

Indirect Cost Rate (ICR) Training

What is an Indirect Cost Rate (ICR) Schedule?

(Module 1)

What is an Indirect Cost Rate (ICR) Schedule?

Previously referred to as the "Overhead" Schedule – changed to Indirect Cost Rate (ICR) Schedule to reflect the Federal Title.

The primary document used to show the calculation for the indirect cost rate.

Direct Labor	Description	Financial Statement Amount	ABC Adj.	WSDOT Adj.	Ref.	Accepted Amount	%
Indirect Codes		***************************************					
Pringe Benefits Vacation Pay \$51,419 \$1,117 \$2.	Direct Labor	\$432,206				\$432,206	100.00%
Sick Pay							
Sick Pay						****	
Holiday Pay							11.90%
Payroll Taxes 120,125 27.							2.57%
Health Insurance 25,490 15,980 15,980 32, 490 55,980 15,980 32, 490 401-k) 150,240 34,7 56,980 32, 490 401-k) 150,240 34,7 56,980 32, 490 401-k) 56,980 32, 490 401-k) 56,980 32, 490 401-k) 56,980 32, 490 401-k) 56,980 56,9							5.75%
Workers Comp. Insurance							27.79%
Profit Sharing (401-k) 150,240 Severance S-400 (\$5,400) R 0 0 (28,400) 6. Fringe Benefit Adjustment (28,400) S0 \$370,840 \$85. General Overhead Indirect Labor S198,249 Phyroll Variance Account (36,355) (36,355) (36,355) Rid & Proposal Labor 9,129 Advertising Labor 4,005 (\$4,005) H 0 0. Public Relations Labor 0,312 (10,312) N 0 0. Direct Selling Labor 3,910 (10,312) N 0 0. Direct Selling Labor 3,910 (36,355) Relations Labor 2,580 (2,580) H 0 0. Direct Selling Labor 10,312 (10,312) N 0 0. Direct Bonus 65,000 (65,000) Q 0 0. Maintenance & Repairs 18,340 (997) P 17,343 44. Automobile 16,420 (15,200) B,C,P 1,220 0. Travel 25,600 (1,600) B,C 0 0. Travel 25,600 (1,600) B,C 0 0. Travel 23,789 7,000 B,C 0 0. Travel 11,125 11,125 11,125 11,125 11,125 11,125 11,125 11,125 11,125 11,125 12,120 11,125 11,125 11,125 11,125 12,120 11,125 11,125 12,120 12,120							5.90%
Severance							3.70%
Fringe Benefit Adjustment							34.76%
Total Fringe Benefits		5,400					0.00%
Ceneral Overhead Indirect Labor S198,249 Authorized Labor S198,249 Authorized Labor Advertising Labor Payroll Variance Account G36,355 S8, G36,365 S8, G36,355 S8, G36,365 S							-6.57%
Indirect Labor S198,249 Assembly Ass	Total Fringe Benefits	\$404,640	(\$33,800)	\$0	<u> </u>	\$370,840	85.80%
Payroll Variance Account 36,355 -8. 818 & Proposal Labor 9,129 Canada 1,20 Can							
Bild & Proposal Labor							45.87%
Advertising Labor							-8.41%
Public Relations Labor 2,580 (2,580) H 0 0 0	Bid & Proposal Labor	9,129				9,129	2.11%
Direct Selling Labor	Advertising Labor	4,005	(\$4,005)		H		0.00%
Education/Research Labor		2,580	(2,580)		H		0.00%
Incentive Bonus	Direct Selling Labor	10,312	(10,312)		N	0	0.00%
Rent 98,000 (24,612) A 73,388 16. Maintenance & Repairs 18,340 (997) P 17,343 4.3 Automobile 16,420 (15,200) B,CP 1,220 0. Travel Meals 25,600 (1,600) B,C 24,000 5. Travel Meals 42,000 (42,000) B,C 0 0. Insurance 23,789 7,000 D,P 30,789 7. Telephone 11,125 11,125 2. 9,671 2. Taxes & Licenses 38,900 (25,140) E 13,760 3. Depreciation & Amortization 22,140 (7,664) F,P 14,476 3. Employee Train/Recrui/Moving 2,100 (1,500) I 6 5,325 1. Employee Train/Recrui/Moving 2,100 (1,500) I 60 0. Advertising 25,550 (23,250) M 2,400 0. Public Relations Expense	Education/Research Labor	3,010				3,010	0.70%
Maintenance & Repairs 18,340 (997) P 17,343 4.4 Automobile 16,420 (15,200) B.C.P 1,220 0.0 Travel 25,690 (1,600) B.C. 24,000 5. Travel - Meals 42,000 (42,000) B.C. 0 0.0 Insurance 23,789 7,000 D.P 30,789 7, Telephone 11,125 11,125 2.1 11,125 2. Ublities 9,671 9,671 9,671 2. 9,671 2. 1,600 9,671 2. 1,760 3. 9,671 2. 1,1,125 2. 1,1,125 2. 1,1,125 2. 1,1,125 2. 1,1,125 2. 1,1,125 2. 1,1,1,125 2. 1,1,1,125 2. 1,1,1,125 2. 1,1,1,125 2. 1,1,1,125 2. 1,1,1,125 2. 1,1,1,125 2. 1,1,1,125 2. 1,1,1,125 2. 1,1,1,1,14 3. 1	Incentive Bonus	65,000	(65,000)		Q		0.00%
Automobile 16,420 (15,200) B.C.P 1,220 0.0 Travel - Meals 25,600 (1,600) B.C 24,000 5.1 Travel - Meals 42,000 (42,000) B.C 0 0.0 Insurance 23,789 7,000 D.P 30,789 7. Telephone 11,125 11,125 2.1 Travel - Meals 38,900 (25,140) E 13,760 3.0 Depreciation & Amortization 22,140 (7,664) F.P 13,760 3.0 Depreciation & Amortization 22,140 (7,664) F.P 14,476 3.0 Depreciation & Amortization 22,140 (1,500) I 6 5,325 1.0 Depreciation & Advertising 24,000 (1,175) G 5,325 1.0 Depreciation & Meals 25,500 (23,250) M 2,400 0.0 Advertising 25,650 (23,250) M 2,400 0.0 Direct Selling Expense 18,240 (15,140) M.I 3,100 0.0 Direct Selling Expense 9,400 (4,800) N 4,600 1.0 Direct Selling Expense 38,000 (22,369) J 15,631 3.0 Interest 450 (450) K 0 0.0 L 0.0 Direct Selling Expense 38,000 (23,369) J 15,631 3.0 Interest 450 (450) K 0 0.0 L 0.0 Direct Selling Expense 38,000 (25,480) L 11,630 0.0 Direct Selling Expense 38,000 (25,480) L 11,630 0.0 Direct Selling Expense 38,000 (25,480) L 11,1420 2.0 Dir	Rent	98,000	(24,612)		A	73,388	16.98%
Travel	Maintenance & Repairs	18,340	(997)		P	17,343	4.01%
Travel - Meals	Automobile	16,420	(15,200)		B,C,P	1,220	0.28%
Travel - Meals	Travel	25,600	(1,600)		B,C	24,000	5.55%
Telephone	Travel - Meals	42,000	(42,000)		B.C		0.00%
Utilities 9,671 Taxes & Licenses 38,900 (25,140) E 13,760 2. Depreciation & Amortization 22,140 (7,664) F.P. 14,476 3. Depreciation & Subscriptions 65,500 (1,175) G 5,325 11. Duss & Subscriptions 65,500 (1,175) G 5,325 12. Employee Train Recruit/Moving 2,100 (1,500) I 600 0. Advertising 25,650 (23,250) M 2,400 0. Public Relations Expense 18,240 (15,140) M.I 3,100 0. Direct Selling Expenses 9,400 (4,800) N 4,600 1. Direct Selling Expenses 38,000 (22,369) J 15,631 3. Interest 450 (450) K 0 0. Computer 28,400 (450) K 0 0. Supplies & Miscellaneous 36,900 (25,480) L 11,120 2. Total General Overhead \$7272,7555 (5286,274) S0 \$411,281 10. Total Indirect Costs & Overhead \$1,132,195 (\$320,074) \$0 \$812,121 187. Indirect Cost Rate (Less FCC) 261,96% 187,90% 187,90%	Insurance	23.789	7.000		D.P	30.789	7.12%
Taxes & Licenses 38,900 (25,140) E 13,760 3. Depreciation & Amortization 22,140 (7,664) F.P. 14,476 3. Dues & Subscriptions 6,500 (1,175) G 5,325 1. Employee Train/Recruit/Moving 2,100 (1,500) I 600 0. Advertising 25,550 (23,250) M 2,400 0. Public Relations Expense 18,240 (15,140) M.I 3,100 0. Direct Selling Expenses 9,400 (4,800) N 4,600 1. Direct Selling Expenses 38,000 (22,369) J 15,631 1. Professional Fees 38,000 (25,480) K 0 0. Interest 450 (450) K 0 0. Supplies & Miscellaneous 36,000 (25,480) L 11,200 0. Supplies & Miscellaneous 36,000 (25,480) L 11,120 2. Total Indirect Costs & Overhead \$1,132,195 (\$320,074) \$0 \$812,121 187. Indirect Cost Ret Cless FCC) 261.96% 187,90% 187,90%	Telephone	11,125				11,125	2.57%
Depreciation & Amortization 22,140 (7,664) F.P. 14,476 5.2	Utilities	9.671				9,671	2.24%
Dues & Subscriptions	Taxes & Licenses	38,900	(25,140)		E	13,760	3.18%
Employee Train/Recruit/Moving 2,100 (1,500) I 600 0,	Depreciation & Amortization	22,140	(7,664)		F,P	14,476	3,35%
Employee Train/Recruit/Moving 2,100 (1,500) I 600 0,	Dues & Subscriptions	6.500	(1.175)		G	5.325	1.23%
Public Relations Expense 18.240 (15.140) M.I 3.100 0.75 Direct Selling Expenses 9.400 (4.800) N 4.600 1.4 Professional Fees 38.000 (22.369) J 15.631 3.4 Interest 450 (450) K 0 0.75 Computer 28.400 22.400 1.4 Computer 28.400 22.400 1.4 Computer 28.400 22.400 1.4 Computer 28.400 5.0 1.4 Computer 28.400 5.0 5.0 Total General Overhead \$727.555 (\$286.274) \$0 \$812.121 102. Total Indirect Costs & Overhead \$1.132.195 (\$320.074) \$0 \$812.121 187.906 Indirect Cost Rate (Less FCC) 261.96% 187.90% 187.		2,100	(1,500)		1	600	0.14%
Public Relations Expense 18.240 (15.140) M.I 3.100 0.75 Direct Selling Expenses 9.400 (4.800) N 4.600 1.4 Professional Fees 38.000 (22.369) J 15.631 3.4 Interest 450 (450) K 0 0.75 Computer 28.400 22.400 1.4 Computer 28.400 22.400 1.4 Computer 28.400 22.400 1.4 Computer 28.400 5.0 1.4 Computer 28.400 5.0 5.0 Total General Overhead \$727.555 (\$286.274) \$0 \$812.121 102. Total Indirect Costs & Overhead \$1.132.195 (\$320.074) \$0 \$812.121 187.906 Indirect Cost Rate (Less FCC) 261.96% 187.90% 187.					M	2,400	0.56%
Direct Selling Expenses 9,400 (4,800) N 4,600 L1		18,240			M,I	3,100	0.72%
Professional Fees 38,000 (22,369) J 15,631 3.4 16,828 450 (450) K 0 0.0		9,400			N	4,600	1.06%
Interest					J	15,631	3.62%
Computer 28,400 28,400 50 50 50 50 50 50 50	Interest	450			K	0	0.00%
Supplies & Miscellaneous 36,900 (25,480) L 11,420 2. Total General Overhead \$727,555 (\$286,274) \$0 \$441,281 102 Total Indirect Costs & Overhead \$1,132,195 (\$320,074) \$0 \$812,121 187. Indirect Cost Rate (Less FCC) 261,96% 187,90% 187,90% 187,90% Facilities Cost of Capital \$0 0 \$0 0	Computer	28,400				28,400	6.57%
Total General Overhead \$7727.555 \$(\$286.274) \$0 \$441.281 102. Total Indirect Costs & Overhead \$1,132,195 \$(\$320,074) \$0 \$812,121 187. Indirect Cost Rate (Less FCC) 261.96% 187.90% 187.90% 187.90% 50 50 50 Facilities Cost of Capital \$0 0.00 0.00 0.00 Facilities Cost of Capital \$0 0.00 0.00 0.00 Total Indirect Cost of Capital \$0 0.00 0.00 Total Indirect Cost of Capital \$0 0.00 Total Indirect Cost Rate (Less FCC) \$0 0.00 Total Indirect Cost of Capital \$0 0.00 Total Indirect Cost of Capital \$0 0.00 Total Indirect Cost of Capital \$0 0.00 Total Indirect Cost Rate (Less FCC) \$0 0.00 Total Indirect Cost Rate (Less			(25,480)		L		2.64%
Indirect Cost Rate (Less FCC) 261.96% 187.90% 187.90% Facilities Cost of Capital \$0 0.0		\$727,555		\$0			102.10%
Indirect Cost Rate (Less FCC) 261.96% 187.90% 187.90% Facilities Cost of Capital \$0 0.0	Total Indirect Costs & Overhead	\$1,132,195	(\$320,074)	SO		\$812,121	187.90%
Facilities Cost of Capital \$0 0.0		2/2000			_		
	indirect Cost Rate (Less FCC)	201.96%	187.90%		=	187.90%	
\$1,132,193 (\$320,0/4) \$0 \$812,121	Facilities Cost of Capital	61 122 105	(6330.074)	- 60			0.00%
		\$1,132,195	(\$320,074)	\$0		\$812,121	
Indirect Cost Rate (Includes FCC) 187.90%	Indirect Cost Rate (Includes FCC)				2	187.90%	



What Are The Components Of An Indirect Cost Rate (ICR) Schedule?



Your Firm's Name



Firm's Fiscal Year End (Period Covered)

Columns:



- 1. Description (Derived from the firm's Chart of Accounts.

 Descriptions will differ firm to firm) See Module 4
- 2. Financial Statements/Gross Amounts (tie to Income Statement after closing entries include allowable and unallowable amounts) See Module 4
- . Firm Adjustments (list unallowable amounts & reference for each category) See Module 6
- 4. WSDOT Adjustments to be completed by WSDOT during annual review
 - References (identifier linked to Reference section of the schedule) See Module 6
- 6. Accepted Amounts (net after all adjustments applied)



What Are The Components Of An Indirect Cost Rate (ICR) Schedule?



Sections:

- Direct Labor Includes all time spent on projects (billable and non-billable)
- 2. Fringe Benefits E.G. payroll taxes, retirement benefits, bonus, paid time off (if applicable)
- 3. General Overhead Accumulated by logical cost groupings (indirect labor, vehicle expense, rent expense, etc.)



References – Description of unallowable items with Federal Acquisition Regulation references linked to identifier on the schedule – Refer to AASTHO Audit Guide, Chapter 8 for a list of common unallowable costs.

Indirect Cost Rate (ICR) Schedule Recap Example

Where are each component on the Indirect Cost Rate (ICR) Schedule?

- Firm's Name
- Firm's Fiscal Year End
- Columns:
 - Account Descriptions
 - Financial Statement Amount
 - Firm Adjustments
 - WSDOT Adjustments
 - References
 - Accepted Amounts
- Sections:
 - Direct Labor
 - Fringe Benefits
 - General Overhead



Description	Statement	ABC Adj.	WSDOT Adj.	Ref.	Accepted Amount	%
Direct Labor	\$432.206	1			\$432,206	100,00
DITECT LABOR	3432,206			8	3432,200	100.00
Indirect Costs:						
Fringe Benefits		1				
Vacation Pay	\$51,419				\$51,419	11.90
Sick Pay	11,117				11,117	2.57
Holiday Pay	24,869				24,869	5.75
Payroll Taxes	120,125				120,125	27.79
Health Insurance	25,490				25,490	5.90
Workers' Comp. Insurance	15,980				15,980	3.70
Profit Sharing (401-k)	150,240				150,240	34.76
Severance	5,400	(\$5,400)		R	0	0.00
Fringe Benefit Adjustment	100	(28,400)	1.1	0	(28,400)	-6.57
Total Fringe Benefits	\$404,640	(\$33,800)	\$0	100	\$370,840	85.80
100 (A) (10						
General Overhead Indirect Labor	\$198,249				\$198,249	45.87
Payroll Variance Account	(36,355)	1			(36,355)	-8,41
Bid & Proposal Labor	9,129	(0.4.005)			9,129	2.11
Advertising Labor	4,005	(\$4,005)		Н	0	0.00
Public Relations Labor	2,580	(2,580)		H		0.00
Direct Selling Labor	10,312	(10,312)		N	0	0.00
Education/Research Labor	3,010				3,010	0.70
Incentive Bonus	65,000	(65,000)		Q	0	0.00
Rent	98,000	(24,612)		A	73,388	16.98
Maintenance & Repairs	18,340	(997)		P	17,343	4.01
Automobile	16,420	(15,200)		B,C,P	1,220	0.28
Travel	25,600	(1,600)		B.C	24,000	5.55
Travel - Meals	42,000	(42,000)		B.C	0	0.00
Insurance	23,789	7,000		D.P	30,789	7.12
Telephone	11,125	1,000		25,1	11,125	2,57
Utilities	9,671				9,671	2.24
Taxes & Licenses	38,900	(25,140)		Е	13.760	3.18
Depreciation & Amortization	22,140	(7,664)		F.P	14,476	3.35
Dues & Subscriptions	6,500	(1,175)		G	5,325	1.23
Employee Train/Recruit/Moving	2,100	(1,500)		I	600	0.14
Advertising	25,650	(23,250)		M	2.400	0.56
Public Relations Expense	18,240	(15,140)		M.I	3,100	0.72
Direct Selling Expenses	9,400	(4,800)		N	4,600	1.06
Professional Fees	38,000	(22.369)		1	15,631	3.62
Interest	450	(450)		K	0	0.00
Computer	28,400	(130)			28,400	6,57
Supplies & Miscellaneous	36,900	(25,480)		L	11,420	2.64
Cotal General Overhead	\$727,555	(\$286,274)	\$0	· -	\$441,281	102.10
	2.27(0.0)	(4-20421-1)		-		
Total Indirect Costs & Overhead	\$1,132,195	(\$320,074)	\$0		\$812,121	187.90
Indirect Cost Rate (Less FCC)	261.96%	187.90%		_	187.90%	
Facilities Cost of Capital					so	0.00
	\$1,132,195	(\$320,074)	\$0	3 5	\$812,121	
Indirect Cost Rate (Includes FCC)					187,90%	

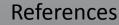
Indirect Cost Rate (ICR)
Schedule Recap Example

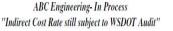


It is important that the firm records and keeps track of all hours worked (uncompensated overtime), as a Payroll Variance Account will need to be presented on the ICR. (See Module 3)

Description	Financial Statement Amount	ABC Adj.	WSDOT Adj.	Ref.	Accepted Amount	%
Direct Labor	\$432,206			<u>~</u>	\$432,206	100.009
Indirect Costs:						
Fringe Benefits	*******				9200000	90.000
Vacation Pay	\$51,419				\$51,419	11.909
Sick Pay	11,117				11,117	2.579
Holiday Pay	24,869				24,869	5.759
Payroll Taxes	120,125				120,125	78.75
Health Insurance	25,490				25,490	5.909
Workers' Comp. Insurance	15,980				15,980	3.70
Profit Sharing (401-k)	150,240				150,240	34.769
Severance	5,400	(\$5,400)		R	0	0.009
Fringe Benefit Adjustment		(28,400)		0 _	(28,400)	-6.57
Total Fringe Benefits	\$404,640	(\$33,800)	\$0	-	\$370,840	85,809
General Overhead Indirect Labor	\$198.249				\$198.249	45.879
Payroll Variance Account	34 4 5 5 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5					-8.419
	(36,355)	J			(36,355)	
Bid & Proposal Labor	4,005	(64.005)		н	9,129	0.009
Advertising Labor		(\$4,005) (2,580)			0	
Public Relations Labor	2,580			H N	0	0.00
Direct Selling Labor	10,312	(10,312)		N	3.010	0.00
Education/Research Labor	3,010	// E 0001				0.70
Incentive Bonus Rent	65,000	(65,000)		Q	0	0.004
Maintenance & Repairs	98,000 18,340	(24,612) (997)		A P	73,388 17,343	4.01
Automobile	16,420	(15,200)		B.C.P	1.220	0.289
Travel	25,600	(1,600)		B.C	24,000	5.55
Travel - Meals	42,000	(42,000)		B.C	24,000	0.00
Insurance	23,789	7.000		D.P	30.789	7.129
Telephone	11.125	7,000		D,F	11.125	2.57
Utilities	9,671				9,671	2.24
Taxes & Licenses	38,900	(25,140)		Е	13.760	3.18
Depreciation & Amortization	22,140	(7,664)		F.P	14,476	3.35
Dues & Subscriptions	6,500	(1,175)		G	5,325	1.23
Employee Train/Recruit/Moving	2,100	(1,500)		I	600	0.14
Advertising	25,650	(23,250)		M	2.400	0.564
Public Relations Expense	18,240	(15,140)		M.I	3,100	0.72
	9,400	(4,800)		N,I	4,600	1.06
Direct Selling Expenses Professional Fees				J	15,631	
Interest	38,000 450	(22,369)		K	15,031	0.009
		(450)			28.400	6.57
Computer Supplies & Miscellaneous	28,400 36,900	(25,480)		L	28,400 11,420	2.64
Total General Overhead	\$727,555	(\$286,274)	\$0		\$441,281	102.109
Total Indirect Costs & Overbead	\$1,132,195	(\$320,074)	SO	-	\$812,121	187.909
	27.000000.00000	200000000000				101.70
Indirect Cost Rate (Less FCC)	261.96%	187.90%		=	187.90%	
Facilities Cost of Capital	\$1.132.195	(\$320,074)	SO		\$812,121	0.009
CONTRACTOR OF THE CONTRACTOR O	\$1,132,193	(\$320,074)	30			
Indirect Cost Rate (Includes FCC)					187.90%	

Indirect Cost Rate (ICR) Schedule Recap Example





References Add the dollar amount in each reference.

ABC Adjustments: as an expense account can have multiple adjustments.

ABC Corp. Indirect Cost Rate Audited by ABC Corp.

A Unallowable costs of (\$24,612) idle capacity per 48 CFR 31.205-17(c) B Lodging (\$1,600), Meal (\$42,000), and Mileage (\$3,200) rates in excess of federal travel regulation

unallowable per 48 CFR 31.205-46(a)(2).

C Inadequate supporting documentation unallowable per 48 CFR 31.201-2(d). D Key person life insurance for (\$6,000) unallowable per 48 CFR 31.205-19(e)(2)(v).

E Unallowable taxes and licenses per 48 CFR 31.205-41.

F Amortization of goodwill for (\$7,000) unallowable per 48 CFR 31.205-49.

G Costs of memberships in civic and community organization unallowable per 48 CFR 31.205-1(f)(7). H Public relations (\$2,580) and advertising (\$4,005) unallowable per 48 CFR 31.205-1.

I Entertainment unallowable per 48 CFR 31.205-14.

J Legal Costs in relation to litigation unallowable per 48 CFR 31.205-47(f)(5). K Interest unallowable per 48 CFR 31.205-20.

L Contributions unallowable per 48 CFR 31.205-81.

M Promotional Marketing unallowable per 48 CFR 31.205-1 and 31.205-38.

N Unsupported direct selling costs of (\$10,312), no documentation available to demonstrate and support "person to person" selling unallowable per 48 CFR 31.205-38(b)(5).

O Fringe Benefit adjustment; directly associated cost to unallowable Advertising (\$17,360), Public Relations (\$8,120)

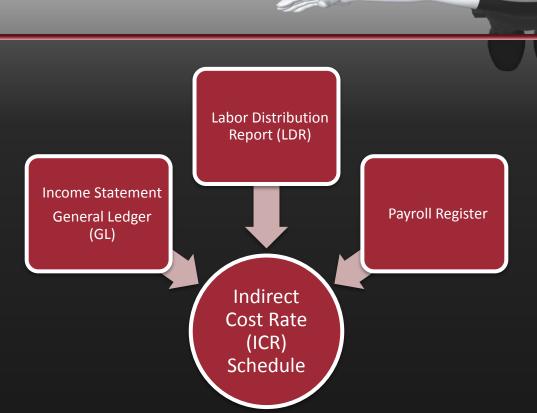
Insurance (\$1,000), Maintenance (\$997), and Depreciation (\$664).

and Direct Selling Labor (\$2,920) unallowable per 48 CFR 31.201-6(a). P Auto Allowance payments of (\$12,000) unallowable per 48 CFR 31.205-6(m)(2) and 31.201-2(d), documentation of mileage log not available and unable to support and show segregation of business and personal use. Associated costs for vehicle unallowable per 48 CFR 31.205-46(d) and 31.205-6(m)(2). Associated costs include

Q Bonus payments of (\$65,000) unsupported and not performance based unallowable per 48 CFR 31.205-6 and

2010 AASHTO Audit Guide, Chapter 7, Section 7.12 C

R Severance payment does not follow company's established severance policy, (\$5,400) is unallowable per 48 CFR 31.205-6(g).



numbers on your Indirect Cost Rate (ICR) Schedule come from?

Where do the

The figures will come from three documents:

- Income Statement/General Ledger (GL)
- Labor Distribution Report (LDR)
- 3. Payroll Register

See Module 4 for further detail

Calculating Your Indirect Cost Rate (ICR)

Step 1

 Add up the fringe benefits section

Step 2

 Add up the general overhead section and combined with the fringe benefits total to equal the total indirect costs.



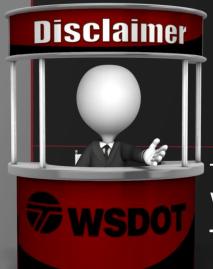
Step 3

 Divide the total by the direct labor total to calculate the rate.

Statement Amount	ABC Adj.	WSDOT Adj.	Ref.	Accepted Amount	%
\$432,206			-	\$432,206	100.00%
					\
\$51,419					11.90%
11,117				0.000000	2.57%
					5.75%
					27.79%
					5.90%
					3.70%
			356		34.76%
5,400				0	0.00%
100			0 _	(20,100)	-6.57%
\$404,640	(\$33,800)	\$0	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$370.840	85.80%
				$\overline{}$	
\$198,249				\$198,249	45.87%
(36,355)				(36,355)	-8.41%
9,129				9,129	2.11%
4,005	(\$4,005)		H	0	0.00%
2.580	(2,580)		H	0	0.00%
10,312	(10,312)		N	0	0.00%
3,010				3,010	0.70%
65,000	(65,000)		0	0	0.00%
98,000	(24,612)		A	73,388	16.98%
18,340	(997)		P	17,343	4.01%
16.420	(15.200)		BCP	1.220	0.28%
					5.55%
					0.00%
				2.0004100000	7.12%
	1,000				2.57%
					2.24%
	(25 140)		E		3.18%
					3.35%
					1.23%
					0.14%
					0.56%
					0.72%
					1.06%
					3,62%
					0.00%
	(150)				6.57%
	(25.490)		T		2.64%
\$727,555	(\$286,274)	so	· ·	\$441,281	102.10%
1991 - Hall 100		912 22 32			
\$1,132,195	(\$320,074)	\$0		\$812,121	187.90%
261.96%	187.90%		-	187.90%	
\$1 122 105	(\$320,074)	\$0		\$0	0.00%
\$1,132,193	(\$320,074)	30		187.90%	1
	\$432,206 \$51,419 11,117 24,869 120,125 25,490 15,980 150,240 5,400 \$404,640 \$198,249 (36,355) 9,129 4,005 2,580 10,312 3,010 65,000 98,000 18,340 16,420 25,600 42,000 23,789 11,125 9,671 38,900 22,140 6,500 21,100 25,650 18,240 9,400 38,000 450 28,400 38,000 \$727,555 \$1,132,195	\$432,206 \$51,419 11,117 24,869 120,125 25,490 15,980 150,240 5,400 (\$5,400) (\$28,400) \$404,640 (\$33,800) \$198,249 (36,355) 9,129 4,005 (2,580) 10,312 (10,312 (10,312) 3,010 65,000 (65,000) 98,000 (24,612) 18,340 (997) 16,420 (15,200) 25,600 (1,600) 23,789 7,000 11,125 9,671 38,900 (24,000) 23,789 11,125 9,671 38,900 (1,175) 2,100 (1,500) 25,650 (1,175) 2,100 (1,500) 25,650 (23,250) 18,240 (1,175) 2,100 (1,500) 25,650 (23,250) 18,240 (1,175) 2,100 (1,500) 25,650 (23,250) 18,240 (1,175) 2,100 (1,500) 25,650 (23,250) 18,240 (1,175) 2,100 (1,500) 25,650 (23,250) 18,240 (1,500) (25,480) 36,900 (25,480) 36,900 (25,480) \$727,555 (\$286,274)	\$51,419 11,117 24,869 120,125 25,490 15,980 150,240 5,400 (\$5,400) (\$28,400) \$404,640 (\$33,800) \$0 \$198,249 (\$6,355) 9,129 4,005 (\$4,005) 2,580 (2,580) 10,312 (10,312) 3,010 65,000 (65,000) 98,000 (24,612) 18,340 (997) 16,420 (15,200) 25,600 (1,600) 42,000 (42,000) 23,789 7,000 11,125 9,671 38,900 (25,140) 22,140 (7,664) 6,500 (1,175) 2,100 (1,500) 25,650 (23,250) 18,240 (15,140) 9,400 (4,800) 38,000 (22,369) 450 (450) 28,400 36,900 (25,480) \$727,555 (\$286,274) \$0 \$11,132,195 (\$320,074) \$0 261,96% 187,90%	\$432,206 \$51,419 11,117 24,869 120,125 25,490 15,980 150,240 5,400 (\$5,400) \$404,640 (\$33,800) \$198,249 (36,355) 9,129 4,005 (\$4,005) H 2,580 (2,580) H 10,312 (10,312) N 3,010 65,000 (65,000) Q 98,000 (24,612) A 18,340 (997) P 16,420 (15,200) B,C 25,600 (1,600) B,C 42,000 (42,000) B,C 42,000 (42,000) B,C 23,789 7,000 D,P 11,125 9,671 38,900 (25,140) E 22,140 (7,664) F,P 6,500 (1,175) G 2,100 (1,500) I 25,650 (23,250) M 18,240 (15,140) M,I 9,400 (4,800) N 38,000 (22,369) J 450 (450) K 81,240 (15,140) M,I 9,400 (4,800) N 18,240 (15,140) M,I 9,400 (15,000) M,I 9,400 (15,000) M,I 9,	\$51,419 11,117 24,869 120,125 25,490 15,980 150,240 5,400 (\$5,400) R (28,400) O \$404,640 (\$33,800) \$0 \$198,249 (36,355) 9,129 4,005 (\$4,005) H 0 2,580 (2,580) H 0 2,580 (2,580) H 0 3,3010 65,000 (\$5,000) Q 10,312 (10,312) N 0 3,010 65,000 (\$5,000) Q 10,312 (10,312) N 0 98,000 (24,612) A 18,340 (997) P 17,343 16,420 (15,200) B,C,P 17,343 16,420 (15,200) B,C,P 17,343 16,420 (15,200) B,C,P 11,125 9,671 38,900 (24,610) B,C 22,140 (7,664) F,P 11,125 9,671 38,900 (25,140) E 13,760 22,140 (7,664) F,P 14,476 6,500 (1,175) G 22,140 (1,510) M,I 3,100 9,400 (4,800) N 4,600 38,000 (22,369) J 450 (450) K 0 28,400 36,900 (25,480) L \$11,1251

Notes/Disclaimer

THESE ARE EXAMPLES ONLY! Your Indirect Cost Rate (ICR) Schedule will show <u>your firm's account titles</u>, numbers and references.



Attention! A small firm may not have all the account descriptions shown on the example schedule. Tailor the schedule to your specific accounts. **DO NOT** include account descriptions, if they **DO NOT PERTAIN TO YOUR FIRM!**

The schedule <u>MUST</u> be provided in WSDOT standard format, <u>EXCEL ONLY</u> – <u>NO PDF'S</u> accepted for review.

Description	Financial Statement Amount	ABC Adj.	WSDOT Adj.	Ref.	Accepted Amount	%
frect Labor	\$432,206			_	\$432,206	100.00%
ndirect Costs:						
ringe Benefits						
Vacation Pay	\$51,419				\$51,419	11.90%
Sick Pay	11,117				11,117	2.57%
Holiday Pay	24,869				24,869	5.75%
Payroll Taxes	120,125				120,125	27.79%
Health Insurance	25,490				25,490	5.90%
Workers' Comp. Insurance	15,980				15,980	3.70%
Profit Sharing (401-k)	150,240				150,240	34.76%
Severance	5,400	(\$5,400)		R	0	0.00%
Fringe Benefit Adjustment	w 8	(28,400)		0	(28,400)	-6.57%
otal Fringe Benefits	\$404,640	(\$33,800)	\$0	-	\$370,840	85.80%
eneral Overhead						
Indirect Labor	\$198,249				\$198,249	45.87%
Payroll Variance Account	(36,355)				(36,355)	-8.41%
Bid & Proposal Labor	9,129				9,129	2.11%
Advertising Labor	4,005	(\$4,005)		H	0	0.00%
Public Relations Labor	2,580	(2,580)		Н	0	0.00%
Direct Selling Labor	10,312	(10,312)		N	0	0.00%
Education/Research Labor	3.010				3,010	0.70%
Incentive Bonus	65,000	(65,000)		0	0	0.00%
Rent	98,000	(24,612)		A	73,388	16.98%
Maintenance & Repairs	18,340	(997)		P	17,343	4.01%
Automobile	16.420	(15,200)		B,C,P	1.220	0.28%
Travel	25,600	(1,600)		B.C	24,000	5.55%
Travel - Meals	42,000	(42,000)		B.C	0	0.00%
Insurance	23,789	7,000		D.P	30.789	7.12%
Telephone	11,125				11,125	2.57%
Utilities	9.671				9,671	2.24%
Taxes & Licenses	38,900	(25,140)		E	13,760	3.18%
Depreciation & Amortization	22,140	(7,664)		F.P	14.476	3.35%
Dues & Subscriptions	6,500	(1,175)		G	5,325	1.23%
Employee Train/Recruit/Moving	2,100	(1,500)		I	600	0.14%
Advertising	25,650	(23,250)		M	2,400	0.56%
Public Relations Expense	18,240	(15,140)		M.I	3,100	0.72%
Direct Selling Expenses	9,400	(4,800)		N	4,600	1.06%
Professional Fees	38,000	(22,369)		J	15.631	3.62%
Interest	450	(450)		K	0	0.00%
Computer	28,400				28,400	6.57%
Supplies & Miscellaneous	36,900	(25,480)		L	11,420	2.64%
otal General Overhead	\$727,555	(\$286,274)	\$0	-	\$441,281	102.10%
otal Indirect Costs & Overhead	\$1,132,195	(\$320,074)	\$0		\$812,121	187.90%
ndirect Cost Rate (Less FCC)	261.96%	187.90%			187.90%	
Facilities Cost of Capital		11111		_	\$0	0.00%
	\$1,132,195	(\$320,074)	\$0		\$812,121	
ndirect Cost Rate (Includes FCC)				100	187.90%	

How Long Can My Indirect Cost Rate (ICR) Be Used?

In accordance with 23 USC 112(D) and 23 CFR 172.7(b), indirect cost rates generally are **APPLICABLE FOR A ONE YEAR PERIOD**, and engineering consultants are required to update their indirect cost rates annually.

WSDOT Boilerplate agreements require an annual update.



Due to be updated annually within 180 days from firm's fiscal year end.



Be Sure to Visit Us OnLine



WSDOT Safe Harbor Program:

URL –

http://www.wsdot.wa.gov/Audit/Sa feHarbor.htm Our website is filled with educational material and guidance for all firms. We have published several interpretive guidance documents to further assist firms. The website below provides guidance on the following topics and we are in the process of adding further topics:

- Small Firms
- Labor
- Uncompensated Overtime
- Direct Selling, Public Relations, Advertising and Bid & Proposal
- Allowable Bonus
- Auto Expense
- Meals
- Airfare

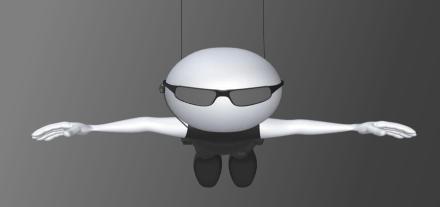
Please check our website on a regular basis for updates.

URL - http://www.wsdot.wa.gov/Audit/guides.htm

For Additional Guidance and Contact Information -

Please refer to the end of Module 6!





Questions? Comments? We are happy to help you!

