



BOARD OF EDUCATION OF THE CITY OF NEW YORK

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MARJORIE BLUM
Executive Director

BOR ALLOCATION MEMORANDUM NO. 21, FY 2002

DATE: November 26, 2001

TO: **ALL SUPERINTENDENTS**

FROM: Marjorie Blum, Executive Director
Division of Budget Operations and Review

SUBJECT: **FY 2002 REIMBURSABLE INDIRECT COST ALLOCATIONS**

This memorandum presents the FY 2002 indirect cost allocations for community school district overhead of reimbursable programs. (High school superintendencies receive this support as part of their Module 1 tax levy allocation.) Indirect cost allocations for community school districts are based on the following:

- Districts will retain one-third of the indirect allowances associated with the allotment of reimbursable funds distributed in accordance with needs-based allocation formulas.
- One-third of indirect allowances associated with competitive grants (excluding State legislative grants) will be retained by the districts.
- One-third of indirect allowances associated with the carryover of FY'01 resources into FY 2002 also will be retained by the districts.
- Since indirect cost claims are dependent upon the amount expended in reimbursable programs (not the amount received or budgeted), indirect cost allocations will be adjusted based upon district reimbursable expenditure rates in the prior year.

Competitive grant amounts are based on the prior year's budget. This "one-year lag" enables the indirect cost allocation to encompass grants provided throughout the year. Additionally, by using a one-year lag, districts will have sufficient time to prepare for indirect cost allocation changes resulting from the loss or gain of competitive grant awards.

FY'01 funds earmarked for carryover into FY 2002 have been deobligated/reobligated into the present school year.

The prior year's reimbursable expenditure rate is based on the FY'01 condition as reported in the Board's accounting system, FAMIS, through November 13, 2001. Budget expenditures for summer 2000 programs are included. (Summer 2001 programs will be included in next year's indirect cost allocation.)

Adjustments are made for the following items:

- Differences between average teacher salaries (LEP-PCEN and Part 154; SuperStart-State and Title I; Schoolwide Programs-PCEN and Title I) and actual teacher salaries,
- Differences between pension and fringe benefit budgeting requirements and actual changes, and
- Reimbursable program disallowances and over-expenditures.

District indirect cost allocations are computed by the following steps:

1. **Budgeted Indirect Cost:** The amount of indirect cost that will be budgeted against FY 2002 allocations (including carryover funds from FY'01 – 5% of State and Federal program allotments).
2. **Maximum Claimable Indirect Cost:** The Budgeted Indirect Cost multiplied by the FY'01 reimbursable expenditure rate.
3. **District Indirect Cost Allotment:** The larger of one-third the maximum claimable indirect cost or \$155,800 (increased from FY'01 to provide for potential collective bargaining increases).

Indirect cost allocations shown on Table 1 should be scheduled in FAMIS. Budget Operations and Review Circular No. 1, 2001-02, "Cost Factors for FY 2002 for all Reimbursable Programs," should be consulted for grant and funding numbers, as well as budgeting rules and regulations.

Attachments: Tables 1, 2 and 3

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TABLE 1

INDIRECT COST ALLOCATION, FY'2002

CSD	A	B	C = A x B	D = C / 3
	Budgeted Indirect	Expenditure Rate	Indirect Cost Generated	Indirect Cost Allocation Min \$155,800
1	\$661,552	97.46%	\$644,749	\$214,900
2	1,109,268	86.23%	956,522	318,800
3	930,065	97.62%	907,929	302,600
4	985,710	93.22%	918,879	306,300
5	756,482	89.01%	673,345	224,400
6	2,340,587	94.28%	2,206,705	735,600
7	950,317	93.14%	885,125	295,000
8	1,288,143	93.65%	1,206,346	402,100
9	2,100,960	88.47%	1,858,719	619,600
10	2,722,278	96.78%	2,634,621	878,200
11	1,503,045	87.55%	1,315,916	438,600
12	915,978	87.72%	803,496	267,800
13	1,032,643	92.60%	956,227	318,700
14	1,300,876	88.53%	1,151,666	383,900
15	1,461,744	89.25%	1,304,607	434,900
16	588,353	97.12%	571,408	190,500
17	1,429,210	87.61%	1,252,131	417,400
18	1,175,768	92.80%	1,091,113	363,700
19	1,700,236	89.34%	1,518,991	506,300
20	1,762,585	93.76%	1,652,600	550,900
21	1,459,120	94.56%	1,379,744	459,900
22	1,429,028	97.02%	1,386,443	462,100
23	880,709	98.32%	865,913	288,600
24	2,143,445	91.03%	1,951,178	650,400
25	987,195	100.00%	987,195	329,100
26	402,551	99.16%	399,170	155,800
27	1,904,446	92.98%	1,770,754	590,300
28	1,408,831	87.78%	1,236,672	412,200
29	1,141,711	94.04%	1,073,665	357,900
30	2,116,072	90.79%	1,921,182	640,400
31	1,326,808	100.00%	1,326,808	442,300
32	1,190,831	94.87%	1,129,741	376,600
81	124,980	92.28% *	115,332	38,400
85	1,979,059	86.85%	1,718,813	572,900
91	799	92.28% *	737	737
Total	\$45,211,385	92.28%	\$41,774,442	\$13,947,837

COLUMN NOTES:

- A Budgeted Indirect from Table 2.
 B Reimbursable Expenditure Rate from Table 3.
 C Indirect Cost Generated = Column A x Column B.
 D A district's indirect cost allocation is 1/3 of Column C, but not less than \$155,800.
 * No prior year data, district average used.

TABLE 2

INDIRECT COST ALLOCATION: DISTRICT REIMBURSABLE ALLOCATIONS

REIMBURSABLE ALLOCATIONS WITH 5.0% INDIRECT COST						
CSD	Initial Allocation BOR #1	Clinical Evaluation BOR #3	Title I, II, VI Carryover	Competitive Grants Incl. Carryover	Emergency Immigrant Incl. Carryover	Budgeted Indirect
1	\$11,394,295	\$1,009,066	\$159,099	\$1,154,338	\$175,802	\$661,552
2	15,301,600	1,739,325	709,019	4,872,614	672,078	1,109,268
3	13,340,724	1,417,708	82,257	4,562,215	128,464	930,065
4	18,348,844	1,209,450	266,796	710,005	164,823	985,710
5	13,482,137	912,160	70,122	1,364,827	56,886	756,482
6	41,065,414	1,532,449	1,845,984	3,942,546	765,933	2,340,587
7	16,906,131	1,346,635	198,088	1,415,228	90,585	950,317
8	24,318,628	1,437,547	513,630	606,127	175,078	1,288,143
9	37,942,640	1,638,223	1,416,561	2,724,296	398,446	2,100,960
10	47,215,531	2,568,079	822,907	6,018,757	542,556	2,722,278
11	26,634,980	2,296,724	1,450,915	632,768	548,559	1,503,045
12	16,825,811	1,463,601	266,418	572,254	107,457	915,978
13	17,714,860	1,071,056	68,440	2,677,853	153,303	1,032,643
14	23,495,199	1,369,953	1,664,337	401,000	387,906	1,300,876
15	24,502,790	1,543,748	1,000,008	3,335,335	314,746	1,461,744
16	10,727,335	821,776	14,471	761,584	30,237	588,353
17	25,081,089	1,286,405	1,689,950	1,460,899	495,077	1,429,210
18	20,937,569	1,065,849	763,360	1,589,332	335,018	1,175,768
19	30,962,182	1,414,112	1,958,378	951,031	419,257	1,700,236
20	31,816,127	1,721,444	959,304	1,506,389	1,011,026	1,762,585
21	26,114,785	1,814,784	1,446,544	553,704	711,704	1,459,120
22	22,881,368	1,938,592	574,808	3,986,861	627,951	1,429,028
23	16,885,290	1,092,143	0	450,146	67,307	880,709
24	40,311,894	1,824,549	1,408,633	374,507	1,092,752	2,143,445
25	17,167,920	1,345,705	100,000	1,094,159	1,023,318	987,195
26	6,165,988	1,349,355	6,249	492,997	438,974	402,551
27	33,162,679	2,087,067	366,722	3,854,164	522,740	1,904,446
28	23,101,787	1,538,418	497,636	3,660,587	787,020	1,408,831
29	21,186,448	1,379,597	700,012	305,854	404,013	1,141,711
30	35,885,914	1,603,813	1,538,768	3,972,418	1,436,600	2,116,072
31	24,069,232	2,640,713	301,641	491,233	360,140	1,326,808
32	22,441,725	1,106,726	141,557	1,049,736	267,699	1,190,831
81	2,623,052	0	0	0	1,538	124,980
85	39,131,238	0	626,115	1,401,731	401,161	1,979,059
91	16,779	0	0	0	0	799
Total	\$799,159,985	\$48,586,772	\$23,628,729	\$62,947,495	\$15,116,154	\$45,211,385

Notes: -BOR #1 FY2002 Reimbursable Programs included are Special Needs/AIS(Chapter 53, ERSSA, IDEA, PCEN, SIG), Federal Drug, PCEN BIL/LEP, Part 154, Title I, Title II, Title VI, State Magnet, State PreK, Tax Levy Super Start
 -FY2001 FAMIS account for competitive grants (which include Federal Magnet School Programs, Title VII, Federal Misc. Drug-Free, State Bilingual, State Pre-extended yr, Umbrella Programs, and other Federal and State Programs).
 -FY01 FAMIS account for carryover funds.
 -Budgeted Indirect = 5% X (Programs/1.05)

TABLE 3

REIMBURSABLE EXPENDITURE RATE FOR PRIOR YEAR

	A	B	C	D	E	F=B+C+D+E	G=F/A
CSD	Actual Budget (FAMIS)	Actual Expenditures (FAMIS)	Adjustments to Expenditures		Over-expenditures	Adjusted Expenditures	FY'01 Expend. Rate
			Avg Tchr Sal w Fringe	Disallowances			
1	\$13,518,640	\$13,670,097	(\$430,416)	\$0	(\$63,785)	\$13,175,896	97.46%
2	23,419,667	20,802,449	(514,706)	0	(92,990)	20,194,753	86.23%
3	20,459,595	20,095,207	62,424	0	(185,387)	19,972,244	97.62%
4	18,845,058	18,224,459	(620,679)	0	(35,560)	17,568,220	93.22%
5	15,760,175	15,426,475	(880,771)	0	(517,109)	14,028,595	89.01%
6	45,676,482	44,227,712	(728,703)	0	(434,405)	43,064,604	94.28%
7	20,108,150	19,944,772	(1,091,619)	0	(124,674)	18,728,479	93.14%
8	24,276,282	24,287,293	(1,427,023)	0	(124,866)	22,735,404	93.65%
9	42,210,300	40,528,804	(2,731,255)	0	(452,281)	37,345,268	88.47%
10	53,252,848	54,341,773	(2,150,366)	0	(655,649)	51,535,758	96.78%
11	27,999,030	26,153,866	(1,237,801)	0	(403,744)	24,512,321	87.55%
12	22,170,752	21,623,351	(1,130,771)	0	(1,045,444)	19,447,136	87.72%
13	20,781,241	21,400,486	(979,456)	0	(1,178,254)	19,242,776	92.60%
14	25,857,101	23,232,746	(318,027)	0	(22,414)	22,892,305	88.53%
15	28,848,034	26,756,271	(525,741)	0	(482,401)	25,748,129	89.25%
16	9,771,820	9,722,717	(59,027)	0	(173,029)	9,490,661	97.12%
17	28,793,949	26,183,615	(736,761)	0	(220,960)	25,225,894	87.61%
18	22,476,516	21,696,824	(741,888)	0	(97,415)	20,857,521	92.80%
19	35,457,369	33,996,763	(2,186,718)	0	(130,802)	31,679,243	89.34%
20	31,186,185	29,543,356	(167,178)	0	(136,343)	29,239,835	93.76%
21	29,021,185	28,141,204	(692,522)	0	(6,648)	27,442,034	94.56%
22	28,062,757	26,614,285	793,452	0	(180,656)	27,227,081	97.02%
23	18,190,140	19,027,484	(928,208)	0	(214,763)	17,884,513	98.32%
24	40,139,339	37,066,648	(402,528)	0	(124,809)	36,539,311	91.03%
25	17,556,835	17,495,754	265,007	0	(174,384)	17,586,377	100.00%
26	7,282,634	7,168,688	157,921	0	(105,186)	7,221,423	99.16%
27	37,019,719	35,823,595	(1,208,377)	0	(193,832)	34,421,386	92.98%
28	27,022,247	24,475,930	(358,060)	0	(396,698)	23,721,172	87.78%
29	19,750,000	19,305,215	(375,305)	0	(357,530)	18,572,380	94.04%
30	37,012,077	35,037,186	(1,306,418)	0	(126,426)	33,604,342	90.79%
31	24,360,388	25,388,712	36,471	0	(965,964)	24,459,219	100.00%
32	20,903,573	20,603,078	(686,234)	0	(85,165)	19,831,679	94.87%
81	59,590	29,468	0	0	0	29,468	49.45%
85	47,467,548	44,314,493	(2,663,346)	0	(424,416)	41,226,731	86.85%
91	0	0	0	0	0	0	0.00%
Total	\$884,717,226	\$852,350,776	(\$25,964,631)	\$0	(\$9,933,989)	\$816,452,156	92.28%

COLUMN NOTES:

- A FY'01 budget from FAMIS as of 11/13/01: excludes indirect costs.
B FY'01 expenditures from FAMIS as of 11/13/01: including OTPS encumbrance, fringe
C Adjustment for difference between actual & average teacher salary for those grants which require budgeting at the average teacher salary (i.e. offset to reimbursable expenditures)
D&E Expenditure adjustments for program disallowance and overexpenditure.
F Adjusted expenditures equal the sum of Columns B, C, D, and E.
G FY'01 Expenditure rate equals Column F divided by Column A.