

701/08576
CP - Texas
Corpus Christi



CITY OF CORPUS CHRISTI

COMMUNITY RENEWAL PROGRAM

—————
URBAN DEVELOPMENT DEPARTMENT

INDIRECT COST PROPOSAL

FOR THE YEAR ENDED JULY 31, 1972

—————
DECEMBER 8, 1972

CP-TEXAS-CORPUS CHRISTI

TOUCHE ROSS & CO.



ABSTRACT

TITLE : City of Corpus Christi, Texas, Urban Development Department, Indirect Cost Proposal for the Year Ended July 31, 1972

AUTHOR : Touche Ross & Co. for the Corpus Christi Community Renewal Program

SUBJECT : Cost Allocation Study

DATE : December, 1972

LOCAL PLANNING AGENCY : Department of Urban Development
City of Corpus Christi

SOURCE OF COPIES : Department of Urban Development
Box 9277, Corpus Christi, Texas 78408
For reference: HUD Regional Office Library
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HUD Library, Washington, D.C.
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University of Texas, Austin, Texas
Planning Depository Libraries

HUD PROJECT NO. : TEX R-142 (CR)

SERIES NO. : 5

NO. OF PAGES : 9

ABSTRACT : The Indirect Cost Proposal of the Urban Development Department has been developed for the City of Corpus Christi, Texas to provide a rational and equitable basis for total cost sharing by federally-funded programs operated by the Department. The expanded scope of cost-sharing thus provided will contribute to the resolution of the urban development problems presented by the fiscal constraints being experienced by the City.

Indirect costs of the Urban Development Department include the costs of those general services provided by the Department to more than one activity, or "cost objective" within the Department, but which have not been charged directly to those "cost objectives". These departmental indirect costs, when combined with the central service costs allocated to the Department through the City Government-Wide Cost Allocation Plan, are chargeable to "cost objectives", including federal grants and contracts, to the extent permitted by authorizing legislation.

These charges of indirect cost are to be made by way of the rate computed in this indirect cost proposal. The indirect cost rate is to be applied to total direct costs (less capital expenditures) of an activity (e.g. a federal grant) in order to approximate the actual indirect cost associated with the activity.

ABSTRACT
(Continued)

The focus of this Indirect Cost Proposal is the computation of the Departmental indirect cost rate. This computation is accomplished by combining central service and Departmental indirect costs and comparing this sum to the total allowable direct costs (less capital expenditures) of the Department. The Indirect Cost Proposal also includes an inventory of federal grants operated by the Department and other supporting material.

CITY OF CORPUS CHRISTI, TEXAS

URBAN DEVELOPMENT DEPARTMENT

INDIRECT COST PROPOSAL

FOR THE YEAR ENDING JULY 31, 1972

COMMUNITY RENEWAL PROGRAM

CITY OF CORPUS CHRISTI

DECEMBER 8, 1972

The preparation of this report was financed in part through a Community Renewal Program Grant from the Department of Housing and Urban Development as authorized by Title I of the Housing Act of 1949, as amended.

CITY OF CORPUS CHRISTI, TEXAS
URBAN DEVELOPMENT DEPARTMENT
INDIRECT COST PROPOSAL
FOR THE YEAR ENDED JULY 31, 1972

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Indirect Cost Proposal: INDIRECT COST PROPOSAL

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FOR THE YEAR ENDED JULY 31, 1972

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COMMUNITY RENEWAL PROGRAM

CITY OF CORPUS CHRISTI

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DECEMBER 8, 1972

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CITY OF CORPUS CHRISTI, TEXAS

URBAN DEVELOPMENT DEPARTMENT

INDIRECT COST PROPOSAL

FOR THE YEAR ENDED JULY 31, 1972

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Title

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CITY OF CORPUS CHRISTI, TEXAS

URBAN DEVELOPMENT DEPARTMENT

INDIRECT COST PROPOSAL

FOR THE YEAR ENDED JULY 31, 1972

December 8, 1972

CERTIFICATION

Mr. Harold F. [unclear]
Director I hereby certify as the responsible official of the Urban Development Department of the City of Corpus Christi, Texas that the information contained in this indirect cost proposal for the fiscal year ended July 31, 1972 is correct and was prepared in accordance with the policies and procedures contained in OMB Circular A-87. I further certify that procedures were utilized, (a) to prevent costs from being allocated to federal programs as indirect costs that have already been treated as direct program costs, (b) to assure that consistent treatment was accorded similar costs, for all programs in the Department, regardless of source of funds and (c) to assure that costs have not been treated as indirect costs of federal programs inconsistent with statutory restrictions governing those programs.

... a departmental indirect cost rate. The Indirect Cost Proposal was prepared from departmental financial statements for the year ended July 31, 1972 and underlying records. The Indirect Cost Proposal is based upon assumptions and rationale included in the accompanying schedules.

We have previously examined the financial statements of the City of Corpus Christi for the year ended July 31, 1972 and reference is made to our report thereon dated October 24, 1972. Our examination was intended primarily for the purpose of formulating an opinion on the basic financial statements taken as a whole and the scope of our examination did not include... other auditing procedures sufficient to enable us to express an opinion as to the fairness of all the details of the underlying records used in the development of the Indirect Cost Proposal, and accordingly we express an opinion thereon.

We have, however, reviewed the assumptions and rationale used in the development of the departmental indirect cost rate. We believe these assumptions and rationale are reasonable and appropriate for the purpose of developing this indirect cost rate.

Signature

Title

Date

Touche Ross & Co.
CORPUS CHRISTI, TEXAS

TOUCHE ROSS & CO.

SUITE 408 GUARANTY BANK PLAZA
CORPUS CHRISTI, TEXAS 78401

December 8, 1972

Mr. Harold F. Zick
Director of Finance
City of Corpus Christi
Corpus Christi, Texas

Expenditures for All Other Purposes	Total
\$ 84,742	\$ 85,242

DEPARTMENTAL INDIRECT COSTS:
Urban Development

The accompanying Indirect Cost Proposal for the Urban Development Department of the City of Corpus Christi for the year ended July 31, 1972 has been prepared to provide a basis for assigning allowable central service and departmental indirect costs to cost objectives within the department, including federal grants, through a departmental indirect cost rate. The Indirect Cost Proposal was prepared from departmental financial statements for the year ended July 31, 1972 and underlying records. The Indirect Cost Proposal is based upon assumptions and rationale indicated in the accompanying schedules.

We have previously examined the financial statements of the City of Corpus Christi for the year ended July 31, 1972 and reference is made to our report thereon dated October 24, 1972. Our examination was intended primarily for the purpose of formulating an opinion on the basic financial statements taken as a whole and the scope of our examination did not include tests and other auditing procedures sufficient to enable us to express an opinion as to the fairness of all the details of the underlying records used in the development of the Indirect Cost Proposal, and accordingly we express no opinion thereon.

We have, however, reviewed the assumptions and rationale underlying development of the departmental indirect cost rate. We believe these assumptions and rationale are reasonable and appropriate for the purpose of developing this indirect cost rate.

Touche Ross & Co.
Certified Public Accountants

CITY OF CORPUS CHRISTI, TEXAS

URBAN DEVELOPMENT DEPARTMENT

INDIRECT COST PROPOSAL

FOR THE YEAR ENDED JULY 31, 1972

ACTIVITY:	Less: Expenditures Not Allowable	Cost Incurred by Other Local Governmental Agencies	Expenditures not Allowable	Indirect Costs	Expenditures for All Other Purposes	Total
Housing improvements	\$ 1,077,778	\$ 41,888	\$ 554		\$ 84,742	\$ 85,296
DEPARTMENTAL INDIRECT COSTS:						
Urban Development				\$ 31,658		31,658
Building use charges				567		567
Equipment use charges				1,037		1,037
GRANT ACTIVITY:						
Manpower planning			1,431		34,363	35,794
Neighborhood Improvement programs			1,041,209		257,522	1,298,731
Demolition			10,491			10,491
Neighborhood Youth Corp					7,573	7,573
Community renewal			3,893		47,204	51,097
Services Furnished (But Not Billed) By						
Other Local Government Agencies:						
City Manager Office		\$ 76		76		76
Budget Office		16		16		16
Director of Finance and Internal Auditing		242		242		242
Accounting		1,150		1,150		1,150
Insurance		794		794		794
Purchasing		57		57		57
Planning		60		60		60
Public Works - communications		3,245		3,245		3,245
Public Works - City Hall maintenance		2,986		2,986		2,986
		<u>\$ 8,626</u>		<u>\$ 41,888</u>		<u>\$ 431,404</u>
			<u>\$ 1,057,578</u>		<u>\$ 431,404</u>	<u>\$ 1,530,870</u>

CITY OF CORPUS CHRISTI, TEXAS
URBAN DEVELOPMENT DEPARTMENT
INDIRECT COST RATE PROPOSAL
FOR THE YEAR ENDED JULY 31, 1972

	<u>Total</u>	Less: <u>Expenditures</u> Not <u>Allowable</u>	<u>Indirect</u> <u>Cost</u>	<u>Expenditures</u> for All Other <u>Purposes</u>
Totals from Indirect Cost Proposal	<u>\$ 1,530,870</u>	<u>\$ 1,057,578</u>	<u>\$ 41,888</u> (A)	<u>\$ 431,404</u> (B)

Computation of Indirect Cost Rate

(A) ÷ (B) = $\frac{\$ 41,888}{\$ 431,404}$ = Indirect cost rate of 9.7% of total direct costs less capital expenditures.

CITY OF CORPUS CHRISTI, TEXAS

URBAN DEVELOPMENT DEPARTMENT

INDIRECT COST PROPOSAL

FOR THE YEAR ENDED JULY 31, 1972

RECONCILIATION OF ACTIVITY EXPENDITURES

URBAN DEVELOPMENT:

Total activity expenditures		\$ 35,401
In-kind contributions:		
Relocation officer charged to Grant TEX-OSC-85(DL)	\$ 3,103	
Salaries charged to Grant CPA-TX-06-59-1010	640	3,743

and printing and copying	\$ 985,087	\$ 1,477,000
Data processing department	214,377	214,377
Maintenance services division	722,824	722,824
	<u>\$ 1,922,288</u>	<u>\$ 2,414,201</u>

GENERAL SERVICES:

City Manager office	\$ 61,311	\$ 76,198
Budget office	22,892	22,892
Director of Finance and Internal Affairs	24,216	24,216
Accounting	211,589	211,589
Insurance	472,226	472,226
Purchasing	45,749	45,749
Planning	43,277	43,277
Personnel and Civil Service	61,635	61,635
Communications	39,752	39,752
City Hall maintenance	58,115	58,115
	<u>\$ 1,027,642</u>	<u>\$ 1,027,642</u>

CITY OF CORPUS CHRISTI
 CITY GOVERNMENT-WIDE COST ALLOCATION PLAN
 SUMMARY OF PLAN
 FOR THE YEAR ENDED JULY 31, 1972

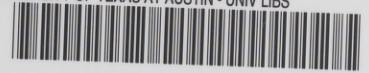
Agency and Type of Service	Local Government Agencies Receiving Services from Other Agencies					Total
	Urban Development Department	Police Division	Health and Welfare Department	Parks and Recreation Department	All Other	
SERVICES BILLED DIRECTLY TO DIVISIONS:						
Stores activity (receipt, storage and distribution of operating materials and supplies, and printing and copying)	\$ 9,286	\$ 22,091	\$ 3,590	\$ 48,654	\$ 995,587	\$ 1,079,208
Data processing department	-	33	-	-	214,977	215,010
Maintenance services division	10,371	141,743	16,559	53,092	757,634	979,399
	<u>\$ 19,657</u>	<u>\$ 163,867</u>	<u>\$ 20,149</u>	<u>\$ 101,746</u>	<u>\$ 1,968,198</u>	<u>\$ 2,273,617</u>
GENERAL SERVICES:						
City Manager office	\$ 76	\$ 9,220	\$ 1,600	\$ 4,191	\$ 61,111	\$ 76,198
Budget office	16	1,939	337	882	12,852	16,026
Director of Finance and Internal Auditing	242	5,454	4,061	6,182	44,666	60,605
Accounting	1,150	25,879	19,266	29,329	211,919	287,543
Insurance	794	86,432	30,696	55,967	432,526	606,415
Purchasing	57	4,777	1,422	3,867	46,749	56,872
Planning	60	7,284	1,264	3,311	48,277	60,196
Personnel and Civil Service	-	12,925	5,012	8,353	61,635	87,925
Communications	3,245	711	356	356	39,792	44,460
City Hall maintenance	2,986	-	-	-	68,115	71,101
	<u>\$ 8,626</u>	<u>\$ 154,621</u>	<u>\$ 64,014</u>	<u>\$ 112,438</u>	<u>\$ 1,027,642</u>	<u>\$ 1,367,341</u>

CITY OF CORPUS CHRISTI, TEXASURBAN DEVELOPMENT DEPARTMENTINDIRECT COST PROPOSALFOR THE YEAR ENDED JULY 31, 1972INVENTORY OF FEDERAL GRANTS

	Expenditures		
	Year Ended July 31, 1972		
	<u>Federal</u>	<u>Local</u>	<u>Total</u>
U.S. Department of Housing and Urban Development:			
TEX E-7 - Neighborhood Improvement Program Hillcrest/Molina	\$ 1,003,846	\$ 292,944	\$ 1,296,790
TEX E-21 - Neighborhood Improvement Program Airport/Lexington	1,294	647	1,941
TEX 142-CR - Community renewal	34,061	17,036(1)	51,097
TEX M-Z - Demolition	6,994	3,497	10,491
	<u>\$ 1,046,195</u>	<u>\$ 314,124</u>	<u>\$ 1,360,319</u>
U.S. Department of Labor:			
3045-48 - Neighborhood Youth Corps	\$ 7,573	\$ -	\$ 7,573
6-03-M - Manpower Planning	35,794	-	35,794
	<u>\$ 43,367</u>	<u>\$ -</u>	<u>\$ 43,367</u>
	<u>\$ 1,089,562</u>	<u>\$ 314,124</u>	<u>\$ 1,403,686</u>

(1) This includes \$5,823 of in-kind contribution provided by the Planning Department.

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