

PB-AAS-263

IAN-42481

Grant Audit Of
THE BOOKER T. WASHINGTON FOUNDATION

Grants AID/Afr-G-1707 and
AID/Afr-G-1710

Audit Report No. O-000-84-03
October 6, 1983

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Grant Audit Of
THE BOOKER T. WASHINGTON FOUNDATION

Grants
AID/Afr-G-1707 and AID/Afr-G-1710

Audit Report No. 0-000-84-03

Introduction

The Office of the Regional Inspector General for Audit, Washington (RIG/A/W) reviewed the attached Audit Report No. 6131-3C160.038 issued January 14, 1983, by the Defense Contract Audit Agency (DCAA), on an examination of the above grants with the Booker T. Washington Foundation for the Fiscal Year ended May 31, 1982.

The purposes of the examination were to determine the acceptability of claimed direct and indirect costs and to establish final overhead rates based on the grantee's submission dated October 15, 1982.

Grant Information

A summary of grant data is shown in Exhibit A, the status of grant funds is shown in Exhibit B, and a summary of costs claimed and questioned is shown in Exhibit C.

FINDINGS AND RECOMMENDATIONS

Grant Costs

DCAA examined \$369,332 in costs claimed by the Booker T. Washington Foundation for the period June 1, 1981 through May 31, 1982. Based on this examination, we have accepted costs totaling \$346,063. The balance of \$23,269 represents adjustments from the provisional overhead rate of 43 percent to DCAA's recommended final overhead rate of 33.99 percent. The questioned costs are summarized below and are shown in Exhibit C:

<u>Grant No.</u>	<u>Amount Questioned</u>
AID/Afr-G-1707	\$ 5,521
AID/Afr-G-1710	17,748
Total	<u>23,269</u>

Recommendation No. 1

The Office of Contract Management (M/SER/CM) should ensure settlement of the questioned costs amounting to \$23,269.

FY 1982 Overhead and Fringe Benefit Rates

DCAA established the off-site overhead rate for FY 1982 as follows:

Proposed and Recommended Pool	<u>\$273,782</u>
Proposed and Recommended Base	<u>\$805,478</u>
Proposed and Recommended Rate	<u>33.99%</u>

Recommendation No. 2

The Office of Contract Management (M/SER/CM) should finalize an overhead rate for FY 1982.

The provisional fringe benefit rate of 21.65 percent is also the audit recommended rate. No adjustments were needed.

EXHIBIT A

Grant Audit of
THE BOOKER T. WASHINGTON FOUNDATION
Summary of Grant Data

Grant Number : AID/Afr-G-1707 (Gambia)
Grant Ceiling : \$392,351
Expiration Date: December 31, 1981
Project Number : 635-0211
Project Title : Marketing Study
Audit Period : FY Ended May 31, 1982
Type of Audit : Final

Grant Number : AID/Afr-G 1710 (Cameroon)
Grant Ceiling : \$478,372
Expiration Date: September 15, 1982
Project Number : 631-0034
Project Title : Technical Assistance to University
Audit Period : FY Ended May 31, 1982
Type of Audit : Interim

EXHIBIT B

Grant Audit of
THE BOOKER T. WASHINGTON FOUNDATION
Status of Grant Funds

Grant AID/Afr-G-1707

Grant Ceiling		\$392,251
Amount Reimbursed/ Costs Audited:		
Accepted Prior Audit	\$304,721	
Accepted Current Audit	82,109	
Unaudited Costs	<u>-0-</u>	
Subtotal	\$386,830	<u>386,830</u>
Amount Questioned	<u>5,521</u>	
Total Reimbursed	<u>\$392,351</u>	
Grant Balance		<u>\$5,521</u>

Grant AID/Afr-G-1710

Grant Ceiling		\$478,372
Amount Reimbursed/ Costs Audited:		
Accepted Prior Audit	\$123,383	
Accepted Current Audit	263,954	
Unaudited Costs	<u>-0-</u>	
Subtotal	\$387,337	<u>387,337</u>
Amount Questioned	<u>17,748</u>	
Total Reimbursed	<u>\$405,085</u>	
Grant Balance		<u>\$91,035</u>

Grant Audit of
 BOOKER T. WASHINGTON FOUNDATION
 Grant AID/Afr-G-1707
Summary of Costs Claimed and Questioned

<u>Cost Element</u>	<u>Claimed</u>	<u>Questioned</u>
Direct Labor	\$18,744	\$ -
Fringe Benefits	4,058	-
Consultants	26,448	-
Travel	10,807	-
Other Direct Costs	<u>1,223</u>	<u>-</u>
Subtotal	\$61,280	\$ -
Overhead	<u>26,350</u>	<u>5,521</u> <u>1/</u>
Total Costs	<u>\$87,630</u>	<u>\$5,521</u>

1/ Overhead expenses are adjusted as follows:

Overhead Claimed		\$26,350
Overhead Allowed:		
Accepted Costs	\$61,280	
Audited Overhead Rate	<u>x33.99%</u>	<u>20,829</u>
Questioned Costs		<u>\$5,521</u>

Grant Audit of
BOOKER T. WASHINGTON FOUNDATION
Grant AID/Afr-G-1710
Summary of Costs Claimed and Questioned

	<u>Claimed</u>	<u>Questioned</u>
Direct Labor	\$ 98,519	\$ -
Fringe Benefits	21,330	-
Consultants	4,287	-
Travel	44,368	-
Other Direct Costs	<u>28,491</u>	<u>-</u>
Subtotal	\$196,995	\$ -
Overhead	<u>84,707</u>	<u>17,748</u> <u>1/</u>
Total Costs	<u>\$281,702</u>	<u>\$17,748</u>

1/ Overhead expenses are adjusted as follows:

Overhead Claimed		\$ 84,707
Overhead Allowed:		
Accepted Costs	\$196,995	
Audited Overhead Rate	<u>x33.99%</u>	<u>66,959</u>
Questioned Costs		<u>\$17,748</u>

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REPORT ON AUDIT OF INCURRED COSTS
FOR THE FISCAL YEAR ENDED
MAY 31, 1982
BOOKER T. WASHINGTON FOUNDATION
WASHINGTON, D.C.

The Defense Contract Audit Agency has no objection to the release of this report, at the discretion of the Contracting Officer, to the duly authorized representatives of Booker T. Washington Foundation.

Under the provisions of Title 32, Code of Federal Regulations, Part 290.26(b)(2) (as amended August 10, 1977), all Freedom of Information Act requests for audit reports received by DCAA will be referred to the cognizant Contracting Officer who will determine releasability and respond to the requestor.

Contractor information contained in this audit report may be confidential. The restrictions of 18 USC 1905 should be considered before this information is released to the public.

This report may not be released to any Federal agency outside the Department of Defense without the approval of Headquarters, DCAA, except to an agency requesting the report for negotiating or administering its contract.

DEFENSE CONTRACT AUDIT AGENCY
PHILADELPHIA REGION
CAPITAL BRANCH OFFICE
ARLINGTON, VIRGINIA

AUDIT REPORT NO. 6131-3C160.038

DATE OF REPORT: January 14, 1983

DECLASSIFIED
Per GC Memo
of 11/21/87
Initial- 



DEFENSE CONTRACT AUDIT AGENCY
 PHILADELPHIA REGION
 CAPITAL BRANCH OFFICE
 COMMONWEALTH BUILDING - 10TH FLOOR
 1300 WILSON BOULEVARD
 ARLINGTON, VIRGINIA 22209

IN REPLY
 REFER TO 6131-C

January 14, 1983

SUBJECT: Report on Audit of Incurred Costs
 for Fiscal Year Ended May 31, 1982
 Booker T. Washington Foundation
 Washington, D.C.
 Audit Report No. 6131-3C160.038

TO: Administrative Contracting Officer
 Baltimore, DCAS Management Area
 300 East Joppa Road, Room 200
 Towson, Maryland 21204

I. PURPOSE AND SCOPE OF AUDIT.

We have examined the books and records of the Booker T. Washington Foundation (BTWF) for the fiscal year ended May 31, 1982 to determine the acceptability of claimed direct and indirect costs and for the establishment of final overhead rates based on BTWF's submission dated October 15, 1982. The proposed overhead rates are for application to the cost-reimbursable type contracts and grants listed in Exhibit A of this report.

Our review was performed in accordance with generally accepted auditing standards and included such tests of the contractor's accounting data and records and such other auditing procedures as were considered necessary under the circumstances. The terms of the individual contracts and cost principles contained in the applicable Government procurement regulations were used as criteria in the determination of acceptable costs.

II. CONCLUSIONS.

The detailed conclusions and recommendations resulting from our audit are summarized below:

A. Direct Costs. There was no exceptions to claimed direct costs.

B. Indirect Costs.

<u>Fiscal Year 1982</u>	<u>Fringe Benefits</u> (Note a)	<u>On-Site</u> (Note b)	<u>Off-Site</u> (Note c)
Proposed/Recommended Pool	\$ 358,081	\$ 749,415	\$273,782
Proposed/Recommended Base	<u>1,653,606</u>	<u>1,580,044</u>	<u>805,478</u>
Proposed/Recommended Rate	<u>21.65%</u>	<u>47.43%</u>	<u>33.99%</u>

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Audit Report No. 6131-3C160.038

- (a) Allocation base is total Salaries and Wages.
- (b) Allocation base is total Direct Costs including Fringe Benefits.
- (c) Allocation base is total Direct Costs of the Washington office only, including Fringe Benefits.

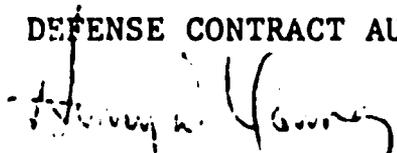
We discussed the audit results with Mr. Edward E. Wallace, Vice President for Administration and Ms. Mary Dickson, Director of Finance. They concurred with the rates determined (see concurrence letter in Exhibit B).

We will be pleased to furnish accounting counsel and any additional audit services which you may require.

If you should have any further questions, please contact Mr. Albert E. McBride, Jr., Supervisory Auditor at (202) 694-8543.

The data in this report is provided solely for the purpose of finalizing BTWF's direct cost and expenses rates for the fiscal year 1982. We should be consulted regarding its use for any other purpose.

DEFENSE CONTRACT AUDIT AGENCY


HENRY W. YOUNG, Branch Manager

Copy to:
U.S. Dept of Commerce
Philadelphia District Office
Philadelphia, PA.

→ Agency for International Development
Regional Inspector General
WASHDC 20523

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Booker T. Washington Foundation
Washington, D.C.

SCHEDULE OF COST REIMBURSABLE CONTRACTS AND GRANTS

AGENCY FOR INTERNATIONAL DEVELOPMENT

AFR-6-1707 (a)
AFR-6-1710 (a)

DEPARTMENT OF COMMERCE - OFFICE OF MINORITY
BUSINESS ENTERPRISES AND MINORITY BUSINESS
DEVELOPMENT AGENCY

98-20-60420-0

DEPARTMENT OF DEFENSE

MDA-903-79-C-0249 (b)
MDA-903-82-C-0286 (b)

(a) Grants have overhead ceiling of 43%.

(b) Contracts have audit determined indirect rate clause;
all other contracts have negotiated rate clause.



DEFENSE CONTRACT AUDIT AGENCY
 PHILADELPHIA REGION
 CAPITAL BRANCH OFFICE
 COMMONWEALTH BUILDING - 10TH FLOOR
 1300 WILSON BOULEVARD
 ARLINGTON, VIRGINIA 22209

IN REPLY
 REFER TO 6131-C

December 22, 1982

Mr. Edward E. Wallace
 Vice President for Administration
 Booker T. Washington Foundation
 Washington, D.C. 20006

Dear Mr. Wallace:

This letter establishes your final indirect expense rates as determined by audit in accordance with the provisions of your contracts with the United States Government. The following rates have been determined for fiscal year ended May 31, 1982:

On-Site Overhead	(a)	47.43%
Off-Site Overhead	(b)	33.99%
Fringe Benefits	(c)	21.65%

Allocation Base are as follows:

- (a) On-Site Overhead: Total Direct costs including Fringe Benefits.
- (b) Off-Site Overhead: Total Direct Costs for the Washington office only, including Fringe Benefits.
- (c) Fringe Benefits. Total Salaries and Wages.

The above rates are applicable to the base costs incurred for contracts which contain the "audit determined" indirect expense rate clause. It is understood that this agreement does not constitute a change to any contract provision or limitation.

Please confirm your acceptance of the terms of this indirect expense agreement by signing and returning this letter and the enclosed "Certificate of Current Cost or Pricing Data". If you should have any questions or comments, please contact Mr. Albert E. McBride, Supervisory Auditor, at 694-8543.

Sincerely,

Henry W. Young
 HENRY W. YOUNG,
 Branch Manager

Encl.

The above stated indirect expense rates are accepted.

Edward E. Wallace
 Signature and Title

12/30/82
 Date

CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that, to the best of my knowledge and belief, cost or pricing data, as defined in Defense Acquisition Regulation, Section 3-807.1(a)(1) and Federal Procurement Regulation, Section 1-3.807.3(h)(1) actually submitted, or specifically identified in writing, to the Contracting Officer or his representative in support of proposed final indirect expense rates for Fiscal Years Ending May 31, 1982 are accurate, complete and current as of December 30, 1982.*

Firm Booker T. Washington Foundation

Name Edward E. Wallace

Title Vice President - Administration

Signature *Edward E. Wallace*

December 30, 1982
Date of Execution

* This shall be the date when the audit determined rates were agreed to.

Grant Audit of
THE BOOKER T. WASHINGTON FOUNDATION

List of Report Recipients

Associate Assistant to the Administrator for Management Services, M/AAA/SER	1
Audit Liaison Office, M/AAA/SER	1
Assistant Administrator, Bureau for Africa, AA/AFR	4
Audit Liaison Office, AFR/PMR/EMS	1
Office of Financial Management, M/FM/ASD	2
Office of Contract Management, M/SER/CM	1
Office of Contract Management, SER/CM/ROD	1
Office of Contract Management, CM/ROD/AFR	1
Office of the Inspector General, IG	1
AIG/II	1
IG/PPP	1
IG/EMS/C&R	16
DCAA, Capital Branch Office	1