INSTRUCTIONS FOR COMPLETING ADMINISTRATIVE RATE CALCULATIONS

The information provided by your agency will be used to support the administrative rate applied to invoices for those incidents that your agency responds to under the terms and conditions of the California Fire Assistance Agreement (CFAA) and local cooperative fire agreements.

Administrative rate calculations must comply with these instructions and guidelines attached. This direction follows the methodology negotiated by the CFAA Committee.

The direction was developed to standardize the administrative rate methodologies for cooperative fire agreements in California and between the local agencies. It is understood this methodology may be different than administrative rates/indirect cost rate plans developed for other business activities.

Below are links for the related documents:

1. Indirect Cost Rate Plan Program/Function Definitions
2. Allowable and Unallowable Principles Chart
3. Administrative Rate Calculation Template

Agencies that choose not to calculate an agency-specific administrative rate under this methodology can use a standard de minimis indirect cost rate of 10% for invoicing resources responding to incidents under the CFAA or local cooperative fire agreements.

If an agency provides their Administrative Rate, they are required to update that rate annually on the Cal OES Administrative Rate calculation sheet and provide to Cal OES along with the agency’s salary survey. The update deadline date will be set by the CFAA Committee. If agencies with an Administrative Rate already on file do not submit an updated Administrative Rate by the current deadline of July 1st of each year, the agency’s rate will default back to the de minimis Administrative Rate of 10%.

Costs used to develop agency-specific administrative rates on the Administrative Rate calculation sheet must be certified and signed by your agency’s authorized representative.

To develop your agency-specific administrative rate use the Indirect Cost Rate Plan Program/Function Definitions to categorize allowable and unallowable costs and direct and indirect program costs. A template is provided for your use.

| Note: Special care must be taken to ensure a function normally considered an indirect cost that has subsequently been utilized and billed directly to an incident is not included in the indirect rate calculation as an indirect cost. Because the resource has been billed directly to the incident, the costs associated for that resource for that incident, are a direct cost. Similarly, costs that are normally part of a billable direct cost associated with a resource should not be included in the indirect cost pool (e.g. helicopter resources).

As an example, public information staff costs are normally considered an indirect cost. However, if a public information officer (PIO) is assigned to an incident and is billed to the incident, the costs billed to the incident are direct costs. These costs must be identifiable within the agency’s financial system to allow for the segregation of the PIO costs to direct and indirect cost pools (i.e. cost codes charged appropriately). This applies to all resources that are normally considered an indirect function but are also utilized on incidents and billed to the incident. Specific examples include but are not limited to general administration, emergency medical services, telecommunications, fiscal, human resources, information systems, logistics, procurement, supply, public information, and fire equipment resources.

The Indirect Cost Rate Plan (ICRP) that defines the various cost elements used in the development of the ICRP can be accessed at: