcoming webinars and accessing resources from today's session.

Upcoming TFMC Webinars

Producer Coming up in 2020 we'll have a lot of important webinars on a variety of topics that you'll want to attend! Be sure to be on the lookout for The Federal Financial Form SF-425, Budgets and Purchasing Procedures.

TFMC@OVCTFMC.org
(703) 462-6900

We also want to remind you that OVC TFMC provides financial specialists that are available to answer individual questions and support you as you go through the process of accepting your award through the OVC TFMC Virtual Support Center. Email questions or requests for grant financial management technical assistance to TFMC@OVCTFMC.org, which I've posted in the chat pod. Or, you can call us at (703) 462-6900, which I've posted in the chat pod as well.

References and Resources

Producer Finally, we have many resources and references from today's session, so be sure to get a copy of today's PPT slides by downloading them from the handouts.

Resources and References

Producer More references and resources.

Thank You for Participating

Producer Thank you everyone for attending today's webinar! And thanks again, Tamara and Alicia for giving a great presentation today, and thank you Tiffany for all of your technical support.

Be sure to complete the evaluation at the end of the session today as your feedback is valuable to OVC TFMC to help provide the best opportunities to support the field.

Thanks again and have a great day.



The **OVC Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to TFMC@OVCTFMC.org** or call **703.462.6900**. Visit OVCTFMC.org for additional resources and information.

Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to Evaluation@OVCTFMC.org.

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