

## INDIRECT COST RATE PLAN PROGRAM/FUNCTION DEFINITIONS

### COST DEFINITIONS

**Allowable Costs** - Costs included in the computation of the indirect cost rate. These costs will be categorized into either the direct or indirect cost pool.

**Unallowable Costs** - Costs excluded from the computation of the indirect cost rate. These costs are neither direct nor indirect as they are excluded from the calculation.

**Direct Costs** - Direct costs are usually those expenses that can be identified specifically with an agency's direct operations or those costs that can be identified specifically with a particular final cost objective. Direct cost categories include expenditures that have specific reimbursement rates such as operations personnel, prevention, aviation, etc. The direct categories identified below are slightly different from the general definition in that they include activities for which reimbursement is not sought because the expense or activity is not related to the agreement under which the services are provided. Fleet maintenance is categorized as a direct cost because the costs associated with fleet are covered by the FEMA equipment rate and therefore are already being reimbursed through that methodology. Facility maintenance and Community Education costs have been categorized as direct costs because these costs are not expended for the purpose of the agreement.

**Indirect Costs** - Indirect costs (also referred to as Administrative costs) are usually those expenses that *cannot* be identified specifically with an agency's direct operations but rather are supporting activities. Under this particular methodology, some categories have specifically been classified as indirect so jurisdictions/agencies can be reimbursed for reasonable incident related expenditures not identified already as a direct reimbursement. *For example, minor equipment, PPE, and hose are used on an incident but are not directly reimbursed by the incident for the wear and tear and use of these items.* These items are used on a wildland fire and as a result, the useful life of that item is reduced. Including these items in the indirect cost pool allows for the recovery of a portion of these costs through the indirect rate.

**Administrative Costs** - If a person's regular non-emergency responsibility is an administrative function then the costs associated with that person would be placed in the indirect category. Conversely, if the person's regular responsibility is field/operations/line then the costs shall be included in the direct operations category. *Lobbyist expenses and city council, board of director or board of supervisors' costs are unallowable.*

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**COST CATEGORIES – DIRECT & INDIRECT**

The table below provides department cost categories and their classification into Direct and Indirect categories. See below for additional information pertaining to select categories.

<b>Cost Categories *</b>	<b>Indirect</b>	<b>Direct</b>	<b>Unallowable</b>
Emergency Medical Services	x	x	
General Administration	x		Costs of Lobbyists, City Council Members, Board of Supervisors, Board of Director
Information Technology	x		
Logistics/Procurement/Supply/Minor Fire Equipment	x		
Public Information Office	x		
Telecommunications	x		
Arson Investigation		x	
Community Education		x	
Facilities		x	
Fire Communication Center/Dispatch/Command and Control Center		x	
Fire Hazard Reduction Program		x	
Fleet		x	Costs of Fixed Asset Purchases, Replacements and Depreciation.
Hazardous Materials Response Program		x	
Mapping		x	
Operations		x	
Prevention		x	
Training		x	
Urban Search and Rescue		x	

\* Cost categories include salaries and benefits, services and supplies and minor equipment.

**Indirect Cost Categories**

**Emergency Medical Services** – Indirect costs include supplies, minor equipment and administration of the program including certification, and EMT. *NOTE: EMT/paramedic training and salaries and benefits for paramedics are included in direct costs (see below).*

**General Administration** – Includes costs of general administration staff, fiscal functions, cost allocation or central city/county administrative costs (legal counsel, human resources, auditor/finance, city manager/CEO/CAO); public records, analyses and general overhead costs that support the entire department. *NOTE: Costs for lobbyists, members of the city council, board of supervisors or a board of director are unallowable.*

**Information Technology** – Includes costs of computers, laptops, servers, hardware, software, programming, network administration, services and repairs, CAD support and other related expenditures.

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**Logistics/Procurement/Supply/Minor Fire Equipment** – Indirect costs include purchasing and warehousing of all non- incident related supplies. This includes all supplies including, PPE (personal protective equipment), and minor equipment but excludes vehicle parts, oil and fuel. Incident related costs such as food, lodging and travel costs are either billed directly or included as direct costs.

**Public Information Office** – Includes expenditures related to the public information office.

**Telecommunications** – Includes costs of telephones, cell phones, pagers, radios, radio communications and telephone infrastructure, servicing and repair of equipment, telephone lines, radios towers and other related expenditures.

### **Direct Cost Categories**

**Arson Investigation** – Includes arson investigation related costs.

**Community Education** \*– Includes costs of education programs for the general public.

**Emergency Medical Services** – Direct costs include EMT/paramedic training and salaries and benefits for EMTs and paramedics. *NOTE: Costs for supplies, minor equipment and administration of program are included in indirect costs (see above).*

**Facilities** \*– Includes all facility related costs for maintenance of department owned and leased fire stations and support buildings.

**Fire Communication Center/Dispatch/ Command and Control Center** – Includes costs of dispatching fire resources and all other related services.

**Fire Hazard Reduction Program** – Includes weed abatement costs, defensible space, vegetation management.

**Fleet** \*– Includes costs of vehicle maintenance labor, contract, supplies and parts, minor equipment, fuel and other related expenditures. Depreciation and/or replacement costs are unallowable as these are fixed assets. *NOTE: Fleet maintenance is included in direct costs because these costs are covered by the FEMA rate and therefore are already being reimbursed through that methodology.*

**Hazardous Materials Response Program** – Includes costs of hazardous materials response unit and CUPA (Certified Unified Program Agency) expenditures.

**Mapping** – Includes costs of geographical information systems, response maps, street center lines for CAD and other related expenditures.

**Operations** – Includes all field costs including aviation, hand crews, vegetation management programs, urban search and rescue, dozer operations and other related expenditures.

**Prevention** – Includes costs of fire prevention activities, code compliance, plan review, inspections and other related expenditures.

**Training** – Includes all training costs for safety and civilian personnel and other related expenditures.

**Urban Search and Rescue** – Includes costs of urban search and rescue responses and training and other related expenditures.

\* The direct category identified may include activities for which reimbursement is not sought because the expense or activity is not related to the agreement under which the services are provided.