

# Non-profit Organization Finance Audit 2020



Leslys Cpr (EIN: 82-4208752)

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## A. INTRODUCTION

"Leslys CPR" is a non-profit located in San Bernardino County; City of Adelanto, CA. The non-profit administers a variety of programs funded by Federal, State, and Local agencies. These programs include Community Service programs, Delivery Resource programs, State Source Reduction Assistance Programs, Hunger Prevention Grants, and Low-income Community sponsorship programs for job readiness services. This audit period assumes a January 01- December 31, 2020.

## B. COST ALLOCATION METHODOLOGY

This proposal is for a Cost Allocation Plan (Plan) to cover the period beginning January 1, 2020 and ending December 31, 2020. This proposal is based on the non-profit's actual costs reconcilable to the audited financial statements for its fiscal year ending December 31, 2020. The status of our cost allocation plan is (a):

(a) This is our initial request for the approval of our cost allocation plan. None of the federal agencies have ever officially approved our cost allocation plan. Attached you will find a copy of our IRS letter granting non-profit status.

(b) We have received an official written approval of our cost allocation plan from Department of XYZ Federal funding agency (other than Interior Business Center, U.S. Department of Interior). Attached you will find our 3 most recent approval letters.

(c) We have received an official written approval of our cost allocation plan from Interior Business Center, U.S. Department of the Interior.

Non-profit Organization maintains adequate internal controls to insure that no cost is charged both directly and indirectly to Federal contracts or grants.

### C. DIRECT COSTS

Direct costs are costs that can be identified specifically with a project and therefore are charged to that project. The accounting system records these costs as they are incurred within the series of accounts assigned for that purpose. Further distribution is not required.

### D. INDIRECT COSTS

Indirect costs are costs incurred for common or joint objectives and therefore cannot be readily and specifically identified with a particular project or activity. Indirect costs are (please select one):

(a) direct charged to all programs and grants, or

(b) grouped into common pool(s) and then distributed to benefiting activities by a cost allocation process.

(c) none of the above. Indirect costs are \_\_\_\_\_.

### E. COST POOL AND BASE FOR DISTRIBUTION

The non-profit has created an Administrative Services (Indirect) Pool consisting of salaries, fringe benefits, and other costs. The Administrative Services (Indirect) Pool is charged with all the indirect costs as defined above. The pool is distributed to the various program activities on the basis of {state the distribution basis, e.g. direct salaries, including vacation, holiday, and sick pay but excluding other fringe benefits expended on those activities; direct salaries and wages, excluding fringe benefits; direct salaries and wages, including fringe benefits; modified total direct costs, less

capital expenditures and the portion of subawards in excess of \$25,000.) Each category of non-salary expenditures has been analyzed based on the facts, and the **Elements of Cost (Schedule A)** explains the allocation between the Direct and Administrative Services (Indirect) Costs.

**F. SUPPORTING FINANCIAL STATEMENTS, SUMMARY SCHEDULE AND UNALLOWABLE COSTS**

NOTE: Non-profit must include a complete copy of the audited financial statements or IRS Form 990, as applicable, with their proposal submission.

The **Schedule of Total Expenditures (Schedule B)** contained in this proposal agrees with the non-profit’s audit report, Statement of Functional Expenses, or IRS Form 990, as applicable. Any differences must be explained.

Unallowable and Excludable Costs – The following costs have been excluded from the allocation process: {List specific costs, such as capital outlay over the threshold of \$5,000, entertainment, fines and penalties, bad debts, and food costs, etc.}

**G. DESCRIPTION OF ACCOUNTING SYSTEM**

The [non-profit entity] uses a [modified accrual] system of accounting. Under the [modified accrual] basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measureable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all federally-funded revenue. Expenditures are recorded when the related liability is incurred.

We have not made any significant changes [or We have made significant changes] during the proposal fiscal year (1) to our accounting system, or (2) to the definition or to the accounting treatment of any expense category (e.g. a change in building/equipment costing methodology, capitalization level, or a change in charging an expense from direct to indirect or visa versa). Note: Changes in the allocation methodology should be identified here as well as reported on the Element of Costs (Schedule A). See Section E above.

**H. INDIRECT SALARIES**

Listed below are the positions, functions, and actual salaries for the people who comprise the Administrative Services (Indirect) Pool. These positions are charged the applicable percentage to Administrative Services.

Position and % Indirect 1/	Function	Salary
Executive Director (100%)	General Management	\$3,000

Deputy Director (100%)	General Management	\$2,000
Administrative Assistant to Executive Director (100%)	General Management	\$0.00
Administrative Secretary / Personnel Officer (100%)	Clerical support to the Executive Director and Administrative Assistant responsible for personnel information	\$0.00
Finance Officer (100%)	Accounting and related activities	\$0.00
Bookkeeper (100%)	Accounting	\$0.00
Bookkeeper (50%)	Accounting	\$0.00
Bookkeeper / Payroll Clerk (50%)	Payroll accounting and general disbursements	\$0.00
Custodian (25%)	Cleaning	\$2,500
Receptionist (100%)	Switchboard / Clerical	\$1,000
Total Administrative Services (Indirect) Pool Salaries:		\$8,500

1/ If the indirect percentage for any employee is less than 100%, please include a description of the non-profit's timekeeping system to support compliance with the standards of 2 CFR 230 Appendix B Subsection 8.m.(2). Also, please provide a recently completed time sheet.

**I. INDIRECT FRINGE BENEFITS**

Fringe benefits associated with the positions within the Administrative Services (Indirect) Pool are as follows:

**Payroll taxes:**

FICA	\$0.00
State Unemployment	\$0.00
Health and Life Insurance	\$0.00
Retirement Plan	\$0.00

**TOTAL** \$0.00

The non-profit's fringe benefit policies should be included with initial proposal submission and only when updated thereafter.

**J. SCHEDULE OF FINANCIAL ASSISTANCE**

See Schedule C and attached copy of the approved grant or contract budget with the Federal funding agency.

**K. ORGANIZATION CHART**

See Schedule D

**L. COST ALLOCATION PLAN CERTIFICATION AND LOBBYING COST CERTIFICATE**

See Attached

**M. NON-PROFIT STATUS VERIFICATION**

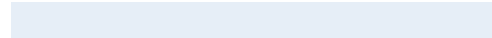
Attached you will find our IRS letter granting non-profit status (required for first year submission only).

**Schedule A – Elements of Cost {adjust to fit your organization}**

Elements of Cost	Methodology of Allocation
Contractual services	Actual usage
Depreciation / use allowance	Indirect cost
(Rental Assistance) \$1,400	
Emergency assistance payments	Direct cost
Equipment rental and maintenance	Rental and maintenance on equipment used in central office finance office
Equipment / capital	Purchasing of office furniture for use in performing administrative services

(Truck & Trailer for Delivery Service)	\$6,800	
Equipment / minor		Actual usage







Program materials		Direct cost
	\$7,500	
Insurance		Actual usage
	\$1,100	
Occupancy		Central office repairs and utilities on basis of square footage used for administrative services
(1 year rent for Nonprofit Headquarters)	\$14,100	
Office supplies		Office and janitorial supplies for administrative and program services
	\$1,000	
Other expenses		Based on administrative services actual use
Postage		Actual usage
Professional fees		Accounting and audit services, payroll processing services, charged on work performed for administrative services
Program supplies		Charged to project as costs are incurred; direct cost
	\$3,000	
Printing		Actual usage
	\$2,000	
Renovations and improvements		Direct cost
Telephone		Basic services allocated on number of instruments, toll calls charged on basis of logs of such calls for administrative services
Travel		Actual usage

The methodologies used in this example are **not** recommended methodologies. They are used for demonstration purposes only. Allocation of costs should be accomplished on a cost benefit basis. This cost benefit can be different from one non-profit to the next. Any change in the allocation methodology (from the prior year) should be explained. Also, include explanatory information for individual cost elements as shown above.

Schedule B			DIRECT PROGRAMS and ACTIVITIES (6/30/xx)					
A	B	C	D	E	F	G	H	I
ELEMENTS OF COSTS	FINANCIAL STATEMENT EXPENDITURES	ADJUSTMENTS/ UNALLOWABLE COSTS	IECF ASSISTANCE GRANT	OTHER GRANTS	WALMART GRANTS	COUNTY OF SB	(D)+(E)+(F)+(G) TOTAL DIRECT COSTS	INDIRECT COSTS
Salaries and wages	\$4,000	0	\$20,000	\$1,000	\$9,500	\$7,500	\$ 34,000	\$4,000
Fringe benefits	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal labor &amp; fringes</b>	<b>\$4,000</b>	<b>0</b>	<b>\$20,000</b>	<b>\$1,000</b>	<b>\$9,500</b>	<b>\$7,500</b>	<b>\$34,000</b>	<b>\$4,000</b>

Contractual services	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation/use allowance	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
Emergency asst. payments	\$1,400	0	\$0	\$0	\$1,400	\$0	\$1,400	\$0
Equipment rental and maintenance	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment / capital	\$6,800	0	1/ \$4,800	\$0	\$2,000	\$0	\$6,800	\$0
Equipment / minor	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
Program materials	\$7,500	0	\$0	\$0	\$0	\$7,500	\$7,500	\$0
Insurance	\$1,100	0	\$1,100	\$0	\$1,100	\$0	\$1,100	\$0
Occupancy	\$14,100	0	\$14,100	\$0	\$0	\$0	\$14,100	\$0
Office supplies	\$1,000	0	\$0	\$1,000	\$0	\$0	\$1,000	\$0
Other expenses	\$0	0	2/ \$0	\$0	\$0	\$0	\$0	\$0
Postage	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
Professional fees	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0

Program supplies	\$3,000	0	\$0	\$0	\$3,000	\$0	\$3,000	\$0
Printing	\$2000	0	\$20,000	\$1,000	\$2,000	\$0	\$3,000	\$4,000
<b>Schedule B</b>			<b>DIRECT PROGRAMS and ACTIVITIES (6/30/xx)</b>					
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>
<b>ELEMENTS OF COSTS</b>	<b>FINANCIAL STATEMENT EXPENDITURES</b>	<b>ADJUSTMENTS/ UNALLOWABLE COSTS</b>	<b>IECF ASSISTANCE GRANT</b>	<b>OTHER GRANTS</b>	<b>WALMART GRANTS</b>	<b>COUNTY OF SB</b>	<b>(D)+(E)+(F)+(G) TOTAL DIRECT COSTS</b>	<b>INDIRECT COSTS</b>
Renovations and improvement	\$0	\$0	1/ \$0	\$0	\$0	\$0	\$0	\$0
Telephone	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal other</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000</b>	<b>\$9,500</b>	<b>\$0</b>	<b>\$35,000</b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$1,000</b>	<b>\$9,500</b>	<b>\$7,500</b>	<b>\$4,000</b>

Reconciliation:

Direct	\$34,000
Indirect	\$4,000
Exclusions	\$0
Total expenditures	<u>\$38,000</u>

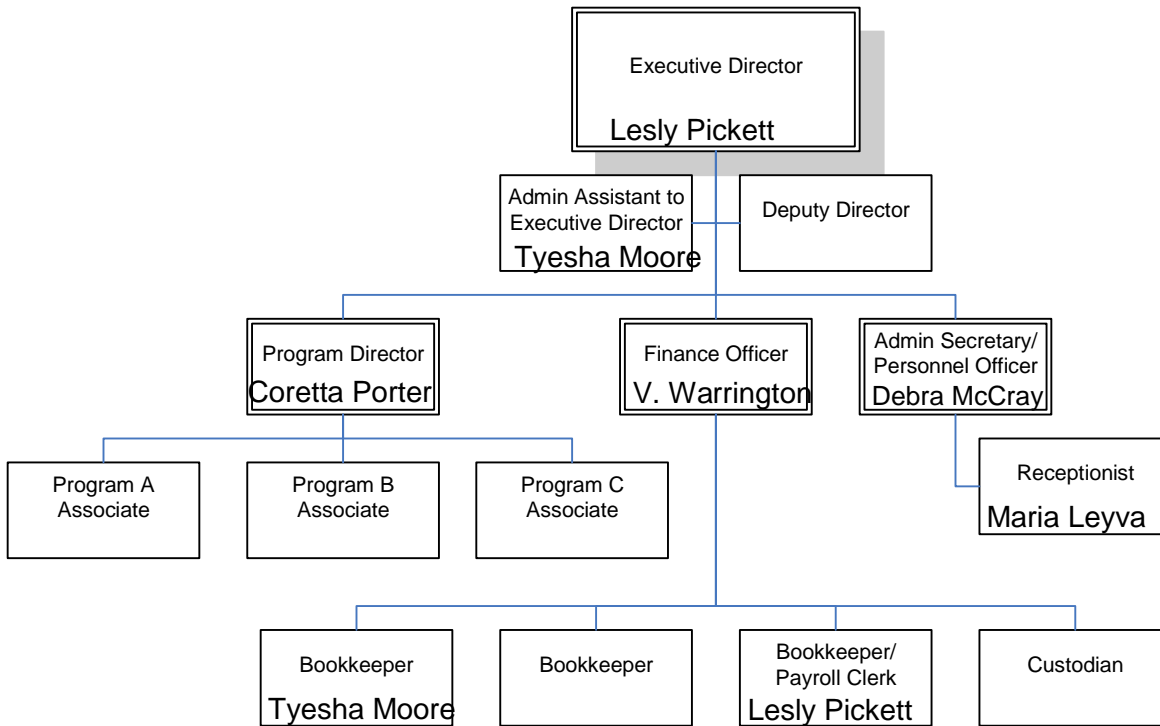
1/ capital outlay related to unallowable activities per 2 CFR 230 Appendix B Subsection 15

2/ bad debt, unallowable per 2 CFR 230 Appendix B Subsection 5

**Schedule C – Schedule of All Funding by Source for fiscal year ended 6/30/xx**

Program Title	Funding
Inland Empire Community Foundation: Assistance grant	\$20,000
Walmart Grants:	\$10,500
County of SB:	\$7,500
Feeding America Survey Grant (Other)	\$1,000
Total Funding	\$38,000

**Schedule D – Organization chart as of January 2021**



### Cost Allocation Plan Certification (Non-profit)

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief that:

- (1) the information contained in the Plan dated 01/01/2021 was prepared in accordance with 2 CFR Part 230 (formerly OMB Circular A-122),
- (2) the costs have been accorded consistent treatment in accordance with generally accepted accounting principles,
- (3) an adequate accounting and statistical system exists to support claims that will be made under the Plan,
- (4) the information provided in support of the Cost Allocation Plan is accurate, and
- (5) all federally unallowable costs have been excluded from allocations.

I declare that the foregoing is true and correct.

Organization:

Leslys CPR

Signature:

Lesly Pickett

Name of Official (printed): Lesly Pickett

Title: Director

Date of Execution: 01/01/2021

(Signed by the official having the authority to negotiate cost allocation plans for the organization, or by a higher level official.)

### LOBBYING COST CERTIFICATE

I hereby certify that the Leslys CPR  
(name of organization)

has complied with the requirements and standards on lobbying costs in 2 CFR Part 230 (formerly OMB Circular A-122) for the following period: 2020 \_\_\_\_\_  
(fiscal year covered by the cost allocation plan)

Organization: Leslys CPR

Signature: Lesly Pickett

Name of Official (printed): Lesly Pickett

Title: Director

Date of Execution: 01/01/2021

(Signed by the official having the authority to negotiate cost allocation plans for the organization, or by a higher level official.)

