



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

May 8, 2025

Waylon Wright, Executive Director  
Lake Cumberland Area Development District Inc  
2384 Lakeway Dr.  
Russell Springs, KY 42642

Re: Indirect Cost Rate Certificate

Waylon Wright:

With this letter, the Interior Business Center (IBC), on behalf of the Economic Development Administration (EDA), a component of the Department of Commerce and your cognizant agency, acknowledges receipt of your Certificate of Indirect Costs for FY 2026 dated May 6, 2025. As a unit of state or local government that receives less than \$35 million in annual cumulative direct Federal funding, you are not required to submit an indirect cost rate proposal to EDA and, consequently, EDA will not review your submission at this time. For more information on this requirement, see 2 C.F.R. part 200, App. VII §D.1.c.

Your organization is required to develop an indirect cost rate proposal or cost allocation plan in accordance with 2 C.F.R. part 200 and retain it with related supporting documentation for audit. For more information on this requirement, see 2 C.F.R. part 200, App. VII §D.1.c. and 2 C.F.R. §200.334. EDA reserves the right to review this or future indirect cost rate proposals at a later time to ensure conformity with the requirements of 2 C.F.R. part 200. Typically, EDA will exercise this right if there is a relevant audit finding, a concern is raised by another government agency concerning a particular indirect cost rate, and/or if EDA finds an anomaly in an indirect cost rate proposal. In such circumstances EDA may review such an indirect cost rate proposal itself or through another Federal agency.

IBC is a shared service provider operating under the Department of the Interior. EDA has entered into an agreement with IBC to review and process Certificates of Indirect Costs on their behalf. EDA remains your cognizant agency and this letter, although issued from IBC, is EDA's acknowledgment of receipt.

Please contact IBC if you have any questions or concerns.

Sincerely,

Craig A. Wills  
Indirect Cost & Contract Audit Division Chief

Enclosure: Certificate of Indirect Costs

**U.S. Department of Commerce, Economic Development Administration**  
1401 Constitution Avenue, NW  
Washington, DC 20230

**CERTIFICATE OF INDIRECT COSTS**

This is to certify that I have reviewed the indirect cost rate proposal prepared and maintained herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal dated 05/06/2025 **[identify date indirect cost rate proposal was finalized]** to establish indirect costs rate(s) for 7/1/25-6/30/26 **[identify start/end dates for the fiscal year covered by the indirect cost rate]** are allowable in accordance with the requirements of the Federal award(s) to which they apply and OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (codified at 2 C.F.R. Part 200) Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

(3) The indirect cost rate calculated within the proposal is Provisional 25.05% **[identify rate(s)]**, which was calculated using a direct cost base type of Salary & Fringe **[identify type of direct cost base – Salary & Fringe, MTDC, etc.]**. The calculations were based on actual costs from fiscal year 2024 to obtain a federal indirect cost billing rate for fiscal year 2026.

(4) All documentation supporting the indirect cost rate identified above must be retained by the Recipient. This rate should be reviewed and validated as part of the Recipient's annual financial audit.

Subject to the provisions of the Program Fraud Civil Remedies Act of 1986, (31 USC 3801 et seq.), the False Claims Act (18 USC 287 and 31 USC 3729); and the False Statement Act (18 USC 1001), I declare to the best of my knowledge that the foregoing is true and correct.

Organization Name: Lake Cumberland Area Development District Inc.

Signature: \_\_\_\_\_

Name of Authorized Official: Waylon Wright

Title: Executive Director

Email Address and Phone: waylon@lcadd.org 270-866-4200

Date of Execution: 5/6/2025

U.S. Department of Commerce, Economic Development Administration  
1401 Constitution Avenue, NW  
Washington, DC 20230

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Date of Execution: 5/6/2025

# **LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT**

## **Cost Allocation Plan FY'2026**

### **I. Introduction**

The Lake Cumberland Area Development District Board of Directors is dedicated to the continued functioning of the regional concept for Economic Development and Growth. It is through the regional concept that the greatest amount of benefit to the area can be delivered with the fewest number of dollars. It is with this concept in mind that the Lake Cumberland Area Development District Board of Directors submits its FY'2026 Cost Allocation Plan.

This is to certify the Board of Directors of the Lake Cumberland Area Development District has approved the operating policies of the Lake Cumberland Area Development District.

The Lake Cumberland Area Development District has prepared this Cost Allocation Plan in conformance with 2 CFR Part 200 (OMB Uniform Guidance). Review of this plan is the responsibility of the Commonwealth of Kentucky Department of Local Government.

# LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT

## Cost Allocation Plan FY'2026

### II. Work Elements

During the FY-26 JFA Program Year, the Lake Cumberland Area Development District will be participating in the following Work Elements:

00003-0000	Revolving Loan Fund
00005-0000	Local Fund
00020-0000	US EPA
00021-0000	US HUD
00022-0000	US ENERGY
00023-0000	ARC Ready
00024-0000	Commonwealth KY
00025-0000	Hazard Mitigation
00030-0000	KIA
00035-0000	KOHS/CMRS
00040-0000	Leader In Me
00100-0104	USDA – Rural Housing
00100-0115	SOAR-EDA
00100-0120	COMM DEV-EDA
00100-0121	EDA - CARES
00100-0125	CDBG
00100-0130	ARC
00100-0140	MANAGEMENT ASST
00100-0150	PROGRAM ADMIN
00200-0338	KY HB1 YOUTH
00200-0339	WIOA ONE STOP OPERATOR
00200-0340	WIOA ADMIN
00200-0341	WIOA ADULT
00200-0342	WIOA IN SCHOOL YOUTH
00200-0343	WIOA DW
00200-0344	WIOA RAPID RESPONSE
00200-0345	WIOA STATE RESERVE
00200-0346	WIOA NDWG
00200-0347	WIOA RR TRADE
00200-0348	WIOA OUT OF SCHOOL YOUTH
00200-0349	WIOA OS YOUTH WORK EXPERIENCE
00200-0350	WIOA TRANSITION
00200-0351	WIOA RSA

00200-0357	WIOA NEG
00205-0100	KY HB1 WIOA
00309-0202	Veterans Services
00310-0100	Title III ADMIN
00310-020X	Title III Services
00310-021X	Title III Center Services
310-0235	Title III Ombudsman
00310-0236	Title VII Elder Abuse
00310-0237	Title VII Ombudsman
00310-024X	Title III D Services
00310-0101	Title III C1 Admin
00310-03X1	Title III C1 Services
00310-0102	Title III C2 Admin
00310-03X2	Title III C2 Services
00310-0103	Title III E Admin
00310-0203	Title III E Services
00311-0201	NSIP-USDA
00312-0100	Participant Directed Services - Service Advisor
00312-0202	Participant Directed Services Financial Management
00312-0204	Attendant Care
00313-0100	SHIP ADMIN
00313-0202	SHIP SERVICES
00314-0202	ADRC -Medicaid
00315-022X	MIPPA
00316-0202	ADVC
00317-0202	FAST
00318-0202	INNU
00320-0100	HOMECARE ADMIN
00320-02XX	HOMECARE SERVICES
00320-03XX	HOMECARE MEAL SERVICES
00330-0100	KY CAREGIVER ADMIIN
00330-0202	KY CAREGIVER SERVICES
00330-0400	STATE LONG TERM CARE

00400-0001	TRANSPORTATION
00400-0002	LOCAL ROAD UPDATES

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# **LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT**

## **Cost Allocation Plan FY'2026**

### **III. Master Chart of Accounts**

The Chart of Accounts, included and a part of the accounting system of the District is applicable to all funds administered by the Area Development District.

The account numbers representing revenues for specific programs are:

30000's Revenues

Account numbers representing expenditure objects are as follows:

41000 Salaries  
412XX Personnel Burden  
41500 Leave Time  
43000 Travel  
44000-49900 Direct Costs  
90000 Shared Costs

In the event direct charges to specific cost categories are applied to individual program elements, the following account numbers will be applied to expenditure objects:

412XX Personnel Burden  
41500 Leave  
42000 Contracts  
43000 Travel  
44000-499000 Other  
91000-96600 Shared Costs

# LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT

## Cost Allocation Plan FY'2026

AS 10100-10300 Cash in Bank	LI 25000 Insurance Payable
AS 10400 Miscellaneous Transfers	LI 25100 Grayson Co Payroll Tax
AS 10700 Prepaid Background Checks	LI 25200 Lebanon Payroll Tax
AS 10800 Deferred Outflows – Pension	LI 25300 Board Travel Payable
AS 10900 Deferred Outflows –OPEB	LI 25400 Marion Co Payroll Tax
AS 11000 Right of Use	LI 25500 Audit Payable
AS 11100 Accumulated Amort Contra	LI 25600 Accufund Software
AS 12000 Investments	LI 25700 Allstate Ins Payable
AS 13000 A/R Federal	LI 25800 Cake Fund
AS 13100 A/R State	LI 25900 Nelson Co Payroll Tax
AS 13200 A/R Other	LI 26000 Bardstown Payroll Tax
AS 13800 Travel Advances	LI 27000 Lake Area Foundation
AS 14000 Prepaid Expenses	NA 29100 Fund Balance
LI 20000 A/P	RE 30100 Revenue - Federal
LI 20100 Transfer In/Out	RE 30200 Revenue - State
AS 20800 Deferred Revenue	RE 30300 Revenue - Local
LI 20900 Accrued Payroll	RE 30400 Revenue – Donations
LI 21000 Accrued Leave Payable	RE 30500 Revenue – Match
LI 21300 Garnishment	RE 30600 Revenue – Local Contributions
LI 21400 Deferred Inflows - Pension	RE 30301 Revenue – Local Admin
LI 21500 Net Pension Liability	RE 31000 Revenue – Interest Earned
LI 22000 Federal Income Tax Payable	RE 31001 Revenue – Interest Earned-Loans
LI 22100 KY State Income Tax Payable	RE 31002 Revenue - Intrst from Excess to RLF
LI 22200 Pension Services Withheld	RE 31003 Revenue - Intrst Earned on Savings
LI 22300 Unemployment Insurance Payable	RE 31004 Revenue - Intrst Earned RLF Excess
LI 22400 City Payroll Tax	RE 32000 Revenue – Application Fee
LI 22500 Russell Co Payroll Tax	RE 33000 Revenue – Loan Closing Fee
LI 22600 Employee Health Insurance	RE 34000 Revenue – Late Payment Fee
LI 22700 Employee Life Ins Payable	EX 41000 Salaries & Wages
LI 22800 Disability Income Ins Payable	EX 412XX Personnel Burden
LI 22900 Medicare Withholding	EX 41500 Leave Time
LI 23000 Medicare Employer Match	EX 42000 Contracts
LI 23100 FICA Withholding	EX 43000 Travel
LI 23200 FICA Employer Match	EX 44000 Printing/Publications
LI 23400 Retirement Installment #2	EX 44100 Insurance
LI 23500 Deferred Compensation	EX 44200 Registration
LI 23600 Dental/Vision Insurance	EX 44300 Equipment Purchase
LI 23700 Commonwealth Credit Union	EX 44500 Janitorial
LI 23800 Pulaski Co Payroll Tax	EX 44600 Memberships
LI 23900 Clinton Co Payroll Tax	EX 44700 Legal
LI 24000 Taylor Co Payroll Tax	EX 45000 Postage
LI 24100 HSA Payable	EX 45100 Office Rent
LI 24200 Wayne Co Payroll Tax	EX 45200 Equipment Maint/Rent
LI 24300 McCreary Co Payroll Tax	EX 45300 Utilities
LI 24400 Cumberland Co Payroll Tax	EX 45400 Telephone/Cable
LI 24500 Campbellsville City Tax	EX 45500 Audit
LI 24600 Whitley Co Tax	EX 45600 Computer Expense
LI 24700 Somerset City Tax	EX 45700 Meeting Expense
LI 24800 Elizabethtown City Tax	EX 45800 Supplies
LI 24900 Leitchfield Payroll Tax	EX 45900 Auto Lease



EX 46000 Depreciation Expense  
EX 46100 Landscaping  
EX 46200 Interest Expense  
EX 46300 Blacktopping Expense  
EX 46400 Loan Fee Expense  
EX 46500 Food Supplies Expense  
EX 46600 Miscellaneous  
EX 46700 LAF Miscellaneous  
EX 46800 Support Group Expense

EX 46900 Voucher/Supplemental Expense  
EX 47000 Respite Expense  
EX 49600 Lease Expense (int and Amort)  
EX 49700 Bad Debt Expense  
EX 49800 OPEB Expense  
EX 49900 In Kind Expense  
EX 51000-56600 Pooled Costs  
EX 91000-96600 Shared Costs

# **LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT**

## **Cost Allocation Plan FY'2026**

### **IV. Formal Books of Entry**

The Formal Books of Entry are described as follows:

1. Cash Receipts - Duplicate deposit slips are used as a posting source. Each receipt of money is posted and updated monthly to the general ledger through cash receipts module.
2. Preliminary Check Register - Each voucher to be paid is keyed in and a preliminary check register is printed and reviewed. The cash disbursements are posted to the general ledger's appropriate account when the checks are printed. This register is used to record all non-payroll expenditures.
3. Payroll Register - This register records each payroll check and distribution of withholdings. Also, reports regarding distribution of time charges are generated from payroll and posted to the general ledger.
4. General Ledger - Final book entry where all cash disbursements, cash receipts, payroll and journal entries are posted.
5. Revenue and Expenditures Register – This register records the month-to-date and year-to-date revenue and expenditures per grant as well as comparing these amounts to their corresponding budgets.

# **LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT**

## **Cost Allocation Plan FY'2026**

### **V. Description of Costs Types and Methods Used to Distribute**

In governmental accounting, the budget document is an integral part of the accounting system. Expenditures should not be made without budget authorization, and then not in excess of the budget limits. Therefore, the accounting system is designed so that actual transactions are measured against the budget at all times. The LCADD accounting system is devised with three basic premises in mind: 1) to provide the Department of Local Government (DLG) with information relative to federal requirements; 2) to provide Department of Local Government (DLG) with information relative to state requirements; and 3) provide the LCADD with information necessary for their internal administrative control.

Direct charges are defined in 2 CFR part 200 (OMB Uniform Guidance) as those charges that can be identified specifically with a particular cost objective (program element). These direct charges are charged to the grant in which they are incurred.

Shared costs are those incurred for a common or joint purpose benefitting more than one program element and not readily assignable to a program element specifically benefitting. LCADD's shared costs are distributed monthly to the various programs according to the amount of year-to-date salary/burden that is charged to each grant to generate a provisional/final rate.

Below is a listing of the direct and shared costs as they apply to the LCADD. This listing and explanation subsequently is the Cost Allocation Plan.

1. Salary - All salaries of professional employees shall be charged as a direct charge to the program elements in which their work is performed.

2. Personnel Burden - All employee burden which can be specifically related to any employee whose salary is being charged as a direct charge shall also be charged as a direct cost.

3. Consultant Contracts - All contracted work directly related to specific program element shall be charged as a direct cost to the element in which they apply.

4. Printing and Publications - All printing and publications directly related to documents with a specific program element shall be charged as a direct cost to the particular program element. All miscellaneous printing and publication charges shall be charged as a shared cost.

5. Travel - All travel costs which are directly related to an employee whose salary is being charged as a direct cost shall be charged as a direct cost.

6. Holiday, Sick Leave and Vacation - All leave time related to an employee whose salary is being charged as a direct cost shall be charged as a direct charge.

7. Equipment Rental/Purchase - The purchase/rental of equipment may be charged as direct charge if specifically related to a particular program element. All other equipment costs shall be charged as a shared cost.

8. Other Categories - All communications, utilities, office rent, telephone, postage, supplies, and related expenditures, directly attributed to a specific program, shall be charged as a direct cost. All that is not attributed to a specific program shall be charged as a shared cost. Additional costs that may have for some unforeseen reason been omitted in the above listing, and not directly attributed to a specific program, shall be charged as shared cost unless otherwise prohibited by federal and/or state regulations.

9. All charges relating to the administrative staff of the District shall be budgeted, by category and line item, and will be charged to all program elements as a Shared Cost.

10. Programs not participating in the JFA administered by the LCADD - Programs administered by the Area Development District will be subjected to the same Cost Allocation Policy as the JFA participating agencies unless exceptions to the Policy are indicated in writing to the District. Through the assistance of the Department of Local Government (DLG), a comparable or consistent shared cost policy will be sought from the accepting funding agency.

**Shown below is LCADD's indirect cost allocation percentage for the year ended  
June 30, 2024**

**A. General and Administrative - Shared Costs:**

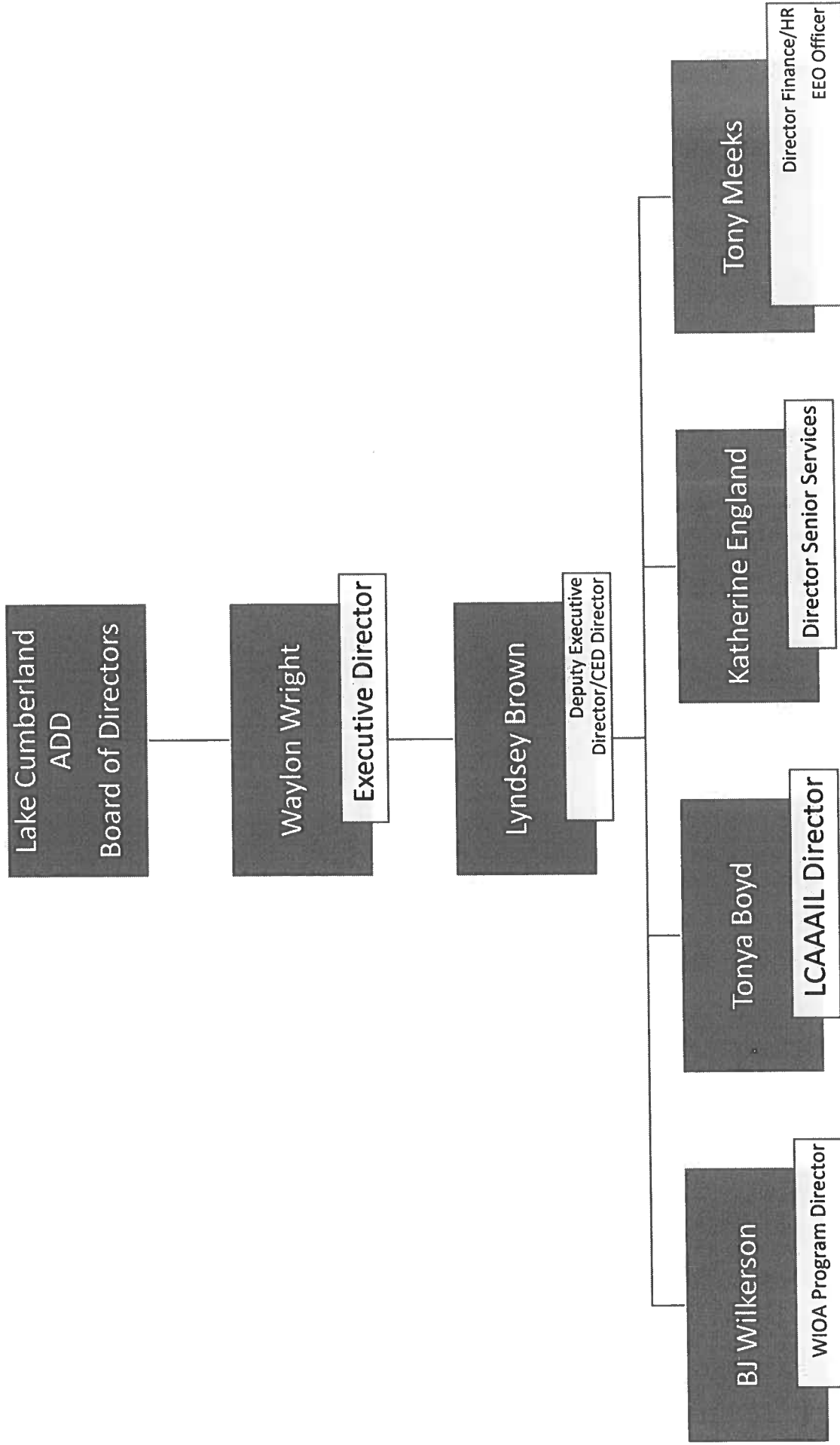
Salaries	\$ 381,157	
Personnel burden	158,457	
Leave time	3,434	
Travel, staff and board	30,045	
Equipment maintenance and rent	28,130	
Building rentals	121,000	
Registration and meeting expense	3,620	
Contractual services, audit and legal	50,861	
Utilities and telephone	56,244	
Janitorial expenses	29,224	
Auto expense	53,330	
Dues and memberships	5,913	
Printing and publications	3,343	
Supplies	8,799	
Insurance	24,841	
Postage	6,435	
Other	4,998	
Total Shared Costs		969,831

**B. Direct Salaries and Benefits:**

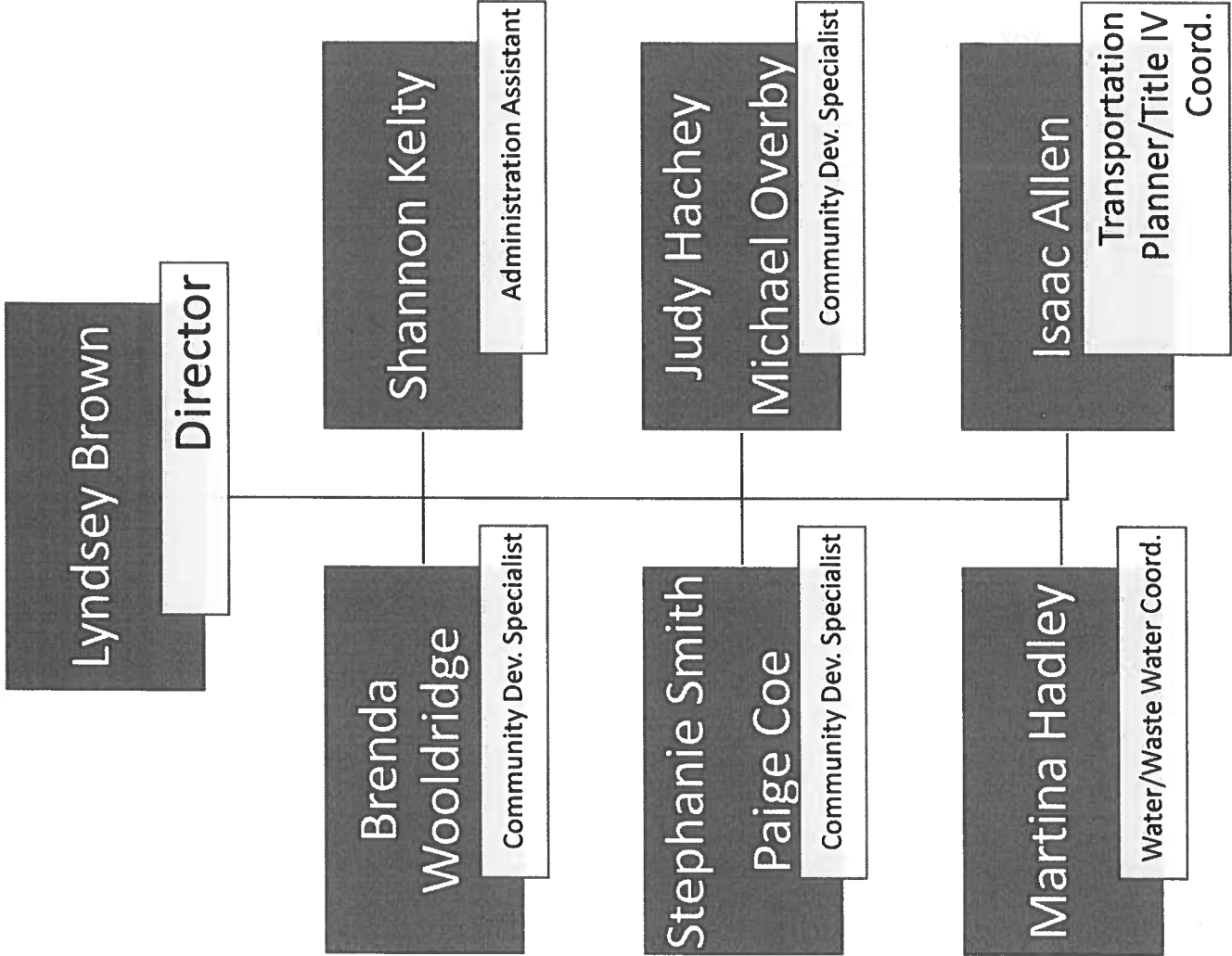
Salaries	\$ 2,624,799	
Benefits	<u>1,246,982</u>	
Total Direct Salaries and Benefits		3,871,781

C. Total Shared Costs	<u>969,831</u>
FY 2024 Shared Costs Rate (C/ B)	25.05%

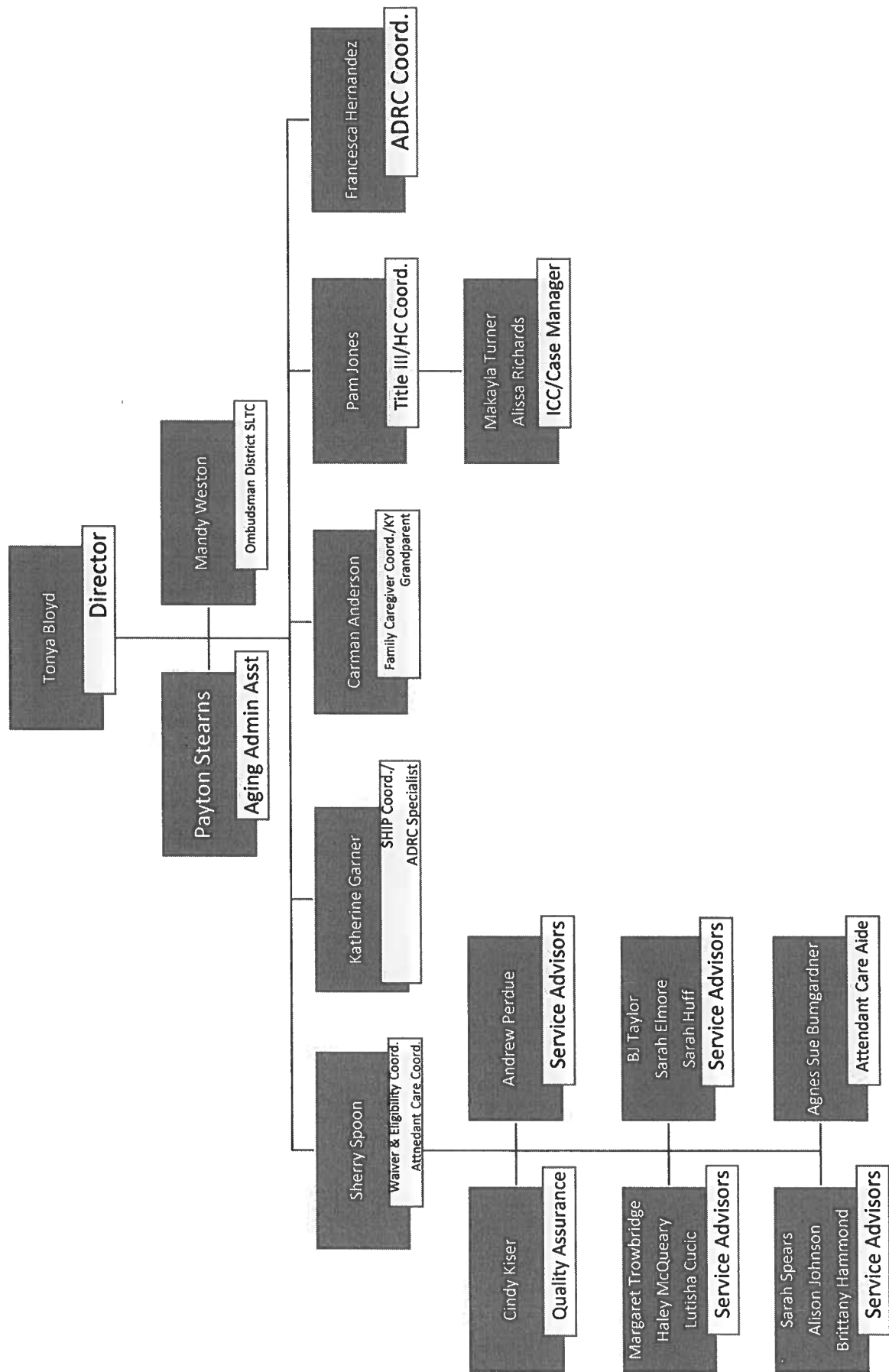
LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT ORGANIZATIONAL CHART



COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

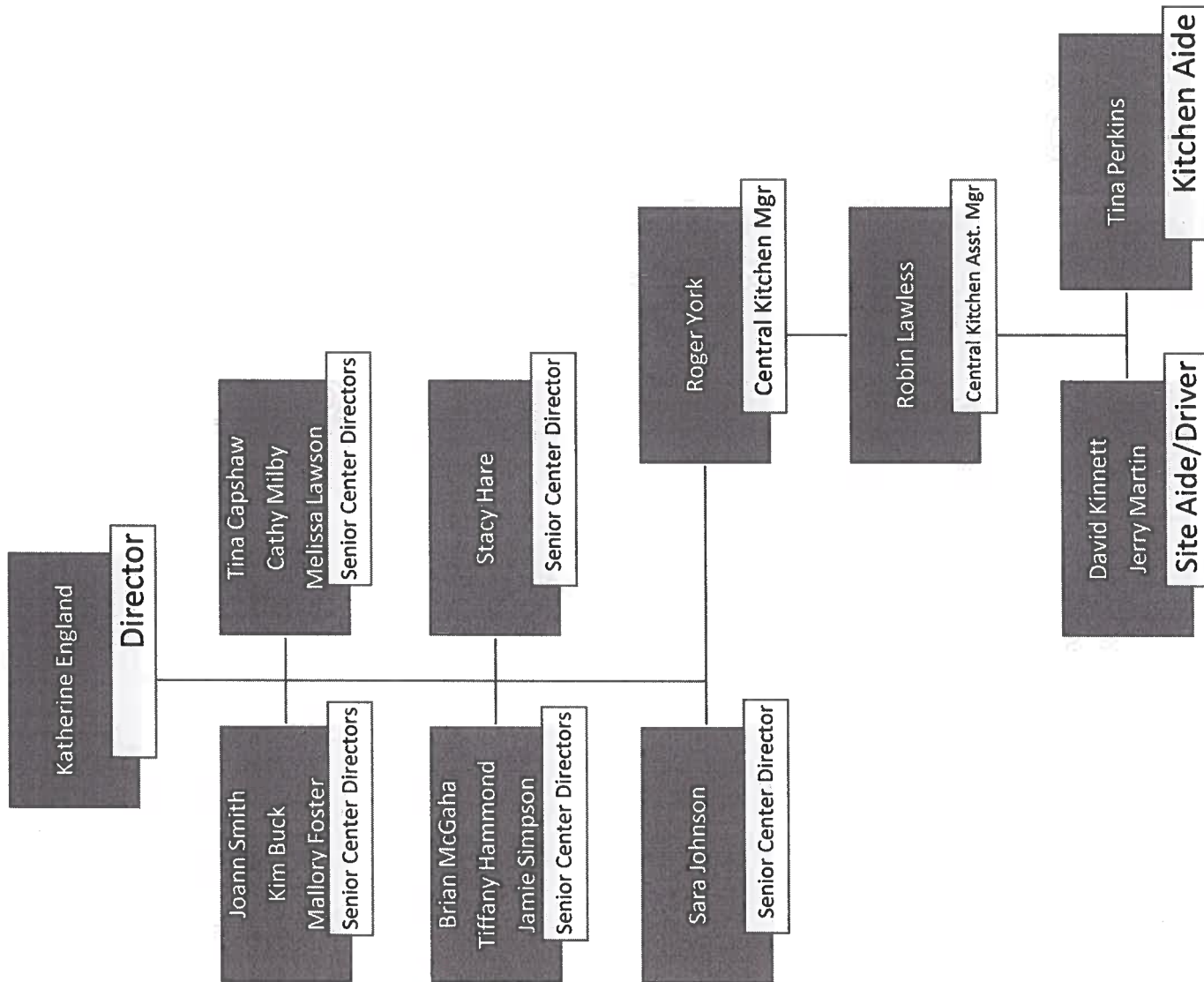


# AGING & INDEPENDENT LIVING DEPARTMENT

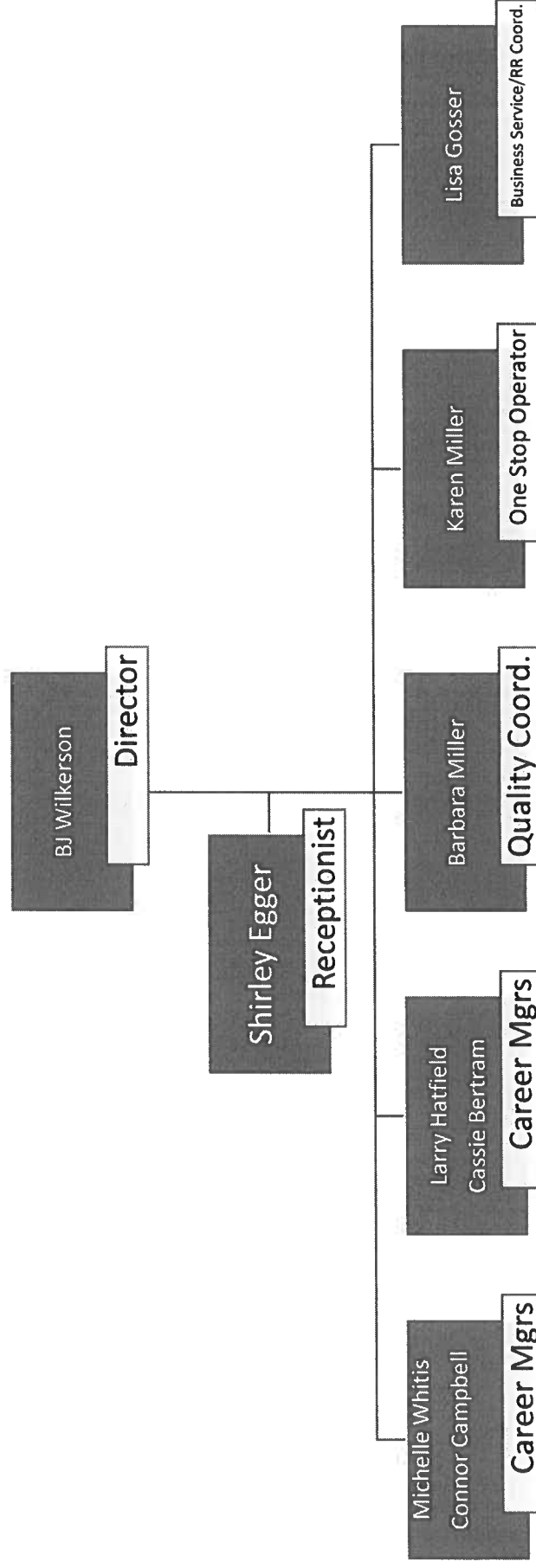




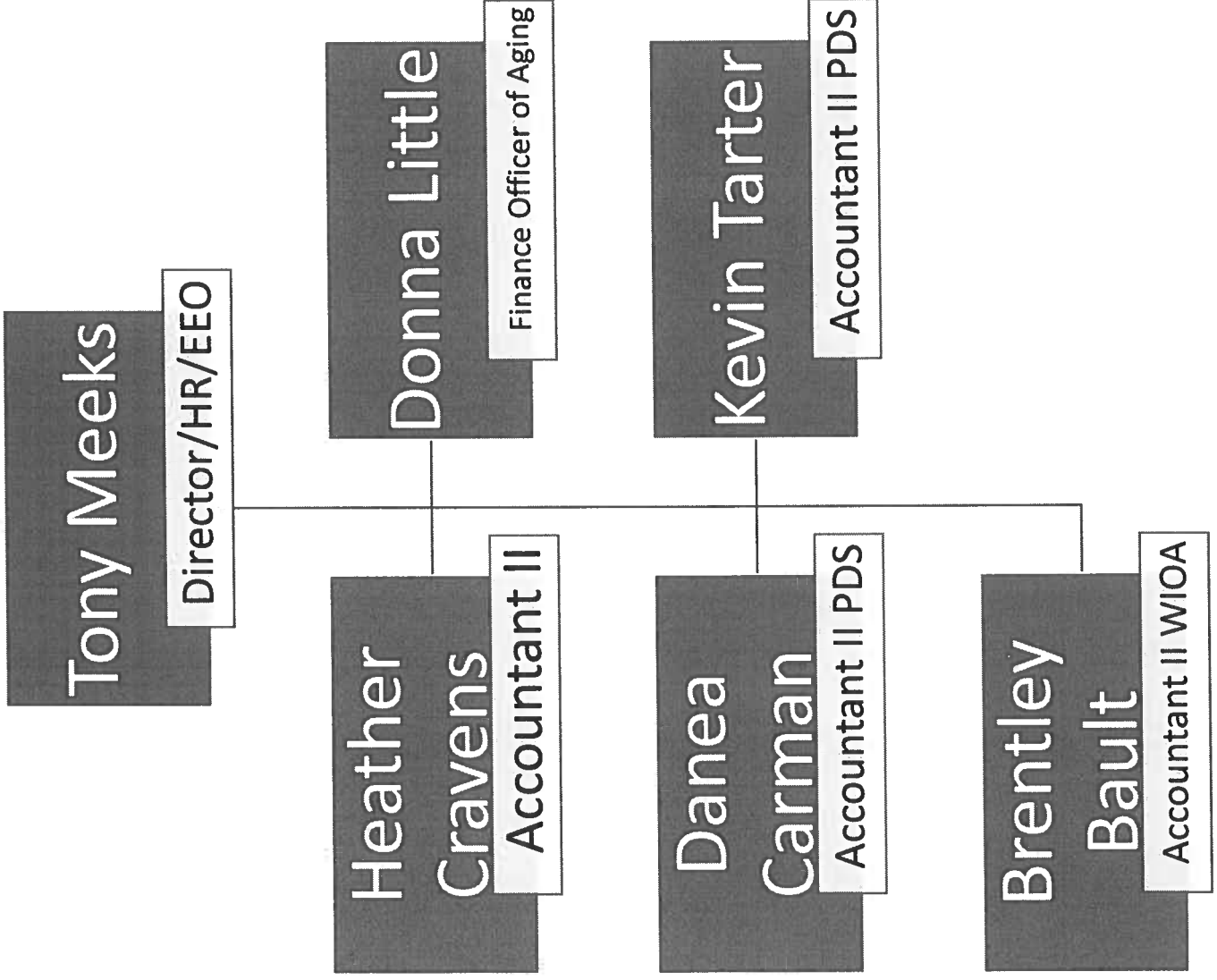
CENTER SERVICES DEPARTMENT



# WORKFORCE DEPARTMENT



FINANCE DEPARTMENT



ADMINISTRATION DEPARTMENT

