

**GATEWAY AREA DEVELOPMENT DISTRICT
COST ALLOCATION POLICY**

July 1, 2017 to June 30, 2018

(FY '18)

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ABSTRACT

TITLE: Gateway Area Development District
Cost Allocation Plan

AUTHOR: Gateway Area Development District

DATE: March 9, 2017

LOCAL PLANNING AGENCY: Gateway Area Development District

STATE PLANNING AGENCY: Department for Local Government

SOURCE OF COPIES: Gateway Area Development District

NUMBER OF PAGES: 17 pages, plus the Cover Page and inserts.

ABSTRACT TEXT: The Cost Allocation Plan sets forth the procedures the Gateway Area Development District (GADD) will follow during FY '18 in accordance with federal and state guidelines. Internal controls for grant fund expenditures are set forth herein.

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ADDITIONAL DOCUMENTATION INCLUDED WITH THIS COST ALLOCATION PLAN

- Most Recent Audit – Fiscal Year ending June 30, 2016

I. INTRODUCTORY STATEMENT

This Cost Allocation Plan for the Gateway Area Development District (GADD) sets forth in general terms, guidelines, or references to, the procedures for receiving and disbursing funds from the Department for Local Government and other funding agencies. Its Board of Directors is dedicated to the continued functioning of the regional concept for economic development and growth, realizing that through this concept the greatest amount of benefit can be delivered to its five-county area with the fewest number of dollars.

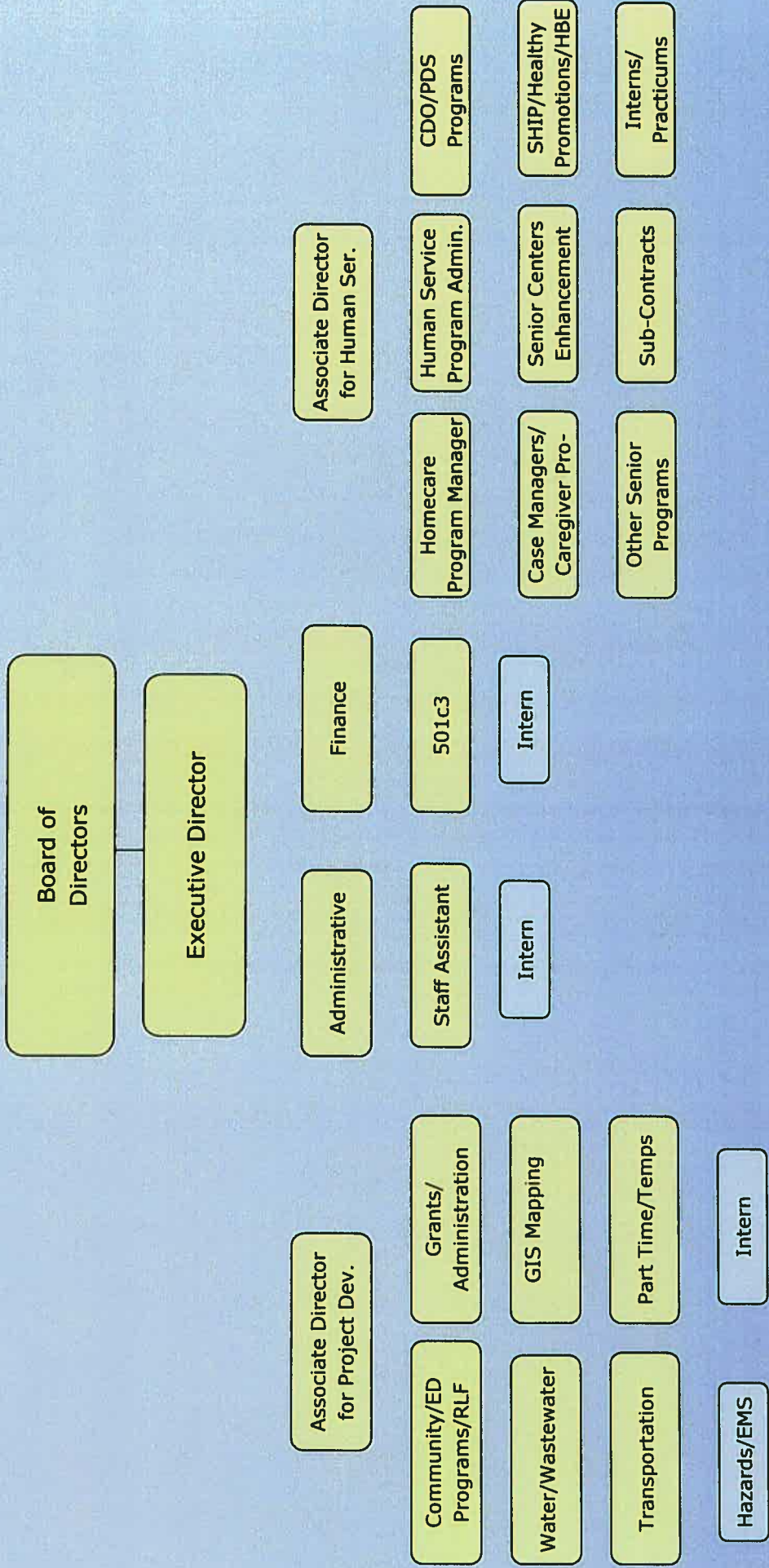
In all instances, it is GADD's intention to adhere to the special terms and conditions of the grantor agency, as is noted on the corresponding grant award. It is also the intent of this ADD to meet the requirements of each federal and state participating agency by following the procedures set forth by 2 CFR Chapter I, Chapter II, Part 200, et.al (*commonly referred to as the Super Circular*), and the Department of Local Government. This Cost Allocation Plan conforms to the *JFA Administrative Handbook*.

The operating and fiscal policies of the Gateway Area Development District have been approved by the Gateway ADD Board of Directors.

II. ORGANIZATIONAL CHART

GADD's latest board-approved organizational chart follows this page.

Gateway Area Development District Organization Chart Title



[Handwritten Signature]

Approved: _____
 Date: March 2017

III. WORK ELEMENTS

(as will be identified in GADD's accounting software during FY '18)

JFA Elements*

010	120 - Community and Economic Development and Development Finance
020	125 - Community Development Block Grant
030	130 - Community and Economic Development and Developmental Finance
040	140 - Financial Administration & Inventory
050	150 - Program Administration /Technical Assistance

Other Contracts

180	Miscellaneous Performance Contracts
182	KYTC Roadway Centerline
210	Revolving Loan Fund
333	EDA SOAR Initiative
420	Transportation
570	TENCO-WIOA
600	KIA
610	NHPLP

Aging Programs

070	Aging Administration
090/100	Home Care Services
225	Title III C-1 - Congregate Meals
226	Title III C-2 -Home Delivered Meals
230/231	Title III-B - Supportive Services
240	Title III E - Caregiver Services
270	State LTC Ombudsman
280	Title VII – Elder Abuse
290	Title VII - Ombudsman
400	SHIP
405	MIPPA
440	Title III – D – Preventive Health
452	Improving Arthritis Outcomes
454	Functional Assessment Service Teams
540	PCAP
735/738	ADRC
745	NSIP
777	PDS - Participant Directed Services (formerly CDO)

* GADD's internal accounting element numbers are not the same as the JFA work elements

No elements numbers related to Pass-through Contracts have been listed, nor the element used to accumulate shared costs (000).

Many work elements are not included in the JFA, but are part of the integrated accounting system. Local Operations (element 670) is also an intricate part of operations.

WORK ELEMENT DESCRIPTIONS

A. Joint Funding Administration Elements

Element 010 – 120 Community & Economic Development & Development Finance

Objective – To provide technical assistance and to work with the KY Department of Local Government and the KY Economic Development Cabinet, all other State and Federal agencies, and local governments, to improve the quality of life in the area. This is to be accomplished by organizing local efforts in promoting job creation and retention in the Gateway area by bringing together local government, private lending institutions and entrepreneurs. GADD provides assistance in planning, infrastructure development, promoting and developing tourism, assisting in housing development and any other program area that helps improve the effectiveness of community and economic development activities.

Element 020 – 125 Community Development Block Grant

Objective - To assist the Department for Local Government in implementing the Kentucky CDBG program through lending technical assistance to participating communities with proposed projects.

Element 030 – 130 Community & Economic Development and Developmental

Objective – To provide technical assistance to local governments and to integrate with the activities of each. Act as a regional clearinghouse in coordinating federally assisted projects and programs with local and area plans.

To implement and maintain, in conjunction with the Department for Local Government, a program to focus on investments designed to provide basic community services, upgrade quality of life, spur employment, and improve the economic viability of the region. To work on specific projects as outlined in the scope of work.

Element 040 – 140 Financial Administration & Inventory

Objective – To provide technical assistance to local units of government and special districts, in financial administration, personnel administration, general administration, and related areas, as needed.

Element 050 – 150 Program Administration

Objective - To develop work element objectives, policies, update by-laws, etc. for the fiscal year and evaluate the tasks for the same. These will address programs that will enhance GADD Board and Staff capabilities and will specifically identify the carrying out of the administrative requirements of the various programs and provides board maintenance and training. Provide technical assistance to local units of government.

B. Other Elements

Element 180 – Miscellaneous Performance Contracts

Objective – To provide various professional services, such as grant administration, under specific contractual agreements. Revenue is based upon performance, not cost reimbursement.

Element 182 – KYTC Roadway Centerline Program

Objective – To carry out the requirements of KRS 147A.090(2) and CFDA Number 20.205 associated with the KY Transportation Cabinet's Roadway Centerline Data Collection and Maintenance Program by collection and providing information, completing updates, etc. for all public roads in assigned counties.

Element 210 – Revolving Loan Fund

Objective – To promote and administer the EDA funded Revolving Loan Funds (RLF).

Element 333 – EDA SOAR Initiative

Objective – To assist the Big Sandy Area Development District with an investment providing facilitation, promotion, information sharing, and support services for the Shaping Our Appalachian Region (SOAR) initiative in its initial formation and as it moves forward.

Element 420 – Transportation

Objective – To contract with the Department of Transportation to provide Planning and Technical Assistance to the local units, address specific project needs, and to provide input into the State Highway Plan.

Element 570 – TENCO - WIOA

Objective -- To assist Buffalo Trace Area Development District in administering their Title I-B grant that is designed to provide workforce development services for Trade, Adults and Dislocated Workers within the TENCO workforce area.

Element 600 – Kentucky Infrastructure Authority (KIA)

Objective – To perform support services for the area water management planning council including a water supply and wastewater planner that serves as the long-range planning representative and assists individual utilities with project planning and development activities.

Element 610 – Non-profit Housing Production Loan Program (NHPLP)

Objective – To provide housing assistance under the Kentucky Housing Corporation (KHC) funded program. Services range from septic system assistance, gap financing for housing and other miscellaneous items.

C. Aging Programs

Element 070 – Aging Administration

Objective – To administer Title III funding of the Older American’s Act of 1965, as amended, through a comprehensive and coordinated system for social services, nutrition services and where appropriate, for the establishment or maintenance of multi-purpose senior centers within the planning and services area covered by the plan. This includes determining the extent of need for social services, nutrition services, and multi-purpose centers in the area and evaluating the effectiveness of the use of resources in meeting those needs.

Element 090/100 – Home Care Services

Objective – To administer a program designed to provide homecare services (including assessment and case management) to physically or functionally impaired Kentuckians age 60 years or older who are at risk of institutionalization.

Element 225 – Title III C-1 Congregate Meals

Objective – To administer a program that provides nutritional meals and education in a congregate setting (i.e. senior centers) to elderly Kentuckians.

Element 226 – Title III C-2 Home Delivered Meals

Objective – To administer a program that provides nutritional home-delivered meals to elderly Kentuckians.

Element 230 / 231 – Title III-B Supportive Services

Objective – To administer a program that provides information and assistance, outreach, transportation, legal services, extended respite, ombudsman, homemaker services, assessment/case management, and home repair services to the elderly based on budgets and available services for Kentuckians.

Element 240 – Title III E - Caregiver Program

Objective – To administer a federal program serving family caregivers who provide care to people over 60 years of age, as well as grandparents and other older relatives who provide care to children up to age 18. Services may include information and assistance in locating and obtaining services for caregivers, counseling, organization of support groups in local communities, caregiver training, and respite care.

Element 270 – State LTC Ombudsman

Objective – To administer a program designed to provide full-time Ombudsman services to assist residents in protecting the health, safety, welfare, and rights of elderly Kentuckians in long term care facilities.

Element 280 – Title VII Elder Abuse

Objective – To administer a program designed to provide public education and outreach to identify and prevent elder abuse, neglect and exploitation of elderly Kentuckians.

Element 290 – Title VII Ombudsman

Objective – To administer a program that provides services to assist residents in protecting the health, safety, welfare, and rights of elderly Kentuckians in long term care facilities.

Element 400 – SHIP (State Health Insurance Assistance Program)

Objective – To provide information and technical assistance to elderly citizens (age 60 and over) relating to Medicare benefits, health and prescription drug insurance options, and other issues pertaining to public benefits.

Element 405 – MIPPA (Medicare Improvement for Patients and Providers Act)

Objective – To provide enhanced outreach to eligible Medicare beneficiaries regarding their benefits and to individuals who may be eligible for the Low Income Subsidy, Medicare Saving Program, or Medicare Part D, including activities aimed at preventing disease and promoting wellness.

Element 440 – Title III-D Preventive Health

Objective – To administer a program designed to provide education and assistance in the training and care of elderly Kentuckians on health related topics.

Element 452 – IAO (Improving Arthritis Outcomes)

Objective – To conduct a program that collects and reports CDSMP class and participant information, and provide program data about the participating Arthritis exercise interventions.

Element 454 – FAST (Functional Assessment Service Teams)

Objective – To administer a program to support elderly persons with functional and access needs affected during an emergency or disaster.

Element 540 – Personal Care Attendant Program

Objective – To administer a program that provides personal care assistance and services to severe physically disabled adults ages eighteen (18) years or older who are at risk on institutional care so they can remain in their homes.

Element 735 / 738- Medicaid and non-Medicaid ADRC

Objective – A process that provides individuals with a coordinated and streamlined access to information, assistance, and referral services. ADRC serves as point of contact for all services available to potential clients. This includes cost reimbursed by Medicaid.

Element 745 – NSIP (Nutrition Services Incentive Program)

Objective – To administer a federal program designed to provide nutritional services to elderly Kentuckians.

Element 777 – Participant Directed Services (PDS)

Objective – To provide support broker and financial management services to Medicaid individuals.

This is the same program that was called Consumer Directed Options (CDO) for several years.

IV. UNIFORM CHART OF ACCOUNTS

GADD utilizes the Abila (formerly called Sage) MIP Fund Accounting software. Attached are these current Chart of Account listings:

- (1) Program listing - our active element codes.
- (2) GL segment name – active general ledger codes

Gateway Area Development District, Inc.
Chart Of Accounts List - ACTIVE PROGRAM LISTING
 Prog - 4

<u>Account Code</u>	<u>Account Title</u>	<u>Status</u>
000	UNALLOCATED	A
010	JFA - ECONOMIC DEV	A
020	JFA - COMM DEV BLOCK GRANT	A
030	JFA - APPLACHIAN REG COMM	A
040	JFA - MANAGEMENT	A
050	JFA - PROGRAM ADMIN	A
070	AGING - AAA ADMIN	A
090	AGING - HOMECARE COORDINATION	A
100	AGING - HOMECARE SOCIAL SERVICES	A
180	MISC. PERFORMANCE CONTRACTS	A
182	KYTC ROADWAY CENTERLINE DATA & MNT	A
210	REVOLVING LOAN FUND / RLF	A
225	AGING - TITLE 3 C-1 CONGREGATE MEALS	A
226	AGING - TITLE 3 C-2 HOME DEL MEALS	A
230	AGING - TITLE 3-B SUPPORTIVE SERV	A
231	AGING - TITLE III OMBUDSMAN	A
240	AGING - TITLE 3-E CAREGIVER	A
270	AGING - STATE LTC OMBUDSMAN	A
280	AGING - TITLE VII ELDER ABUSE	A
290	AGING - TITLE VII OMBUDSMAN	A
333	EDA SOAR INITIATIVE - BSADD	A
400	AGING - SHIP	A
405	AGING - MIPPAA	A
420	TRANSPORTATION PLANNING	A
440	AGING - TITLE 3-D PREVENTIVE HEALTH	A
452	AGING - IMPROVING ARTHRITIS OUTCOMES	A
454	AGING - FUNCTIONAL ASSESSMENT SERVICE TEAMS	A
540	AGING - PERSONAL CARE PROGRAM	A
570	TENCO - WIOA	A
600	KIA	A
610	NONPROFIT HOUSING PROD LOAN PRGM	A
670	LOCAL	A
735	AGING - NON-MEDICAID ADRC	A
738	AGING - MEDICAID ADRC	A
745	AGING - NSIP	A
777	PDS (CDO) - PARTICPANT DIRECTED SERVICES	A

Gateway Area Development District, Inc.

Chart Of Accounts List - Chart - GL Segment

GL - 2

Account Code	Account Title	Account Short Title	Status	Account Type
101	CASH - GENERAL OPERATING FUND	GOF	A	CSH
102	CASH - A.A.A.	AAA	A	CSH
105	CASH - LOCAL FUND	LOCAL	A	CSH
106	CASH CONSTRUCTION ACCT	CASH CONSTRUCTI	A	CSH
107	CASH - R.L.F.	RLF	A	CSH
108	CASH - NHPLP/KHC HOUSING LOAN	NHPLP CASH	A	CSH
109	CASH - NHPLP GRANTS	NHPLP GRANTS	A	CSH
110	ACCOUNTS RECEIVABLE & ADVANCES	ACCTS REC/ADV	A	ARO
112	AUDIT ACCTS RECEIVABLE	AUDIT A/R	A	OA
113	ACCOUNTS RECEIVABLE - MISC CONTRACTS	A/R - MISC CONT	A	ARO
114	LOANS RECEIVABLE - RLF & NHPLP	LOANS RECEIVABL	A	ARO
115	PREPAID DEPOSITS	PREPAID DEPOSIT	A	OA
116	A/R - EMPLOYEES	A/R - EMPLOYEE	A	ARO
117	DUE FROM PDS/CDO FISCAL AGENT	DUE FROM PDS	A	ARO
118	DUE FROM PDS/CDO PROGRAM	DUE PDS/CDO	A	AR
120	CASH - RD ESCROW ACCT	RD ESCROW ACCT	A	CSH
121	CASH - USDA RBEG GRANT ACCT	CASH - USDA RBE	A	CSH
130	A/R RESERVE FOR CDO UNCOLLECTIBLE	A/R CDO RESERVE	A	ARO
131	RLF ALLOWANCE ACCOUNT	RLF ALLOWANCE A	A	ARO
132	NHPLP ALLOWANCE ACCOUNT	NHPLP ALLOWANCE	A	ARO
147	VEHICLES	VEHICLES	A	FAO
149	BUILDING	BUILDING	A	FAO
150	FURNITURE & FIXTURES	FURN	A	FAO
151	RFD FURNITURE	RFD FURN	A	FAO
152	EQUIP/COMPUTERS/TECHNOLOGY	EQUIP/COMP	A	FAO
153	RFD COMPUTER		A	FAO
154	RFD COMPUTER SOFTWARE	RFD COMPUTER SO	A	FAO
156	LAND	LAND	A	FAO
157	RFD - BUILDING	RFD - BUILDING	A	FAO
161	CAPITALIZED INTEREST ON CONSTRUCTION	CAPITALIZED INT	A	OA
162	CAPITALIZED CLOSING COST	CAPITALIZED CLO	A	OA
163	ACCUMULATED AMORTIZATION	ACCUM AMORT	A	FAO
164	RFD - VEHICLES	RFD - VEHICLES	A	FAO
172	DEFERRED OUTFLOWS OF RESOURCES	DEFER OUTFLOWS	A	OA
199	INTERFUND RECEIVABLE PAYABLE	INTERFUND RECEI	A	IFR
207	DUE TO EKISO - AGING CASH MATCHING FUNDS	DUE EKISO - CA	A	APO
225	A/P AUDIT	A/P AUDIT	A	APO
226	A/P REGULAR & PAYROLL	A/P REG & PR	A	APO
232	LOAN PAYABLE - KHC	KHC LOAN	A	APO
233	KENTUCKY WH TAXES	KY WH TAX	A	APO
234	FEDERAL TAX DEPOSIT	FEDERAL TAX DEP	A	APO
236	ACCRUED W/C INSURANCE	ACC W/C	A	OL
237	ACCRUED CERS PENSION	CERS	A	OL
238	ACCRUED EMPLOYEE EXPENSE	ACC EMP EXP	A	OL
239	ACCRUED VACATION	ACC VACATION	A	OL
246	ROWAN COUNTY LOCAL TAXES	ROWAN COUNTY LO	A	APO
247	MONTGOMERY CO LOCAL TAXES	MONTGOMERY CO L	A	APO
249	401 K DEF CMP & AFTER TAX	401 K DEF & AT	A	OL
250	401 K LOAN REPAYMENT	401 K LOAN REPA	A	OL
251	REVOLVING LINE OF CREDIT TRAD BANK	REVOLVING LINE	A	OL

Gateway Area Development District, Inc.

Chart Of Accounts List - Chart - GL Segment

GL - 2

Account Code	Account Title	Account Short Title	Status	Account Type
252	REVOLVING LINE OF CREDIT OF INTEREST	REVOLVING LINE	A	OL
253	REVOLVING LINE OF CREDIT WHITAKER BANK	REVOLVING LINE	A	OL
255	RD MORTGAGE - LONG TERM	RD MORTGAGE - L	A	FAO
256	DEBT SERVICE ACCRUAL	DEBT SERVICE AC	A	OL
257	RD MORTGAGE - SHORT TERM	RD - SHORT	A	OL
258	GARNISHMENTS & LEVIES ON WAGES	GARNISHMENTS &	A	OL
259	STATE UNEMPLOYMENT TAX - SUTA	SUTA	A	OL
260	PROGRAM LOANS - KHC SHORT TERM	KHC LOAN - ST	A	OL
261	AFLAC DEDUCTION	AFLAC DEDUCTION	A	OL
262	DENTAL DEDUCTION	DENTAL DEDUCTIO	A	OL
263	HEALTH INSURANCE DEDUCTION	HEALTH INSURANC	A	OL
264	LIFE INSURANCE DEDUCTION	LIFE INSURANCE	A	OL
266	VSP DEDUCTION	VSP DEDUCTION	A	OL
268	CERS INSTALLMENT PAYMENT	CERS INSTALLMEN	A	OL
269	CERS EMP HEALTH INS CONTIBUTION	CERS EMP HEALTH	A	OL
270	DEFERRED REVENUE	DEFER REVENUE	A	OL
271	NET PENSION LIABILITY	NET PENSION LIA	A	OL
272	DEFERRED INFLOW OF RESOURCES	DEFERRED INFLOW	A	OL
299	ACCRUED PAYROLL - AUDIT	ACCRUED PAYROLL	A	OL
310	FUND BALANCE	FUND BAL	A	NAE
400	REVENUE - CONTRIBUTIONS		A	REV
411	REVENUE - FEDERAL GRANTS	FED GRANTS	A	REV
412	REVENUE - STATE GRANTS	STATE GRANTS	A	REV
413	REVENUE - LOCAL OR OTHER GRANTS	LOCAL GRANTS	A	REV
414	REVENUE - AGING FEES AND DONATIONS	REV-AGING FEES	A	REV
420	REVENUE - INTEREST INCOME	INTEREST REV	A	REV
422	REVENUE - CHECK W/O	CHECK W/O	A	REV
425	REVENUE - LOCAL MAPPING FEES	REV - MAPPING F	A	REV
430	REVENUE - DUES		A	REV
435	REVENUE CDO PATIENT LIABILITY	REVENUE CDO PAT	A	REV
440	REVENUE - JURY DUTY		A	REV
450	REVENUE - PROGRAM INCOME MATCHING		A	REV
460	REVENUE - IN-KIND MATCHING		A	REV
461	REVENUE - FEES AND DONATIONS MATCHING	REV- FEE DONATE	A	REV
465	REVENUE - ADMIN IN KIND MATCHING	REV ADM IN KIND	A	REV
470	REVENUE - OTHER		A	REV
473	REV - CASH REBATES	REV - CASH REB	A	REV
475	REVENUE - LOCAL CASH MATCHING	REVENUE - LOCAL	A	REV
476	REV - GAIN/LOSS ON FIXED ASSETS	REV - GAIN/LOSS	A	REV
480	CHANGE IN PDS/CDO FISCAL AGENT EQUITY	PDS-CDO EQUITY	A	REV
485	NET PENSION ADJUSTMENT	NET PENSION ADJ	A	REV
496	INTRAFUND TRANSFER IN - AGING ADMIN	TRANS IN ADMIN	A	IFT
497	INTRAFUND TRANSFER IN - AGING ADRC	TRANSF IN ADRC	A	IFT
498	INTER/INTRAFUND TRANSFERS IN	TRANSFERS IN	A	IFT
499	PRIOR YEAR REVENUES/EXPENSES	PRIOR YR REV/EX	A	REV
600	SALARIES		A	EXP
605	BURDEN - EMPLOYEE FRINGE BENEFITS	BURDEN	A	EXP

Gateway Area Development District, Inc.

Chart Of Accounts List - Chart - GL Segment

GL - 2

Account Code	Account Title	Account Short Title	Status	Account Type
610	VACATION		A	EXP
615	TRAVEL	TRAVEL	A	EXP
620	OTHER		A	EXP
623	DIRECT CLIENT EXPENSES	CLIENT EXP	A	EXP
625	BACKGROUND CHECKS	BACKGROUND CHEC	A	EXP
630	SHARED COSTS ALLOCATED		A	EXP
635	MATCHING - IN-KIND CONTRIBUTIONS	IN - KIND	A	EXP
636	MATCHING - LOCAL CASH	LOCAL CASH	A	EXP
637	MATCHING - PROGRAM INCOME	PROGRAM INCOME	A	EXP
638	MATCHING - FEES AND DONATIONS	FEES AND DONATI	A	EXP
645	LOCAL INTEREST BUS. LOAN		A	EXP
650	SUPPORT SERVICES		A	EXP
655	CONGREGATE MEALS	CONG MEALS	A	EXP
660	HOME DELIVERED MEALS		A	EXP
665	LEGAL SERVICES - AGING	LEGAL - AGING	A	EXP
670	ELDER ABUSE		A	EXP
675	AGING COUNCIL EXPENSES		A	EXP
686	PASS-THROUGH GRANT EXP	PASS-THRU GRANT	A	EXP
695	OMBUDSMAN		A	EXP
700	BOARD TRAVEL		A	EXP
701	ACCOUNTING	ACCOUNTING	A	EXP
705	OFFICE EXPENSES		A	EXP
710	POSTAGE EXPENSES		A	EXP
715	EQUIPMENT LEASE		A	EXP
720	EQUIPMENT/SOFTWARE MAINT.	EQUIP/SOFT MNT	A	EXP
725	COMMITTEE MEETINGS		A	EXP
730	TELEPHONE & INTERNET EXPENSES	PHONE/INTERNET	A	EXP
731	UTILITIES EXP	UTILITIES EXP	A	EXP
740	INSURANCE EXPENSE		A	EXP
745	DUES & SUBSCRIPTIONS	DUES & SUBS	A	EXP
750	DEPRECIATION		A	EXP
753	BAD DEBT EXPENSE	BAD DEBT	A	EXP
765	CONTRACT SERVICES	CONTRACT SERVIC	A	EXP
785	LOCAL OTHER EXPENSES	LOCAL OTHER EXP	A	EXP
805	TRAINING - AGING PROG	TRAINING AGING	A	EXP
815	PROPERTY RELATED REPAIR & MNT	REPR & MNT	A	EXP
820	LEGAL & PROFESSIONAL FEES	LEGAL & PROF	A	EXP
825	PLANNING & DESIGN COSTS	PLANNING DESIGN	A	EXP
830	CONSTRUCTION & EQUIPMENT COSTS	CONS & EQUIP	A	EXP
835	INTEREST ON CONSTRUCTION LOAN	INTEREST ON CON	A	EXP
850	AMORTIZATION EXPENSE	AMORTIZATION	A	EXP
851	LOAN INTEREST	LOAN INTER	A	EXP
896	INTRAFUND TRANSFER OUT - AGING ADMIN	TRANS OUT ADMIN	A	IFT
897	INTRAFUND TRANSFERS OUT - AGING ADRC	TRANS OUT ADRC	A	IFT
898	INTER/INTRAFUND TRANSFERS OUT	TRANSFERS OUT	A	IFT
901	WRIGHT VACATION ACCRUAL	WRIGHT VACATION	A	EXP
903	COLLIER VACATION ACCRUAL	COLLIER VACATIO	A	EXP
928	SLONE VACATION ACCRUAL	SLONE VACATION	A	EXP
929	PAGE VACATION ACCRUAL	PAGE VACATION A	A	EXP
932	TACKETT VACATION ACCRUAL	TACKETT VACATIO	A	EXP
933	SMITH VACATION ACCRUAL	SMITH VACATION	A	EXP
934	THOMAS P VACATION ACCRUAL	THOMAS P VACATI	A	EXP
936	VANDERPOOL VACAION ACCRUAL	VANDERPOOL VACA	A	EXP
939	CONWAY VACATION ACCRUAL	CONWAY VACATION	A	EXP

Gateway Area Development District, Inc.

Chart Of Accounts List - Chart - GL Segment

GL - 2

<u>Account Code</u>	<u>Account Title</u>	<u>Account Short Title</u>	<u>Status</u>	<u>Account Type</u>
940	GLOVER VACATION ACCRUAL	GLOVER VACATION	A	EXP
941	GILLIAM CAROLYN VACATION ACCRUAL	GILLIAM C VAC	A	EXP
945	GREENE VACATION ACCRUAL	GREENE VACATION	A	EXP
947	PHILLIPS VACATION ACCRUAL	PHILLIPS VACATI	A	EXP
969	BOGGS VACATON ACCRUAL	BOGGS VACATON A	A	EXP
985	DAVIS VACATION ACCRUAL	DAVIS VACATION	A	EXP
986	COMBS VACATION ACCRUAL	COMBS VAC ACC	A	EXP
989	FARROW VACATION ACCRUAL	FARROW VACATION	A	EXP
997	KELSEY VACATION ACCRUAL	KELSEY VACATION	A	EXP
999	AUDITOR ADJUSTMENT ACCOUNT	AUDITOR ADJUSTM	A	REV

V. COST ACCOUNTING

GADD utilizes journals (*within the accounting software*) and supplemental spreadsheets (*created in Excel*) to prepare reports and to also give the Board of Directors as much of a view of the day-to-day activities as is possible. With the assistance of GADD's CPA firm and the Department for Local Government staff, the following can be easily checked and cross-checked.

1. Cash Receipts – Upon their arrival via the mail or in-person, all cash receipts are logged in chronological order on a master spreadsheet. The checks and supporting items are copied for the Executive Director, and then given to the designated staff member responsible for preparing the bank deposit. Staff maintains the corresponding deposit slip, and posts the receipt into the accounting software using the appropriate codes reflecting source and program. The receipts are verified each month through the bank reconciliations and the Executive Director's review.
2. Cash Disbursements - GADD utilizes checks as verification of disbursements, in addition to a monthly computer printout. All checks have a voucher stub that is maintained in the office files in a numerical sequence to facilitate quick reference. Attached to the stub is all supporting documentation (ex. purchase orders, invoices, emails, vendor statements, etc.) which helps identify the general ledger account number and program being charged. The Executive Director reviews and manually signs each check (in addition to receiving a chronological list of all checks written) and, if applicable, a designated Board member approves the disbursement via an email.

Exception: GADD has the option to pay utility expenses and credit card bills via automated bank draft to ensure timely uninterrupted service and prevention of late fees. In this case the payments are reviewed after the fact and signed off on by the Executive Director and also, if applicable, a Board member.
3. Routine and Adjusting Entries -- Adjusting general ledger entries are made by the finance staff on an as needed basis and are indicated on various computer printouts as a JV entry. As applicable, the JV is attached to the source document for which it relates.
4. Payroll – Each employee completes a bi-weekly time sheet that is approved by the Executive Director prior to being processed by the finance office. The accounting software generates several supporting reports. Reports are produced for each pay period, month, quarter, or year as needed. These printouts reflect the amount paid and the withholding to date (by category) so that an accurate record is maintained at all times. Each pay period the Executive Director authorizes the transfer of payroll via direct deposit into the individual's personal account. Also, a list of all payroll checks written during the month is included as part of the cash disbursement printout.
5. Time Allocation – Each employee codes the number of hours worked on a specific element directly on his/her timesheet. This breakdown is entered into the software as the employee's check is processed. Accordingly the software performs the cost allocation of time based on the hours per element submitted by the staff.

6. General Ledger – The GADD accounting software accurately maintains all general ledger data. It provides numerous ways to retrieve, view, or print the corresponding information. These also serve as the general ledger that specifically summarizes and identifies all transactions from posting for cash receipts, cash disbursements, payroll, adjusting entries, etc.

The computer software provides financial statements for any time period needed, i.e. monthly, quarterly, annually, etc. GADD staff submits quarterly financial and narrative reports to the Department for Local Government. All payroll tax returns are prepared by the GADD finance officers, who also maintain changes in tax deductions or the status of individual employees.

The Finance Officer provides the Board of Directors with (1) a monthly balance sheet (2) a statement of revenues and expenses by source or object and (3) a schedule of revenues and expenses by program element. These three, along with any supplemental information that may be requested (such as a Vendor Activity Report), keeps management informed of GADD's financial status.

VI. COST ALLOCATION POLICY

GADD has prepared the Direct/Shared Cost Policy as recommended by the staff of the Department for Local Government in accordance the procedures set forth in 2 CFR Chapter I, Chapter II, Part 200, et.al (*commonly referred to as the Super Circular*). GADD finds this policy to be effective and efficient. It follows the general principle and practice that an expense is (a) a direct cost if specifically and readily identifiable with a particular element(s) or (b) a shared cost if incurred for a common or joint purpose benefiting more than one element or is not readily assignable without effort disproportionate to the results achieved.

1. Salary – The salaries of all employees, both professional and supportive, are charged directly to program elements based on the amount of actual time attributable to each, in accordance with the bi-weekly time sheet. Significant hours expended are recognized as a direct cost to the respective program element(s) in which the employee worked.

Central administrative staff (including the Executive Assistant, Staff Assistant, Finance Officers and Executive Director's time) is customarily and primarily charged as shared.

If an unusual amount of time is expended towards a specific element(s), or if these employees serve in a dual-role, they may charge hours directly to those programs accordingly – as deemed appropriate and necessary by the Executive Director.

All program planners and coordinators salaries are charged as direct costs to the respective program element(s) in which they work.

If these employees also assist with overall office-wide tasks (such as web page maintenance or providing computer and technical support), those hours are charged as shared.

2. Employee Burden – The word “burden” refers to GADD-paid fringe benefits. Burden is charged in like manner as the employee’s salary by its proportionate share and is automatically calculated via the payroll software.

All employee burden (e.g. FICA, workman’s compensation, retirement, health insurances, etc.) which can be specifically related to an employee whose salary is being charged as a direct cost is also charged as a direct cost. The employee burden related to an employee whose salary is charged as a shared cost is charged as a shared cost.

If an employee burden cost cannot be broken down by a specific element or employee with an acceptable degree of accuracy (such as the burden associated with used vacation hours), it is charged as a shared cost.

3. Shared Costs – The shared cost pool is comprised of costs that either (a) cannot be attributed directly to a program (b) relates to *all* the work that GADD performs (c) is general administrative by nature or (d) relates to GADD facilities. At the end of each month, this pool of shared cost is distributed among the work elements directly in relation to the total personnel cost for the staff working in the program.

4. Consulting Contracts – Generally contracts or sub-contracts, including those for personal services, which GADD executes with a third party can be identified to a specific program element and therefore becomes a direct cost to said program. All consultant contracts are charged as direct cost to the program element(s) to which the work relates.

5. Printing and Publications – Printing which is directly attributable to a specific work element is charged as a direct cost to the element, and consideration has been given to those direct costs in preparing the budget. Publications, whether prepared in-office or out-of-the office, are charged to those specific work elements to which they apply. Ads, notices of hearing, etc. that must be printed as legal notices are charged as direct costs where they can be identified in a sufficient amount. Advertising incurred to recruit new personnel is charged to the work element for which the position relates.

In areas where the cost is minor or may benefit numerous work elements, the cost may be charged as shared. Miscellaneous or office-wide needs (envelopes, checks, letterhead, etc.) is charged as a shared cost.

6. Travel – Business-related travel costs are incurred for a specific purpose. All approved travel expenses are charged against the same program or element for which the employee’s time is charged, as supported by his/her timesheet.

Due to the limited number of staff and funds available, staff persons frequently utilize trips to cover more than one work element.

If determined appropriate and necessary by the Executive Director, an employee whose travel pertains to more than one work element and can specifically identify those work elements, may also charge the cost to more than one work element.

7. Board Travel - Board Members who travel pertaining to a specific element, charges travel to that work element for which the travel expense is incurred. Any travel that does not pertain to a certain work element will be charged as a shared cost.

8. Vacation Leave – At the end of each month, the cost associated with the full-time employees’ earned vacation hours is charged to leave accrual accounts. The accounting software then allocates a proportionate share of the total monthly amount to each element for which the employee worked during that month. Vacation earned, which pertains to shared cost salaries, is also charged as shared cost. These provisions permit

the correct charging of each element and assure that each grant fund is charged equitably for vacation accrual.

9. Audit and Accounting Fees – Costs related to GADD's annual external audit, performed by an independent CPA firm, are charged as a shared cost. The accounting system then permits each element to accept its proportionate amounts of charges. Any additional charges that are directly related to extra work in a specific element will be charged directly to the program.
10. Space Cost – Space-related expenses and routine repair and maintenance are charged as a shared cost, unless otherwise determined by the Executive Director to be exclusively for a specific work element. GADD's mortgage payment, utilities, insurance, depreciation, cleaning, and general upkeep or repairs are included as shared cost.
11. Telephone/Internet – Generally telephone and internet charges are charged as a shared cost. If a particular grant requires a special service (such as a toll-free number, dedicated line, or conference call) that cost will be charged directly to the corresponding work element.
12. Fixed Asset Additions - General-purpose non-consumable items (such as buildings, vehicles, equipment, or computers) are capitalized and depreciated via the straight-line method over the asset's useful life. Depreciation is charged monthly as a shared cost. Equipment or other capital purchases are not charged as a shared cost.
13. Equipment Rental/Lease/Maintenance – All equipment rentals, leases, and maintenance costs are charged as shared cost unless the corresponding piece of equipment is used exclusively by a specific element or grant award.
14. Supplies/Materials/Postage – The Staff Assistant purchases commonly used items to keep in a central location accessible by all employees. These items are charged as a shared cost. Other items that are identifiable with a specific program area are charged directly to that work element.
15. Meetings and Conferences – The cost associated with hosting a meeting or conference (food, materials, etc.) for which the primary purpose is the dissemination of technical information is charged to the work element for which it relates. If the meeting benefits the entire agency, such as GADD's board meetings, the costs is charged as shared.
If determined appropriate and necessary by the Executive Director, meetings serving a dual-purpose may be charged to more than one work element.
16. Dues/Subscriptions/Memberships – The majority of these costs are for the agency as a whole, or for the Executive Director, and is recognized as a shared cost. If the item relates to a specific employee, such as a required licensure, the cost is charged as a direct cost to their primary work element.

All additional costs not identified above are charged as (a) a direct cost if specifically identifiable with a particular element or (b) as a shared cost if incurred for a common or joint purpose benefiting more than one element and is not readily assignable.

VII. SHARED COST CALCULATION

Page 29 of GADD's audited Financial Statements for the fiscal year ending June 30, 2016 reflects these shared costs:

Salaries	\$ 143,161
Fringe benefits	65,098
Travel	7,707
Legal and Accounting	17,693
Equipment, leases, Depreciation & amortization	62,458
Office expense	9,513
Postage	1,828
Telephone and utilities	25,584
Committee meetings	2,156
Dues, fees, and subscriptions	10,789
Insurance	22,583
Interest	45,592
Repairs and maintenance	11,575
Contract Services	16,182
Other	<u>7,040</u>

Total Shared Costs \$ 448,959

Direct Salaries and Benefits (page 36), excluding shared (Administrative):

Salaries (603,279 – 143,161)	460,118
Employee benefits (292,375 – 65,098)	<u>227,277</u>

Total Direct Personnel \$ 687,395

Total shared costs \$448,959 / total direct personnel \$687,395 = indirect cost rate of 65.31%

Note: This rate only applied to FY 16, and is not applicable to any other fiscal year or program billing.

VIII. CERTIFICATE OF INDIRECT COSTS

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

(1) All costs included in this proposal to establish billing or final indirect costs for July 1, 2017 - June 30, 2018 are allowable in accordance with the requirements of the Federal award(s) to which they apply and 2 CFR Chapter I, Chapter II, Part 200, et.al (*commonly referred to as the Super Circular*). 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 methodology.

I declare that the foregoing is true and correct.

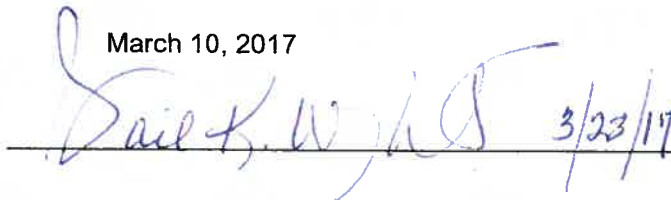
Governmental Unit: Gateway Area Development District

Name of Official: Gail K. Wright

Title: Executive Director

Date of Execution: March 10, 2017

Signature:

 3/23/17

IX. OTHER SUPPORTING DOCUMENTATION
(Available upon request)

1. Approved FY 17 Budget
2. Sample checks
3. Sample invoices
4. Contracts
5. Time Sheets
6. Check Register
7. Payroll Distribution Sheets
8. Written Policies
9. Personnel Policies
10. Cash Receipts
11. Deposit Slips
12. Bank Statements
13. Board of Director's Minutes
14. Bank Reconciliation
15. Travel Expense Report
16. Others as requested

Glover, Olivia (GWADD-MH)

From: Glover, Olivia (GWADD-MH)
Sent: Thursday, March 30, 2017 9:49 AM
To: JFA-Amy Barnes (amy.barnes@ky.gov)
Cc: Wright, Gail K (GWADD-MH)
Subject: FY18 Cost Allocation Plan-Gateway ADD
Attachments: FY 18 CAP.pdf

I will put the hardcopy in the mail today.
If you need anything else, please let me know.

Thanks!

*Olivia Glover, CFO
Gateway ADD
110 Lake Park Drive
Morehead, KY 40351
606-780-0090 Ext. 2110*