

Exhibit 1

Organization A - Shared cost rate of 6.6%

	Total expenses					
	Programs			Admin.	Shared	Total
	A	B	C			
<i>Expenses:</i>						
Salaries and wages	\$ 18,613	19,500	23,347	18,557	5,150	85,167
Employee benefits	2,792	2,925	3,502	2,784	772	12,775
Materials and supplies	5,200	8,900	3,581	1,124	-	18,805
Postage and shipping	605	987	4,251	895	2,088	8,826
Printing and publications	1,000	1,355	756	201	50	3,362
Telephone	756	1,222	1,336	2,285	2,263	7,862
Occupancy	2,219	4,590	9,675	11,116	-	27,600
Depreciation	684	758	95	151	-	1,688
Total direct expenses	31,869	40,237	46,543	37,113	10,323	166,085
Allocation of shared costs	2,112	2,667	3,084	2,460	-10,323	-
	\$ 33,981	42,904	49,627	39,573	-	166,085

1. The effective shared cost rate = 6.6% [$\$10,323 / (\$166,085 - \$10,323)$].
2. The administrative rate = 23.8% [$\$39,573 / \$166,085$].
3. Shared costs are allocated by applying the indirect cost rate (6.6%) to each cost center's total direct expenses
[e.g., Program A: $6.6\% \times \$31,869 = \$2,112$].

Exhibit 2

Organization B - Shared cost rate of 65.8%

	Total expenses					
	Programs			Admin.	Shared	Total
	A	B	C			
<i>Expenses:</i>						
Salaries and wages	\$ 12,500	14,950	19,635	15,400	22,682	85,167
Employee benefits	1,875	2,243	2,945	2,310	3,402	12,775
Materials and supplies	3,300	6,000	895	1,400	7,210	18,805
Postage and shipping	500	1,035	3,675	1,682	1,934	8,826
Printing and publications	950	1,184	642	120	466	3,362
Telephone	1,672	1,724	1,126	2,418	922	7,862
Occupancy	-	-	-	-	27,600	27,600
Depreciation	-	-	-	-	1,688	1,688
Total direct expenses	20,797	27,136	28,918	23,330	65,904	166,085
Allocation of shared costs	13,184	15,768	20,709	16,243	-65,904	-
	\$ 33,981	42,904	49,627	39,573	-	166,085

1. The effective shared cost rate = 65.8% [$\$65,904 / (\$166,085 - \$65,904)$].
2. The administrative rate = 23.8% [$\$39,573 / \$166,085$].
3. Shared costs are allocated based on each cost center's direct salaries & wages as a percentage of total direct salaries & wages direct salaries & wages[e.g., Program A: $\$65,904 \times (\$12,500 / (\$85,167 - \$22,682)) = \$13,184$].

Exhibit 3

Organization C - Shared cost rate of 0%

		Total expenses					
		Programs					
		A	B	C	Admin.	Shared	Total
<i>Expenses:</i>							
Salaries and wages	\$	19,255	21,621	25,388	18,903	-	85,167
Employee benefits		2,881	3,050	3,727	3,117	-	12,775
Materials and supplies		5,200	8,900	3,581	1,124	-	18,805
Postage and shipping		923	1,612	4,541	1,750	-	8,826
Printing and publications		1,025	1,380	800	157	-	3,362
Telephone		1,290	1,417	2,244	2,911	-	7,862
Occupancy		3,219	4,590	8,675	11,116	-	27,600
Depreciation		188	334	671	495	-	1,688
Total direct expenses		33,981	42,904	49,627	39,573	-	166,085
Allocation of indirect costs		-	-	-	-	-	-
		\$ 33,981	42,904	49,627	39,573	-	166,085

1. The shared cost rate = 0%. No shared cost allocation mechanism is used; all expenses are charged directly.
2. The administrative rate = 23.8% [\$39,573/\$166,085].

Exhibit 4

Organization A - Shared cost rate of 6.6%; administrative and shared costs combined

	Total expenses				
	Direct			Shared	
	Programs			Admin.	
	A	B	C	Admin.	Total
<i>Expenses:</i>					
Salaries and wages	\$ 18,613	19,500	23,347	23,707	85,167
Employee benefits	2,792	2,925	3,502	3,556	12,775
Materials and supplies	5,200	8,900	3,581	1,124	18,805
Postage and shipping	605	987	4,251	2,983	8,826
Printing and publications	1,000	1,355	756	251	3,362
Telephone	756	1,222	1,336	4,548	7,862
Occupancy	2,219	4,590	9,675	11,116	27,600
Depreciation	684	758	95	151	1,688
Total direct expenses	31,869	40,237	46,543	47,436	166,085
Allocation of shared costs	2,112	2,667	3,084	-7,863	-
	\$ 33,981	42,904	49,627	39,573	166,085

1. The effective shared cost rate = 6.6% [$\$10,323 / (\$166,085 - \$10,323)$].
2. The administrative rate = 23.8% [$\$39,573 / \$166,085$].
3. Shared costs are allocated by applying the shared cost rate (6.6%) to each cost center's total direct expenses (e.g. Program A: $6.6\% \times \$31,869 = \$2,112$)

Exhibit 5

Organization A - "Fully loaded" cost model

		Total expenses					
		Programs					
		A	B	C	Admin.	Shared	Total
<i>Expenses:</i>							
Salaries and wages	\$	18,613	19,500	23,347	18,557	5,150	85,167
Employee benefits		2,792	2,925	3,502	2,784	772	12,775
Materials and supplies		5,200	8,900	3,581	1,124	-	18,805
Postage and shipping		605	987	4,251	895	2,088	8,826
Printing and publications		1,000	1,355	756	201	50	3,362
Telephone		756	1,222	1,336	2,285	2,263	7,862
Occupancy		2,219	4,590	9,675	11,116	-	27,600
Depreciation		684	758	95	151	-	1,688
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Total direct expenses		31,869	40,237	46,543	37,113	10,323	166,085
Allocation of shared costs		2,112	2,667	3,084	2,460	-10,323	-
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Total direct and shared costs		33,981	42,904	49,627	39,573	-	166,085
Allocation of admin. costs		10,629	13,420	15,524	-39,573	-	-
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Fully loaded program cost	\$	44,610	56,324	65,151	-	-	166,085

1. The effective shared cost rate = 6.6% [$\$10,323/(\$166,085 - \$10,323)$].
2. The administrative rate = 23.8% [$\$39,573/\$166,085$].
3. Shared costs are allocated by applying the rate (6.6%) to each cost center's total direct expenses (e.g. Program A: $6.6\% \times \$31,869 = \$2,112$)
4. Administrative costs are allocated based on the pro rata distribution of total direct and shared costs of each program[e.g., Program A: $\$33,981 \times (\$39,573/(\$166,085 - \$39,573)) = \$10,629$].

Exhibit 7

Organization A - 5% cap on admin costs that can be charged to Program A

		Total expenses					
		Programs					
		A	B	C	Admin.	Shared	Total
Expenses:							
Salaries and	\$	18,613	19,500	23,347	18,557	5,150	85,167
Employee benefits		2,792	2,925	3,502	2,784	772	12,775
Materials and supplies		5,200	8,900	3,581	1,124	-	18,805
Postage and shipping		605	987	4,251	895	2,088	8,826
Printing and publication:		1,000	1,355	756	201	50	3,362
Telephone		756	1,222	1,336	2,285	2,263	7,862
Occupancy		2,219	4,590	9,675	11,116	-	27,600
Depreciation		684	758	95	151	-	1,688
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Total direct expenses		31,869	40,237	46,543	37,113	10,323	166,085
Allocation of shared costs		2,112	2,667	3,084	2,460	-10,323	-
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Total direct and shared costs		33,981	42,904	49,627	39,573	-	166,085
Allocation of admin. costs		10,629	13,420	15,524	-39,573	-	-
Fully loaded program cost	\$	44,610	56,324	65,151	-	-	166,085
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Maximum Allowable Admin cost per contractual 5% cap		1,699					
Total direct& shared costs plus 5% admin		35,680					
Contract shortfall		8,930					

1. The effective shared cost rate = 6.6% [$\$10,323/(\$166,085 - \$10,323)$].
2. The administrative rate = 23.8% [$\$39,573/\$166,085$].
3. Shared costs are allocated by applying the rate (6.6%) to each cost center's total direct expenses
(e.g. Program A: $6.6\% \times \$31,869 = \$2,112$)
4. Administrative costs are allocated based on the pro rata distribution of total direct and shared costs of each program[e.g., Program A: $\$33,981 \times (\$39,573/(\$166,085 - \$39,573)) = \$10,629$].
5. Total chargeable to Contract for Prog C: Total direct& shared costs plus 5% admin:
 $\$33,981 + 1,699 = \$35,680$