



Indirect Cost Rate Proposal for Fort Bend County, Texas

Region 6 Office

Federal Transit Administration

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January 23, 2025

Submitted by The Ferguson Group
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Organizational Profile & Rate Information

<i>Entity Name:</i>	Fort Bend County, Texas
<i>Entity Type:</i>	Non-Profit Organization- Local Government
<i>EIN:</i>	74-6001969
<i>Phone Number:</i>	(281) 238-3345
<i>Mailing Address:</i>	301 Jackson Street, Richmond, Texas 77469-3108
<i>Web Address:</i>	www.fortbendcountytexas.gov/
<i>Focus of Work:</i>	County Government

Point of Contact Information

<i>Name:</i>	Ed Sturdivant - Client Personnel	Dr. Catherine Minerich Riggs - TFG Personnel
<i>Position Title:</i>	County Auditor	Grants Project Manager
<i>Email Address:</i>	Ed.Sturdivant@FortBendCountyTX.gov	criggs@TFGnet.com
<i>Phone Number:</i>	(281) 341-3769	(202) 997-5853

Rate(s) Information Included in This Package

<i>Requested Rates(s):</i>	FY2023 21% Indirect
<i>Requested Rate Type(s):</i>	Provisional/Final
<i>Distribution Base(s):</i>	MDTC
<i>Requested Year(s):</i>	FY2023 for use in 2024 and provisional through FY2028
<i>Proposal is Based on:</i>	FY2023 Actuals

Rate(s) Related Other Information

<i>Negotiation History:</i>	This is our initial request for an approval of indirect cost rates.
<i>Fiscal Year Inclusive Dates:</i>	For Fiscal Year Ended September 30, 2023
<i>Rate Development Method:</i>	Multiple Allocation/Multiple Rates/Step-Down
<i>Fringe Benefits Treatment:</i>	Fringe Benefits are recorded as expenditures when incurred and allocated to cost centers based on time and effort dedicated by employees.
<i>PTO Treatment:</i>	All full-time employees accumulate vacation benefits in varying number of days up to a maximum of twenty days a year. Sick leave benefits are earned by all full-time employees at a rate of eight days per year and may be accumulated without limit. Further information is outlined in section II b. Fringe.
<i>Federal Fund Types Received:</i>	Grants and Cooperative Agreements (Falls Under 2 CFR 200)
<i>Basis of Accounting:</i>	Modified Accrual Basis
<i>Supplementary Information Included with the Package:</i>	Audited Financial Statements Only

Cost Policy Statement

Description of Accounting System Used by the Organization:

In the government-wide Statement of Net Position, governmental activities are presented on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general administration, financial administration, public safety, etc.), which are otherwise being supported by general government revenues (property taxes, earnings on investments, etc.). The Statement of Activities reduces the gross expenses (including depreciation) by related program revenues. The program revenues must be directly associated with the function (general administration, financial administration, public safety, etc.).

The government funds major statements and the fund financial statements are presented on a current financial resource and modified accrual basis of accounting.

The County accounts for all federal awards under programs of the federal government in the General and Special Revenue Funds. These programs are accounted for using a current financial resources measurement focus. With the measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these fund presents increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Cost Allocation Methodology Used for the Program Funding Reimbursement and the Indirect Cost Rate Development:

Functional expenses are allocated based on direct identification and time and effort. Cost allocations were used in the financial statements and are allocated based on time and effort per cost center for facilities expenses, including depreciation.

A. **Salaries and Wages:**

- i. **Time & Attendance System:** Employees are required to register their time allocation dedicated to programs or activities within the Time and Attendance system, Clockwise. Some time allocations are captured outside of Clockwise on manual timesheets. Staff and elected officials have different and separate payroll periods. Staff are paid bi-weekly with 26 pay periods per year. Elected Officials are paid twice per month with 24 pay periods per year. After the hours are collected in the Clockwise system, the hours worked by employees and elected officials are transferred to the Payroll System, Lawson, to calculate Payroll Cost. An accountant will then use this information to prepare Payroll Cost Allocation for each employee to its corresponding cost centers based on time allocation recorded in the Time and Attendance System. At the end of the

month, a report will be generated to calculate accrued benefits earned by employees based on labor laws and County policy.

- ii. **Personnel Time Allocation Policy:** Each employee is required to register time invested in specific projects or areas in order to calculate the Personnel Time Allocation. Supervisors are required to review and approve time and effort reported by employees once they certify the hours within the system.
- iii. **Indirect Salaries:** Salaries that are considered indirect would be those allocated within the cost allocation plan for support programs.

B. Fringe Benefits:

Medical Insurance

All Fort Bend County Employees in full-time, budgeted positions have the option to obtain group medical and dental coverage. One or more levels of coverage may be offered. For family benefits, employees have a choice of group health plans and/or a dental plan at an additional premium. Basic life, dismemberment, accidental death, long-term disability, and Property & Causality Insurance benefits for employees are provided at no cost to the employee. Optional benefits may also be available.

Payroll Taxes

Payroll taxes include Social Security, Medicare, Federal Unemployment, State Unemployment, and Workmen's Compensation Insurance. Employer obligations are accrued per payroll period and allocated using the time and effort rules.

Paid Time Off

All full-time employees accumulate vacation benefits in varying number of days up to a maximum of twenty days a year. Accumulated vacation exceeding twenty days lapses on December 31 of each year. Compensatory time exceeding 80 hours is paid to nonexempt employees. In the event of termination, an employee is paid for all maximum allowable accumulation of vacation and compensatory time.

Sick leave benefits are earned by all full-time employees at a rate of eight days per year and may be accumulated without limit. Upon retirement, an employee may be eligible to receive a payment for up to one-half of their unused sick leave balance, not to exceed a maximum of \$5,000. In the event of any termination other than retirement, an employee is not paid for any unused sick leave. A liability for accrued compensated absences is recorded in the government-wide financial statements.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's defined benefit pension plan (the "Plan") administered by the statewide The County and District Retirement System ("TCDRS") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the

Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- C. **Travel:** All travel costs are charged based on specific identification.

- D. **Board Expenses:** Texas' 254 counties serve their local residents as the functional arm of state government. As the government closest to the people, counties are also the most efficient form of government in Texas. The Texas Constitution spells out the structure of county government and makes counties functional agents of the state. Unlike cities, which have broad authority to enact local ordinances, counties are limited to actions that are specially authorized in the Texas Constitution and statutes. The Fort Bend County government leadership is composed of 5 locally elected officials, four County Commissions and one County Judge. The Commissioners Court conducts the general business of the county and consists of the County Judge and four Commissioners. The Fort Bend County Commissioners Court generally meets in Regular Session on the second and fourth Tuesdays of each month. The business of Fort Bend County is conducted by and between the members of the Fort Bend County Commissioners Court and by those members of the county staff, elected officials, department heads, consultants, experts and/or members of the public requested to be present and participate. The elected Commissioners and County Judge receive annual compensation for their service to the public including fringe benefits and the same benefits provided to county employees. Other county employees that provide service to the execution of county duties during meetings include the County Clerk, County Attorney, two members of the financial staff, two agenda coordinators, 52 other county personnel for the execution of county business during the Commissioner Court Meetings. Given the frequency of meetings and the depth of the work completed, the annual cost of meetings, \$273,621, are a minimal expense and are charged to general administration.

- E. **Supplies and Material:** Costs are charged based on specific identification. If costs are related to a program, they will be directly allocated. If the costs are not directly allocated, they are based on the expenditures and determined, per federal regulation, if they are direct, indirect, or unallowable.

- F. **Occupancy Expenses:** Facilities costs are allocated based on the Salary Allocation Method for direct project allocation. Multiple cost allocations were used in the financial statements and are allocated based on time and effort per cost center for facilities expenses, including depreciation.

- G. **Communications:** Communications expenditures are considered within facilities costs.

- H. **Photocopying and Printing:** Costs are charged based on specific identification. If costs are related to a program, they will be directly allocated. If the costs are not directly allocated, they are based on the expenditures and determined, per federal regulation, if they are direct, indirect, or unallowable.

- I. **Outside Services:** Costs are charged based on specific identification. If costs are related to a program, they will be directly allocated. If the costs are not directly allocated, they are based on the expenditures and determined, per federal regulation, if they are direct, indirect, or unallowable.

- J. **Capital Items:** Capital Assets used in governmental and proprietary fund types of the government are recorded as expenditures of the General, Special Revenue, Capital Projects, and Internal Service Funds and as capital assets in the government-wide financial statements to the extent the County's capitalization threshold (currently \$10,000 on new assets) is met. Betterments to existing assets are capitalized if they meet the \$10,000 threshold. Depreciation is recorded on capital assets on a government-wide basis. Major outlays for capital assets and improvements are capitalized as projects are constructed and subsequently depreciated over their estimated or estimated historical cost if actual cost was not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend assets' lives are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operation.
- K. **Depreciation Charges:** The County applies a half-year convention for depreciation on all capital assets. Therefore, one half year of depreciation is charged to operations the first and last year that an asset is in service. Depreciation has been provided for plant and equipment using the straight-line method over the estimated useful life for the type of assets as follows:

Asset Description	Estimated Useful Life
Vehicles	5 to 7 years
Office furniture and equipment	5 to 7 years
Machinery and equipment	7 to 15 years
Buildings, facilities, and improvements	5 to 39 years
Infrastructure	20 to 45 years

- L. **Subscriptions and Membership Dues:** Costs are charged based on specific identification. If the costs are related to the program, they will be directly allocated. If not allocated directly, then the costs are based on the expenditures and, per the federal regulations, they will be determined indirect, direct or unallowed.
- M. **Conferences and Meetings:** Costs are charged based on specific identification. If the costs are related to the program, they will be directly allocated. If not allocated directly, then the costs are based on the expenditures and, per the federal regulations, they will be determined indirect, direct or unallowed.
- N. **Unallowable Costs:** No costs are unallowable unless expenditures exist, and they are identified as unallowable per federal regulation.

Name:

Title:

Signature & Date:

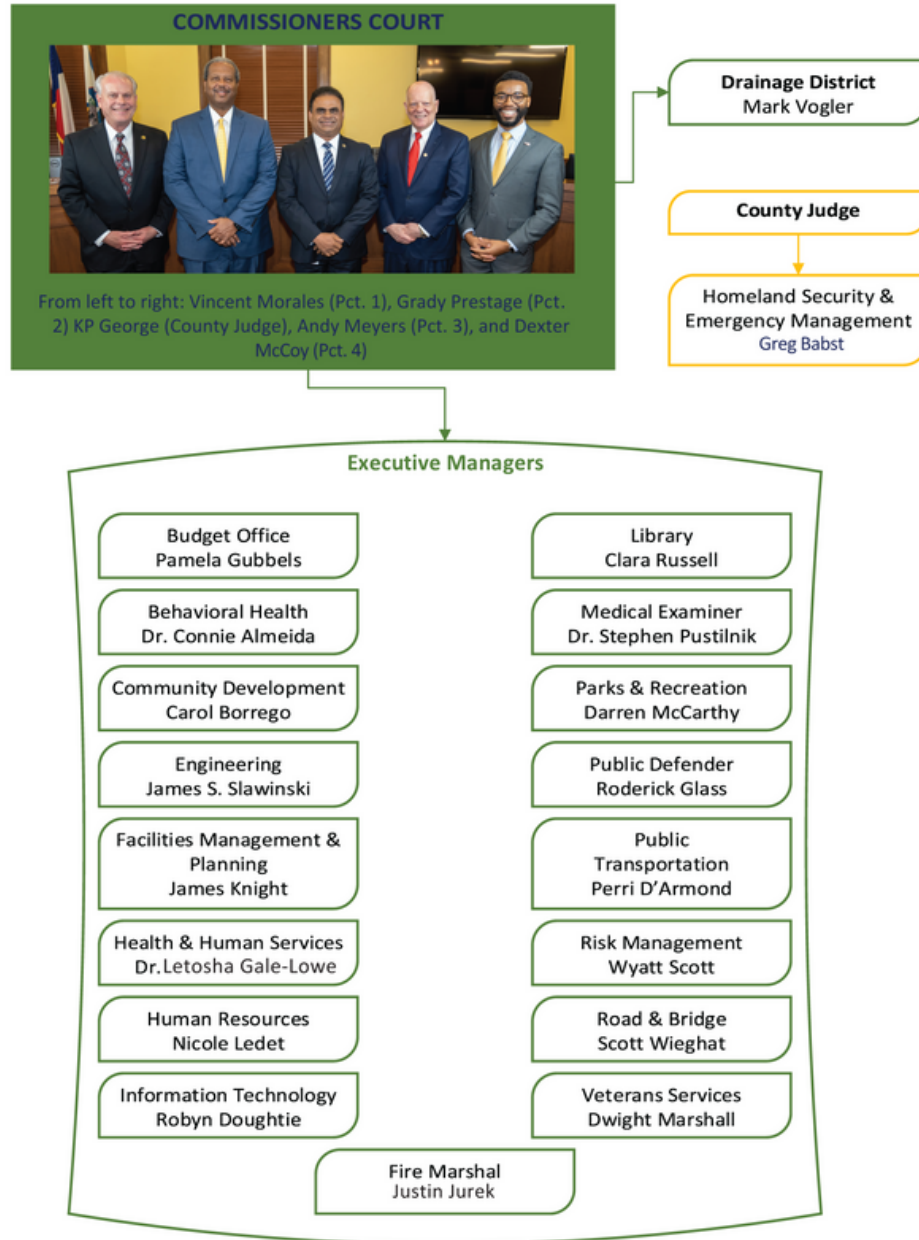
Name of Organization:

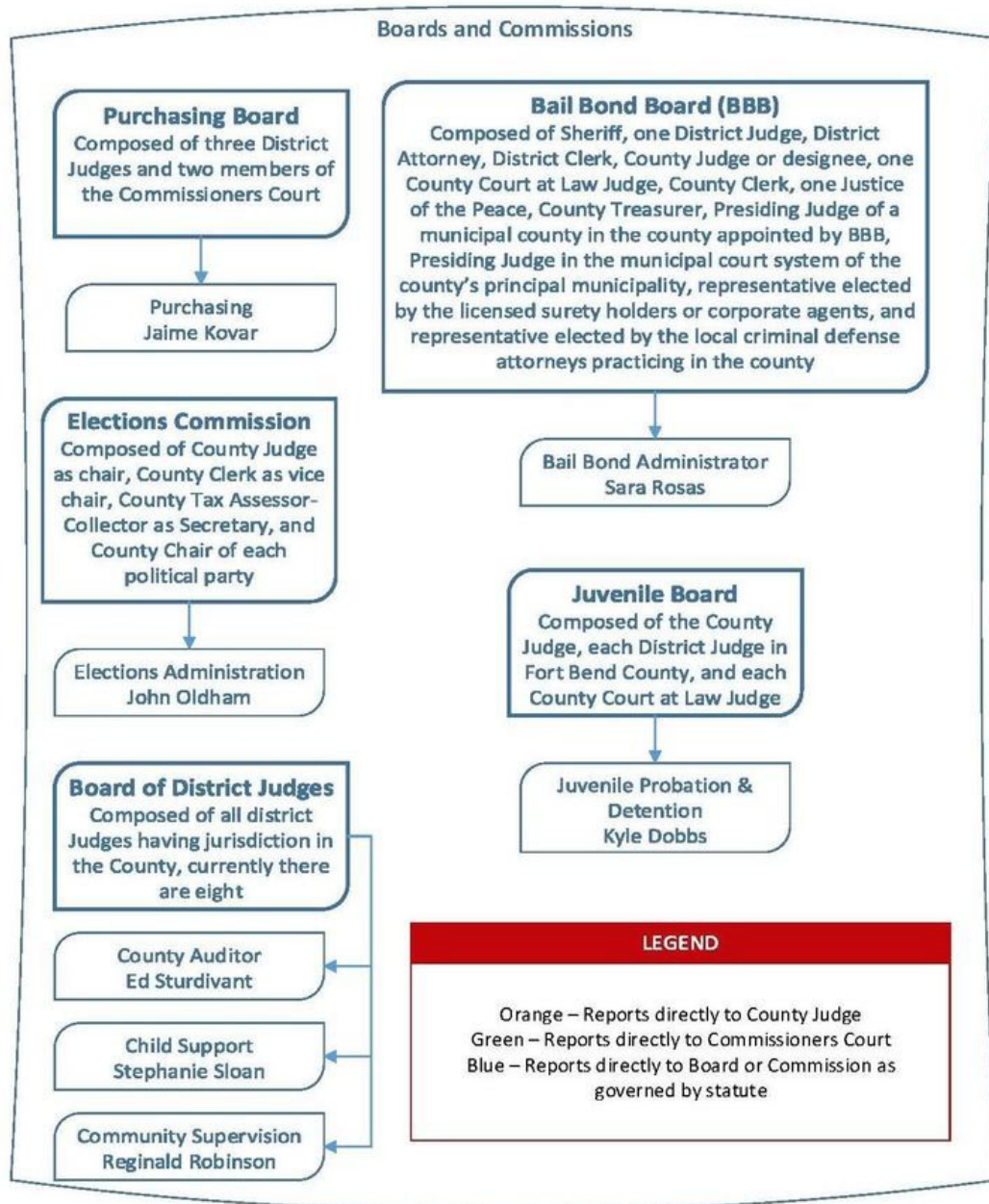
Fort Bend County, Texas

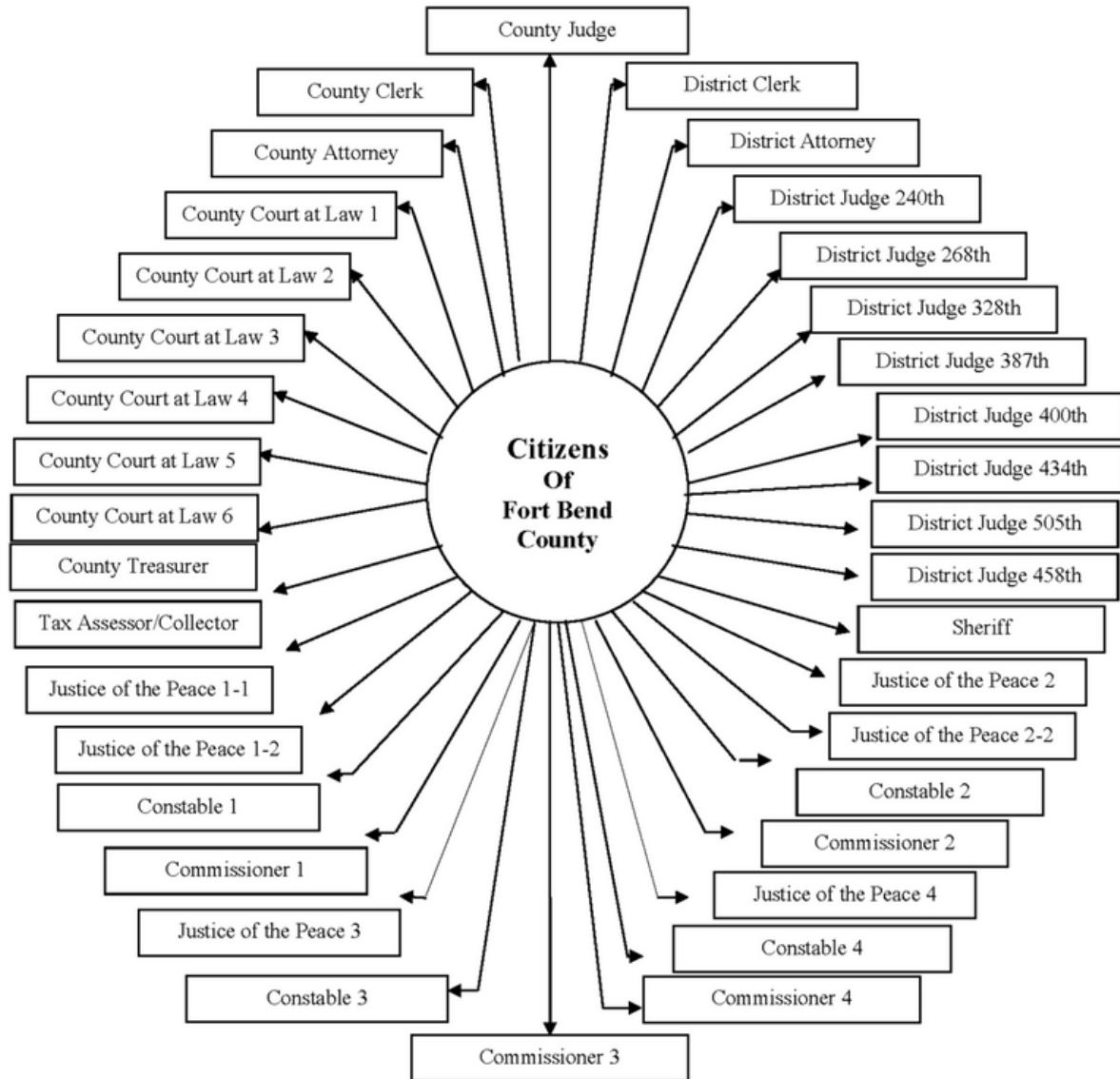
301 Jackson Street

Richmond, Texas 77469-3108

Organization Chart:







Certificate of Final Indirect Costs

This is to certify that Fort Bend County, Texas has reviewed this proposal to establish final indirect cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal January 2025 to establish final indirect cost rates for FY2023 for use in 2024 and provisional through FY2028 are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply; and
2. This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements.

Organization: Fort Bend County, Texas

Signature:

Name of Certifying Official: KP George

Title: County Judge

Date of Execution: 02/11/2025

This certification:

- Is a requirement per **FAR 42.703-2(f)**
- Must be submitted as part of the annual indirect cost rate proposal; and
- Must be signed by an individual of the Contractor's organization at a level no lower than a vice president or chief financial officer of the business segment of the Contractor that submits the proposal.

Lobbying Cost Certificate

I hereby certify that **Fort Bend County, Texas** has complied with the requirements and standards pertaining to lobbying costs in accordance with 2 CFR Part 200 for the following period: **FY 2023 for use in 2024 and Provisional through FY 2028.**

Organization:

Name of Official:

Title:

Signature:

Email Address:

Date of Execution:

This certification:

- Is a requirement per **2 CFR Part 200 Subpart E Subsection 200.450(c)(2)(vi)**;
- 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 non-Federal entity.