

COST ALLOCATION PLAN

Northern Kentucky Area Development District

Fiscal Year 2026

July 1, 2025 – June 30, 2026

Northern Kentucky Area Development District

22 Spiral Drive

Florence, KY 41042

(859) 283 – 1885

www.nkadd.org

I. Introductory Statements

A. General

The Northern Kentucky Area Development District (NKADD) has served the counties of Boone, Campbell, Carroll, Gallatin, Grant, Kenton, Owen, and Pendleton since its organization in 1971. NKADD is governed by its Board of Directors, which is composed of the Judge Executives of each of the counties served, Mayors of the major cities and non-elected citizen members from the District. NKADD's mission is to provide unified support to the District's economic development and growth strategies. NKADD operates as a Special Purpose Government Entity.

Local governments do not ordinarily submit their cost allocation plans to the federal government for prior approval, as do the states. Instead, the plans are retained by the local governments for subsequent examination by federal auditors. However, the Area Development Districts of the Commonwealth of Kentucky are required under the Kentucky Joint Funding Administration program to submit their cost allocation plans to the Kentucky Department for Local Government for review and maintaining in their files.

The charging of direct and shared costs against federal grants requires the preparation of a cost allocation plan. This plan is set forth in this statement for the Northern Kentucky Area Development District and adheres to the procedures set forth by the Department for Local Government, Uniform Guidance 2 CFR Part 200 (formerly OMB Circular A-87) and KRS 147.050. Annual audits are performed by outside auditors in compliance with the same Uniform Guidance 2 CFR 200.

B. Operating Policies

The Board of Directors of NKADD has adopted operating policies covering the following topics:

- Personnel Policies
- Purchasing and Procurement Policies
- Board and Staff Travel Policies
- Meeting Expense Policies
- Credit Card Policies

C. Other

NKADD uses a computer system for accounting purposes. The financial records are maintained utilizing the AccuFund Accounting Suite Application.

The AccuFund software program consists of nine major components:

1. Accounts Payable
2. Accounts Receivable
3. Payroll/Personnel
4. General Ledger
5. Cost Allocation Financial Reporting
6. Allocation Management
7. Budget Development
8. Budget Control
9. Project/Grant Financial Reporting

II. The Plan

The Northern Kentucky Area Development District (NKADD) through this document explains its process of identifying, accumulating, and distributing costs to program work elements and defines the method used for distribution of common expenses to grants and authorized program work elements. This plan has been reviewed and adopted by the Board of Directors of the Northern Kentucky Area Development District.

Before this cost allocation plan could be developed, it was necessary to develop a NKADD financial management system to include: (1) an integrated accounting system; (2) an accrual method of accounting; and (3) a method of distributing direct labor costs to program work elements based on time expended on each work element.

Once the above tasks were accomplished, the next step was to identify which costs were to be consistently treated as direct and which as shared. The shared costs of a program are those costs not readily identifiable with a particular program itself, but nevertheless incurred by NKADD for the joint benefit of all the programs carried on by the organization. In theory, all costs might be charged directly. Practical difficulties preclude such an approach. Therefore, direct costs are those that can be identified with and benefit a particular program. In identifying the direct and shared costs, NKADD divided the line-item elements of expenditure into four groups as follows:

- (1) Those that are to be treated and identified as direct costs only;
- (2) Those that are to be treated and identified as shared costs;
- (3) Those, depending upon the purpose of the expense, may be treated, and identified either as direct and/or shared costs; and
- (4) Those, depending upon the nature of the expense, are to be treated and identified as local costs only.

We believe the following costs fall within the classifications listed above:

- (1) Salary - All salaries of professional employees are to be charged as a direct cost to the program element(s) in which their work is attributable. The salaries of the Executive Director and any other administrative personnel can be charged in part or in whole as a direct cost or as a shared cost.
- (2) Employee Burden - All employee burdens that can be specifically related to an employee, whose salary is charged as a direct cost, is also to be charged as a direct cost. Any employee burden which is related to an employee, whose salary is charged as a shared cost, is to also be charged as a shared cost.
- (3) Temporary Personnel - There are times when it is necessary to hire extra personnel to help support our work staff. This generally applies to the secretarial staff. However, occasionally there are other instances. In all cases the costs are charged directly to the elements involved or shared, whichever is applicable.
- (4) Accrued Annual Leave - Leave earned but not taken as of the end of the fiscal year is estimated to approximate accrued annual leave at the beginning of the fiscal year. Therefore, no additional accrual is deemed necessary. However, should an accrual be necessary, then that leave which can be specifically related to an employee whose salary is charged as a direct cost is also to be charged as a direct cost. Any such leave which is related to an employee whose salary is charged as a shared cost is to also be charged as a shared cost.

- (5) Consultant Contracts - All consultant contracts, whose content is directly attributed to specific work elements, are to be charged as a direct cost to the program(s) in which they apply.
- (6) Contractual - Some services needed are done on a contractual basis. In all instances the costs are charged direct to elements or shared, whichever is applicable.
- (7) Printing - All printing costs include publications, ads for personnel and advertising which are directly attributable to documents within a specific work element are to be charged as a direct cost. This specifically applies to any printing that is necessary on required plans and reports. Our copier is equipped with a counting device that allows us to track the number of copies made for each work element monthly. Subsequently, these charges are direct costs. All miscellaneous printing costs are to be charged as shared costs.
- (8) Travel - All travel costs which are directly attributable to an employee whose salary is charged as a direct cost are also to be charged as direct costs if travel is specifically related to the employee's work program. All other travel costs are to be charged as shared costs.
- (9) Vacation, Sick and Holiday Leave - All leave which can be specifically related to an employee whose salary is charged as a direct cost is also to be charged as a direct cost. Any leave which is related to an employee whose salary is charged as a shared cost is also to be charged as a shared cost.
- (10) Registration - All registration costs that are directly attributable to a specific work element are to be charged as direct costs. All miscellaneous registration costs are charged as shared costs.
- (11) Accounting and Legal Fees - All accounting and legal fees are to be charged as a shared cost, except in the case of a specific program or grant in which case these fees should be charged against that specific program or grant.
- (12) Office Space and Leasehold Improvements - All building/office space rental expenses and building improvements are to be charged as shared costs.
- (13) Equipment Purchase/Rental - The purchase of equipment and/or rental may be charged, if allowable, as a direct cost to the applicable program element(s). All other equipment purchases and/or rental is to be charged as a shared cost. Equipment charged as a shared cost is capitalized and depreciated. Maintenance and service for all equipment is a shared cost.
- (14) Computer Related Expenses - Expenses incurred that relate to the various computer programs used by the agency can be charged in part or in whole as direct cost or as a shared cost.

- (15) Consumable Supplies - The purchasing of ordinary office supplies in economic quantities requires that more than those that are needed in any one instance should be bought at one time. However, the amount of money involved does not justify the keeping of stores and inventory records or the issuance of requisition forms for each pencil used. The office supplies are kept at a central point with the Assistant Office Manager being responsible for making sure that adequate supplies are on hand. Again, this is an example of an item that could cost more to keep up with than the item would cost. Also, since the basis for distributing shared costs is to be direct salary costs, if an element used more people, it would use more supplies. Therefore, this item is a shared cost unless specific consumable supplies are purchased for a work element; in such case, those specific supplies are a direct charge to that work element.
- (16) Communications – Like consumable supplies the cost of accounting for each telephone call or stamp used would prohibit a direct costing system. All communications costs such as telephone and postage are to be charged as shared costs.
- (17) Insurance and Bonding – All general insurance and bonding for the agency will be a shared cost. Insurance needed and purchased for a specific program such as WIA and Summer Youth are charged directly to those elements.
- (18) Organizational Dues, Training and Miscellaneous Costs – These costs represent items which benefit all work elements, and they mainly will directly follow the cost of salaries in an element. Furthermore, the effort involved in charging these direct would not warrant the results.
- (19) Local Expenses – Local funds are to be used to cover expenses that should not be purchased with either state or federal money. Such items designated as local expenses include interest, food for meetings, and other miscellaneous expenses.

In summary, the following is a description of accounting policies that were followed in adapting the accounting system of the Northern Kentucky Area Development District to the requirements of Uniform Guidance 2 CFR Part 200 (formerly OMB Circular A-87).

1. Direct salary and personnel burden costs shall include the actual costs of the employee in that work element.
2. When a work element has direct salaries, it must be charged with its proportionate share of the shared cost.
3. Shared costs will be accumulated in a pool and distributed to the work elements in relationship to the actual direct salary and personnel burden costs of that work element.
4. Costs that can be identified specifically with a particular work element will be charged directly to that

work element.

5. Shared time not only is time that is fragmented, but some functions, such as payroll preparation, general administration and receptionist duties are shared in their nature. This time will be allocated to the various work elements through the shared cost pool.
6. Costs that cannot be charged to a particular work element because of the terms of a grant cannot be prorated to the other cost objectives.

The next step was to choose a basis on which to allocate the shared expense. NKADD uses the basis of the relationship of total actual shared costs to actual direct salaries and personnel burden. Such a base is in accordance with the instruction of the previously mentioned federal guidelines. To achieve fairness to all funders, we have followed Uniform Guidance 2 CFR Part 200, Appendix VII part F.3. which states:

“3. Indirect cost allocations not using rates.

In certain situations, a governmental unit, because of the nature of its awards, may be required to develop a cost allocation plan that distributes indirect (and in some cases, direct) costs to the specific funding sources. In these cases, a narrative cost allocation methodology should be developed, documented, maintained for audit, or submitted, as appropriate, to the cognizant agency for review, negotiation, and approval.”

Because the mix of funding changes materially from one year to another, it would be unfair to charge a fixed rate that may penalize some funders and reward others, while allocating inaccurate amounts that cannot be adjusted in a future period. We continue to use the historically accepted method of allocating actual costs to maintain the fairness for all funders.

A Statement of Allocated Costs Claimed is presented annually in the audited Financial Statements, listing the shared costs allocated in the fiscal year (Reference page 87 of the Financial Statements for Year Ended June 30, 2024). For the year ended June 30, 2024, the allocated costs were \$739,016 and direct salary and personnel burden costs were \$5,684,738, resulting in a percentage allocation of 13.0%. The prior year resulted in a percentage of 16.9%. These are historical results and should not be used in forecasting future results.

Each time a new revenue source is received, or expense incurred, the cost allocation figures represented in this document change; however, the methods presented for allocating costs remain consistent.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ALLOCATED COSTS CLAIMED**

**Supplementary Information
For The Year Ended June 30, 2024**

		<u>Costs Claimed</u>
Shared Expenses:		
Salaries		\$ 64,042
Employee benefits		37,726
Travel		7,540
Contractual		135,983
Other		
Financing costs	\$ 51,879	
Miscellaneous	93,040	
Depreciation	91,861	
Insurance	65,272	
Postage	4,078	
Telephone	29,986	
Consumable supplies	27,275	
Utilities	34,793	
Computer software and hardware	64,022	
Janitor service	22,125	
Organizational dues	6,105	
Registration	2,530	
Marketing and advertising	<u>759</u>	
Total other		<u>493,725</u>
Total shared expenses		739,016
Shared expenses allocated (1)		<u>(739,016)</u>
Shared expenses over applied		\$ 0

Explanatory Notes:

- (1) Shared costs are distributed on the basis of total direct salaries and employee benefits. The total shared expenses allocated is approximately 13% of total direct salaries and employee benefits.

The accompanying notes are an integral part of this schedule.

Establishment of the cost allocation plan also requires the maintenance of labor distribution records to form the base for allocating salaries and shared costs to the various work element programs.

Supporting documents exist in various forms. The following is a list of documents necessary for support transactions:

1. Checks OR EFTs
2. Purchase Orders
3. Invoices
4. Contracts
5. Time and Travel Reports
6. Payroll Distribution Sheets
7. In-Kind Vouchers
8. Written Policies
9. Bank Reconciliations
10. Bank Statements
11. Letters of Authorization
12. Board of Directors Meeting Minutes
13. Cash Receipts/Deposit Slips
14. Petty Cash Disbursement Slips
15. Check Registers

A complete file of all supporting documentation is maintained by NKADD. This file will be made available to the Certified Public Accountants who perform NKADD's audit at the close of the fiscal year, and will be accessible to the various funding agencies, the Department for Local Government, the Kentucky State Auditor, the Federal Lead Agency, and the Comptroller General of the United States.

Northern Kentucky Area Development District
Fiscal Year 2026 - Grant Listing

Fund	Grant	Description	Division
100	0000	General Funds	1 - Finance & Administration
102	0000	Local Funds	1 - Finance & Administration
102	0230	Interact for Health	1 - Finance & Administration
102	0250	Covington Works	3 - Workforce
102	0263	GROW NKY 2.0	3 - Workforce
102	0264	Duke Energy- Local Assistance	3 - Workforce
102	0280	BE NKY-NKY WORKS	3 - Workforce
102	0636	Youth First	3 - Workforce
102	0881	Local Auction Fund	3 - Workforce
102	0435	NKCCAA Salary Survey	5 - Local Government Services PA
102	0460	Management Services Local	5 - Local Government Services PA
102	0498	Ethics Authority	5 - Local Government Services PA
102	0622	Aging Division Technology	2 - Aging & Disability Services
102	0626	Butler Foundation	2 - Aging & Disability Services
102	0707	Senior Expo	2 - Aging & Disability Services
102	0709	Senior Games	2 - Aging & Disability Services
102	0724	Housing Data Study	1 - Finance & Administration
102	0808	Berning Foundation	2 - Aging & Disability Services
102	0809	Berning Foundation Admin	2 - Aging & Disability Services
102	0813	LTC Kenton County FC	6 - Case Management
102	0819	Joanie Bernard Foundation	4 - Local Government Services CD
102	0820	Office of Drug Control Policy	1 - Finance & Administration
102	0822	NKYODCP Pass Through	1 - Finance & Administration
102	0825	NKYODCP KYOAC	1 - Finance & Administration
102	0827	NKYODCP Helpline	1 - Finance & Administration
102	0844	Kenton Co. Recovery Project II	4 - Local Government Services CD
102	0852	Environmental Reviews	4 - Local Government Services CD
102	0853	NKPEJHI Admin	4 - Local Government Services CD
102	0881	Auction Fund	6 - Case Management
102	0900	Regional Grants	2 - Aging & Disability Services
102	0902	Be a Santa to a Senior	6 - Case Management
102	0904	CDBG TBD (Inactive)	4 - Local Government Services CD
102	0907	Dental Outreach	2 - Aging & Disability Services
102	0957	C.R.I.K.	5 - Local Government Services PA
112	0674	KY Works	3 - Workforce
117	0679	SNAP E&T	3 - Workforce
134	0552	CDO Finance	1 - Finance & Administration
150	0120	Economic Development Admin	4 - Local Government Services CD
150	0125	CDBG	4 - Local Government Services CD
150	0140	Management Services	5 - Local Government Services PA
150	0150	Program Administration	1 - Finance & Administration
154	0154	Public Transit	1 - Finance & Administration
161	0161	Rise	1 - Finance & Administration
162	0162	i6	1 - Finance & Administration
164	0815	BRIC	4 - Local Government Services CD
170	0350	Staff Streets 4 All	4 - Local Government Services CD
170	0660	Transportation Planning	4 - Local Government Services CD

Northern Kentucky Area Development District
Fiscal Year 2026 - Grant Listing

<i>Fund</i>	<i>Grant</i>	<i>Description</i>	<i>Division</i>
170	0663	NKY Transit Plan (5304)	4 - Local Government Services CD
171	0973	KYTC Centerline	4 - Local Government Services CD
172	0952	KIA Water Supply Planning	4 - Local Government Services CD
174	0956	Hazard Mitigation	4 - Local Government Services CD
177	0870	LRG Brownfield Petroleum Assess	4 - Local Government Services CD
180	0712	RLF - Legacy Administration	5 - Local Government Services PA
180	0713	RLF - Legacy Loan Fund	5 - Local Government Services PA
180	0715	RLF - Legacy Lending	4 - Local Government Services CD
181	0712	Brownfields RLF Admin	4 - Local Government Services CD
182	0714	RLF - CARES Admin	4 - Local Government Services CD
182	0715	RLF - CARES Lending	4 - Local Government Services CD
234	0552	SCL2/PDS Services	6 - Aging & Disability Services
299	0360	EMMA	2 - Aging & Disability Services
315	0500	KY MH & Aging	2 - Aging & Disability Services
318	0615	CSFP (Cheese Supplem. Food Prgm)	4 - Local Government Services CD
320	0300	Area Agency Admin III-B	2 - Aging & Disability Services
320	0301	Supportive Services III-B	2 - Aging & Disability Services
320	0302	Congregate Meals III-C1	2 - Aging & Disability Services
320	0303	Home Delivered Meals	2 - Aging & Disability Services
320	0304	Disease Prev/Health III-D	2 - Aging & Disability Services
320	0305	Elder Abuse Title VII	2 - Aging & Disability Services
320	0306	Ombudsman Title VII	2 - Aging & Disability Services
320	0307	Ombudsman Education	2 - Aging & Disability Services
320	0308	Family Caregiving Admin	2 - Aging & Disability Services
320	0309	Family Caregiver Support Prog.	2 - Aging & Disability Services
320	0314	Family Caregiver Grandparents Admin	2 - Aging & Disability Services
320	0315	Family Caregiver Grandparents Support	2 - Aging & Disability Services
320	0316	Title III C-1 Admin	2 - Aging & Disability Services
320	0317	Title III C-2 Admin	2 - Aging & Disability Services
320	0319	NSIP	2 - Aging & Disability Services
320	0326	TIIBB Ombudsman	2 - Aging & Disability Services
320	0345	INNU	2 - Aging & Disability Services
321	0320	Homecare Administration	2 - Aging & Disability Services
321	0322	Homecare Social Services	2 - Aging & Disability Services
321	0323	LTC Ombudsman	2 - Aging & Disability Services
325	0318	TEFAP	4 - Local Government Services CD
326	0311	SHIP Services	2 - Aging & Disability Services
326	0312	MIPPA #2 (7/1-9/30)	2 - Aging & Disability Services
326	0313	MIPPA #1 (10/1-6/30)	2 - Aging & Disability Services
326	0318	Medicaid ADRC	2 - Aging & Disability Services
327	0343	ESMP Admin	2 - Aging & Disability Services
327	0344	ESMP Services	2 - Aging & Disability Services
332	0347	Mobility Mgmt. OKI Project	2 - Aging & Disability Services
334	0552	Consumer Directed Option	6 - Case Management

Northern Kentucky Area Development District
Fiscal Year 2026 - Grant Listing

<i>Fund</i>	<i>Grant</i>	<i>Description</i>	<i>Division</i>
441	0630	WIOA Admin 270LA26	3 - Workforce
441	0632	WIOA Adult Prog 270AD26	3 - Workforce
442	0630	WIOA Admin 273LA26	3 - Workforce
442	0632	WIOA Adult Prog 273AD26	3 - Workforce
443	0630	WIOA Admin 272LA26	3 - Workforce
443	0634	WIOA Disloc Worker 272DW26	3 - Workforce
444	0630	WIOA Yth Admin 274YT26	3 - Workforce
444	0633	WIOA Yth In-School 274YT26	3 - Workforce
444	0636	WIOA Yth Out-of-School 274YT26	3 - Workforce
445	0630	WIOA Admin 271LA26	3 - Workforce
445	0634	WIOA Disloc Worker 271DW26	3 - Workforce
467	0684	Medicaid	3 - Workforce
468	0630	NKWIB Annual Meeting	3 - Workforce
468	0730	KCC Job Fair	3 - Workforce
482	0630	WIOA Admin 273LA25	3 - Workforce
482	0632	WIOA Adult Prog 273AD25	3 - Workforce
484	0633	WIOA Yth In-School 274YT25	3 - Workforce
484	0636	WIOA Yth Out-of-School 274YT25	3 - Workforce
485	0630	WIOA Admin 271LA25	3 - Workforce
485	0634	WIOA Disloc Worker 271DW25	3 - Workforce

Northern Kentucky Area Development District
Fiscal Year 2026 - Revenue Accounts

<i>Account</i>	<i>Description</i>
4100	Federal Revenue
4101	Federal Revenue
4102	Federal Revenue
4103	Federal Revenue
4104	Federal Revenue
4105	Federal Revenue
4110	Federal Revenue
4120	Federal Revenue
4130	Federal Revenue
4200	State Revenue
4201	State Revenue
4202	State Revenue
4300	Local Revenue
4301	Local Revenue
4302	Local Revenue
4303	Local Revenue
4304	Local Revenue
4305	Local Revenue
4310	Local Revenue
4320	Local Revenue
4330	Local Revenue
4400	Cash Match
4401	Cash Match
4410	Interest Earned
4432	Interest Earned-Bonds
4450	Interest Earned-Bldg Reserve
4500	In-Kind Match
4515	Annual Meeting Revenue
4520	Agency Match
4610	Contributions City/County
4700	Local Revenue Applied
4800	Prior Year carryover
4801	Prior Year carryover
4850	Prior Year carryover
4900	Miscellaneous Revenue
4902	User Fee/ Lic. Renewal
4999	USDA Commodities Received

Northern Kentucky Area Development District

Fiscal Year 2026 - Expense Accounts

Account	Description		
5000	Pass-Through Expense	5771	Bank Service Charges
5110	Salary	5772	Title IIIB Meals Match
5210	Salary Burden	5780	Organizational Dues
5310	Audit/Accounting Fee	5781	Direct Printing Applied
5320	Legal Fees	5784	WIOA Awards
5330	Accounting Software Support	5785	Annual Meeting Expenses
5340	Rent	5786	Board/Committee Meetings
5341	Entertainment	5810	Equipment (Over \$1500)
5345	Insurance	5812	Flex Spending Expenses
5355	Consultant Services	5815	Equipment (Under \$1500)
5360	Contractual Personnel	5850	Section 125 Administration
5410	Travel - Staff	5900	Uncollectible Government Funds
5420	Travel - Board	5904	Shared Cost Recovered
5455	Meeting Expense	5906	Shared Cost Recovered
5505	Depreciation Expense	5910	Shared Cost Recovered
5506	Depreciation Exp. Shared Items	5999	Contingency
5510	Mortgage Principal		
5515	Building Interest Payment		
5520	Utilities		
5530	Janitorial		
5540	Bldg Maint. - Inside		
5545	Bldg Maint. - Outside		
5550	Bond Issuance Costs Amort		
5700	Other		
5705	Advertising		
5706	Marketing		
5710	Computer Software Hardware Services		
5715	Printing & Copier Costs		
5718	Postage/Shipping		
5719	Membership Dues		
5720	Registration		
5725	Workshop Expenses		
5735	Supplies		
5736	Supplies-T Shirts		
5740	Publications		
5744	Internet Services		
5745	Telephone Services		
5746	Cell Phone - Staff		
5750	Temporary Personnel		
5755	Committee/Meeting Expenses		
5760	Equipment Maintenance		
5765	Training		
5766	Monthly Services		
5770	Other		

**Certificate of Indirect Costs
For State & Local Governments and Indian Tribes**

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

- (1) All costs included in this proposal 06/02/2025 to establish billing or final indirect cost rates for July 1, 2025 to June 30, 2026 are allowable in accordance with the requirements of the Federal award(s) to which they apply and the provisions of 2 CFR Part 200 Subpart E-Cost Principles. Unallowable costs have been adjusted for in allocating costs as indicated in the indirect cost proposal.
- (2) All costs included in this proposal are properly allocable to Federal awards 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 requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit: Northern Kentucky Area Development District

Signature:



Name of Official (printed): Chris Korba

Title: Director of Finance & Administration

Date of Execution: 06/02/2025

This certification:

- Is a requirement per 2 CFR Part 200 Subpart E Subsection 200.415 and Appendix VII Section D.3.;
- Must be submitted as part of the annual indirect cost rate proposal; and
- Must be signed on behalf of the non-Federal entity by an individual at a level no lower than vice president or chief financial officer of the organization.

U.S. Department of Commerce, Economic Development Administration
1401 Constitution Avenue, NW
Washington, DC 20230

CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost rate proposal prepared and maintained herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal dated 6/02/2025 [identify date indirect cost rate proposal was finalized] to establish indirect costs rate(s) for 07/01/2025 - 06/30/2026 [identify start/end dates for the fiscal year covered by the indirect cost rate] are allowable in accordance with the requirements of the Federal award(s) to which they apply and OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (codified at 2 C.F.R. Part 200) Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards 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 requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

(3) The indirect cost rate calculated within the proposal is 13% (Provisional Rate) [identify rate(s)], which was calculated using a direct cost base type of Salary & Fringe [identify type of direct cost base - Salary & Fringe, MTDC, etc.]. The calculations were based on actual costs from fiscal year 2024 to obtain a federal indirect cost billing rate for fiscal year 2026.

(4) All documentation supporting the indirect cost rate identified above must be retained by the Recipient. This rate should be reviewed and validated as part of the Recipient's annual financial audit.

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

Organization Name: Northern Kentucky Area Development District

Signature: C. Korba

Name of Authorized Official: Chris Korba

Title: Director of Finance & Administration

Email Address and Phone: chris.korba@nkadd.org

Date of Execution: 6/02/2025

