Young Power in Social Action (YPSA)

Indirect Cost Rate Calculation
For the period from 01\textsuperscript{st} July, 2022 to 30\textsuperscript{th} June, 2023

Auditor:

Ahmed Zaker & Co;
Chartered Accountants
(A Member Firm of GGi)
74, Sk, Mujib Road (3rd Floor), Agrabad C/A, Chattogram-4100, Bangladesh.
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CERTIFICATE OF INDIRECT COST RATE

We have reviewed the Statement of Indirect Cost Rate Calculation of Young Power Social Action (YPSA) for the period from 01st July, 2022 to 30th June, 2023.

This is to certify that:

1. All costs included in the calculation to establish indirect cost rate for the period from 01st July, 2022 to 30th June, 2023 are allowable in accordance with the requirements of grants/contracts to which they apply and with the Federal cost principle- OMB Circular A-\LZ Cost Principles for Non-Profit Organizations,

2. In the Statement of Indirect Cost Rate Calculation, there doesn’t include any costs which are unallowable under applicable Federal cost principles.

We declare to the best of our knowledge the foregoing is true and correct.

Location: Chattogram
Dated: 13th January, 2024

Ahmed Zaker & Co.
Chartered Accountants
1.0 Organization Profile

BACKGROUND OF YPSA

The youth community makes up half of the world’s population. With a view to create worldwide awareness about this youth community and to ensure youth participation in development programs, the UN General Assembly on 3rd November 1978, according to its resolution no. 33/7, declared the years 1981-90 as Youth Decade and 1985 as International Youth Year. Being inspired by spirit of International Youth Year some socially conscious youths of Sitakund Upazilla under Chittagong District of Bangladesh began to motivate and organize the youth community to establish a development organization. In this way on 20th May 1985 by active initiation of the socially conscious youth, a social development organization called YPSA (Young Power in Social Action) began its course of participation in the development process.

LEGAL STATUS

YPSA is a voluntary, nonprofit, nonpolitical organization for sustainable development registered with the different department of the People’s Republic of Bangladesh including NGO Affairs Bureau, Department of Social Welfare, Department of Youth Development, Health & Family Welfare and Copyright office, Register of Joint Stock Companies and Firms and Micro Credit Regulatory Authority.

VISION OF YPSA

YPSA envisions a society without poverty where everyone’s basic needs and rights are ensured.

MISSION OF YPSA

YPSA exists to participate with the poor and vulnerable population with all commitment to bring about their own and society’s sustainable development.

CORE VALUES OF YPSA

- Patriotism and commitment to national interest, sovereignty and national pride
- Justice, transparency and accountability
- Mutual respect and gender friendliness
- Quality and excellence
- Humility and confidence
- Respect for diversity
- Support for environment and ecology

GOVERNANCE SYSTEM

YPSA is governed by an Executive Committee consists of seven members and elected by general members according to its constitution. The Executive Committee formulates the strategic directions and principles of the organization and the Chief Executive conducts the overall management and representation of the organization.

List of Approved Organizational Manual / Policies and Plans

- Strategic Planning
- Personnel Policy and Procedure Manual
- Financial Policy and Procedure Manual
- Procurement Policy
- Travel Policy
- Administrative Policy
Financial Contingency Policy
Child Safeguarding Policy
Gender Policy
Conflict of Interest Policy
Partnership Policy
Emergency Procurement Policy
YPSA Employees Contributory Provident Fund policy
YPSA Savings & Credit Manual
HIV/AIDS Workplace Policy
YPSA Contingency Plan (Disaster and Emergency Response)
Business Contingency Plan (Disaster and Emergency Response)
Emergency Procurement Policy
Partnership Policy
Smoke Free Guideline
Strategic plan on Ageing

HUMAN RESOURCES

<table>
<thead>
<tr>
<th>Nature of employment</th>
<th>Total</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Staff</td>
<td>509</td>
<td>91</td>
</tr>
<tr>
<td>Project Staff</td>
<td>867</td>
<td>451</td>
</tr>
<tr>
<td>Part Time (Including School Teacher)</td>
<td>212</td>
<td>127</td>
</tr>
<tr>
<td>Volunteer (National &amp; International)</td>
<td>2349</td>
<td>1104</td>
</tr>
</tbody>
</table>

GEOGRAPHICAL COVERAGE OF ACTIVITIES
At present, YPSA's direct program interventions reach in Greater Chattogram Division (including the Chattogram Hill Tracts) and Dhaka & Gazipur District. Besides, YPSA has been doing countrywide and regional campaigning through its advocacy initiatives and implementing need-based projects in elsewhere the country as well as conducting joint programs with grassroots NGOs, CSOs, CBOs, and NPOs through its Networking & Strategic Linkage Unit. Currently, YPSA is working for and with a total of 14 million (estimated) disadvantaged and vulnerable people.

DEPARTMENTS OF YPSA:

Social Development Department: This department is responsible to execute the projects/programs under the major thematic issues of YPSA such as Health; Education; Human Rights and Good governance; Environment and Climate Change; DRR and Humanitarian Response as per its five-year strategic plan. Under this department, there is the Networking and Strategic Linkage Unit, which is responsible for maintaining communication and strategic relationship with the Government, Non-Government Organizations, Civil Society Organizations, and support to a different program of YPSA.

Economic Development Department: Economic development department is responsible for implementing all economic development-related programs/projects under the theme of Economic Empowerment. The major interventions under this department are Savings and credit, Micro Enterprise, Livelihood Enhancement, Value Chain Development, Sustainable Enterprise, Remittance, Micro Insurance, promotion of Ecotourism, Social Business enterprises.

Finance Department: The finance department is responsible for establishing an overall financial controlling system with the objectives to ensure a better degree of financial control, transparency, and accountability of day-to-day operations for providing positive support in administering the overall activities of the organization for smooth functioning.
HRM&D and Admin Department: Human Resource Management & Development and Admin department is responsible for staff recruitment, staff evaluation, staff management and take initiative for staff capacity development & coordinate admin related issues. It also ensures a standard system of recruitment, staff development, staff benefit, traveling rules, staff evaluation, grievance procedure, etc. in compliance with the national law.

Knowledge Management for Development (KM4D) Department: YPSA promotes tacit and explicit knowledge by creating a learning environment throughout the organization under the Knowledge Management for Development (KM4D) department. The major role of this department is to facilitate the knowledge management process and replicate the knowledge into the new programming for sustainability, which finally contributes to the vision of the organization. The major task of this department is research, monitoring & evaluation, documentation & publication, and program development.

YPSA has a Secretariat of the Chief Executive (SCE), which assists day-to-day task of Chief Executive (CE), preserves all important documents along with databases on behalf of CE, and organizes the meeting as required by CE. The secretariat also coordinates and communicates with the different Departments, GO and NGO networks and forums, media through relevant YPSA staff and shares the need-based report.

2.0 Accounting System

Basis of Accounting

YPSA maintains accounts on the basis of 'Double Entry Accounts System'. All income and expenditure record in the books of accounts necessary adjustment.

Accounting Responsibility

Finance Department is responsible to implement the financial policy as well as responsible to maintain proper books of accounts as per financial guideline. They will prepare financial reports timely and accurately as required. The Finance Department will ensure the authenticity for all receipts and payments on time. The finance personnel will responsible to overall financial control for effective financial management. The Director (Finance)/Deputy Director/Assistant Director/ Manager (Finance)/ Program Chief/ Project chief/Branch Chief/Area Chief is responsible to preserve all books of accounts. As a measure of management safeguard, the required precautions must be exercised for handling/ carrying of cash from and to bank and preservation of cheque books.

Authority

The Chief Executive of the organization has authenticity power. All accounting documents (requisition, authorization, bills, vouchers, cheques) will be prepared, checked, reviewed and approved as per Delegation of Authority (DoA).

Reporting of Finance Department

Finance department should close the accounts in every month, all books of accounts should be up-dated on daily basis, and all report should be prepared on monthly/quarterly/six-monthly/yearly basis.
3.0 **Scope of Review**

The scope of our review involved the following tasks:

- Review all funding source of YPSA for segregation it into Donor funded project & YPSA own funded project.
- Examine the YPSA expenses for the period from July 01, 2022 to June 30, 2023 for segregation into direct and indirect cost.
- Determine the actual indirect cost rate for the above period in accordance with the Office of Management and Budget (OMB) Circular NO: A-122, Cost Principles for Non-Profit Organizations.
- Recommend the most appropriate basis to determine the indirect cost rate for YPSA.
- Provide a report on the recommendation's percentage calculations and the base calculation procedures.

4.0 **Basic Concept and Terminology**

**A. Definition of Indirect Costs**

According to OMB Circular A-122 (2 CFR Part 230):

"Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective"

**B. Definition and types of Indirect Rates**

An indirect cost rate is simply a device for determining fairly and conveniently within the boundaries of sound administrative principles, what proportion of indirect cost each program should bear. An indirect cost rate is the ratio between the total indirect expenses and some direct cost base.

The DCD typically issues provisional and final indirect cost rates. There are also predetermined and fixed rates but are rarely used. All of these rates are described below, per OMB Circular A-122:

1. **Provisional rate or billing rate** means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on awards pending the establishment of a final rate for the period.

2. **Final rate** means an indirect cost rate applicable to a specified past period which is based on the actual costs of the period. A final rate is not subject to adjustment.

Note that a final indirect cost rate is established after an organization's actual costs are known, typically a fiscal year. Once established, a final indirect cost rate is used to adjust the indirect costs claimed.

The use of provisional and final rates will likely result in final audited expenditures being higher or lower than those reported for awards, which are terminated during the organization's fiscal year. A final rate may be issued as a provisional rate in the ensuing year, adjusted for anticipated changes in funding levels or costs.
3. **Predetermined Rate:** A permanent rate established for a specified current or future period and is not subject to adjustment. A predetermined rate may be used on awards where there is reasonable assurance that the rate is not likely to exceed a rate based on the organization's actual costs.

4. **Fixed Rates with carry-forward:** A permanent rate established for a future prospective period of time used for budgeting, obligations, and payment of funds by awarding agencies. Actual costs are determined by the organization's accounting system and the difference between fixed and actual is carried forward to a future period (usually the organization's fiscal year) in order to adjust the fixed rate for any over or under recovery.

C. **Determination of Indirect Cost Rates and Cost Allocation**

**Non - Profits -** The three basic methods for calculating indirect cost rates under OMB Circular A-122 are the:

- Simplified,
- Multiple Rate, and
- Direct Allocation methods.

Specific instructions on the computation of indirect cost rates with the conditions on when to use each method are contained in OMB Circular A-122, Attachment A.

OMB Circular A-122 also provides for the use of Special Indirect Cost Rates. A single indirect cost rate for all activities of the organization may not be appropriate when work under the Federal program is conducted in an offsite location and the level of administrative support is different than other programs.

For an organization that receives more than $10 million in Federal funding of direct costs in a fiscal year, a breakout of the indirect costs into two components; Facilities and Administration, as defined below, is required. The rate shall be stated as a percentage which the amount of Facilities and Administration is, of the applicable distribution base used for each component. Each indirect cost rate negotiation agreement shall identify the development of each indirect cost pool component as well as the overall indirect cost rate.

1. "Facilities" is defined as depreciation and use allowances on buildings, equipment and capital improvements; interest on debt associated with certain buildings, equipment and capital improvements; and operations and maintenance expenses.

2. "Administration" is defined as general administration and general expenses such as the director's office, accounting, personnel, library expenses and all other types of expenditures not listed specifically under one of the subcategories of "Facilities", (including cross allocations from other pools, where applicable).

**Simplified Allocation Method**

The Simplified Method is used whenever the major functions of an organization benefit from its indirect costs to approximately the same degree. The allocation of indirect costs may be accomplished by:
(1) Classifying the total cost for the base period (usually the organization’s fiscal year) as either direct or indirect and

(2) Dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base.

The result of this process is an indirect cost rate which is used to distribute indirect costs to individual Federal financial assistance programs and contracts. The rate should be expressed as the percentage which the total amount of allowable indirect costs bears to the base selected. This method may also be used where:

(1) The organization has only one major function encompassing a number of individual projects or activities, and/or

(2) Where the level of Federal awards to that organization is relatively small.

Both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs must be included in the direct cost base (if they represent activities to which the indirect costs are properly allocable).

The distribution base may be:

(1) Total direct costs (excluding capital expenditures and other distorting items),

(2) Direct salaries and wages,

(3) Total costs less G&A expenses (commercial contractors),

(4) Another base which results in an equitable distribution.

**Multiple Allocation Method**

This method is used where an organization’s indirect costs benefit its major functions in varying degree, and indirect costs are accumulated into separate cost groupings. Each grouping is then allocated individually to benefiting functions by means of a base, which best measures the relative benefits.

Where an organization's indirect costs benefit its major functions in varying degrees, indirect costs shall be accumulated into separate cost groupings. Each grouping shall then be allocated individually to benefiting functions by means of base, which best measures the relative benefits.

**Allocation Base**

Actual conditions shall be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefiting functions. The essential consideration in selecting a method or base is that it is the one best suited for assigning the pool of costs to cost objectives in accordance with benefits derived, a traceable cause and effect relationship, or logic and reason.

The distribution shall be made in accordance with the base described in OMB Circular A-122, Attachment A. Section D.3.c unless, it can be demonstrated that the use of a different base would result in a more equitable allocation of the costs, or that a more readily available base would not increase the costs charged to sponsored awards.
An indirect cost rate shall be determined for each separate indirect cost pool developed. The rate in each case shall be stated as the percentage. Which the amount of the particular indirect cost pool is of the distribution base identified with the pool. The indirect cost pools will be classified into two broad Categories-Facilities and Administration.

**Direct Allocation Method**

The Direct Allocation Method is used by organizations that treat all costs as direct costs except general administration and expenses. These organizations generally separate their costs into three (3) basic categories:

1. General administration and expenses,
2. Fund raising, and
3. Other direct functions (including projects performed under Federal awards).

Joint costs, such as depreciation, rental expense, operation and maintenance facilities, telephone expenses, and the like are prorated individually as direct costs to each category and to each award or other activity using a base most appropriate to the particular cost being prorated. Under this method, indirect costs consist exclusively of general administration and general expenses.

This method is acceptable provided each joint cost is prorated using a base which accurately measures the benefits provided to each award or other activity.

**5.0 Methodology**

We have adopted the following methodology for the assignment:

**Reviewed:**

We have reviewed the following documents of the organization.

- All funding source of YPSA for segregation it into Donor funded project & YPSA own funded project;
- Agreement with donor for different long term and short term project/activities;
- The YPSA expenses for the period from July 01, 2022 to June 30, 2023 for segregation into direct and indirect cost;
- The accounting procurements of YPSA;
- Audited Financial Statements for the year ended 30 June 2023 of YPSA;
- Salary sheet of the employee;
- Expenses vouchers of different heads of expenses;
- Personnel procedure and Financial Policy of YPSA.
Prepared:

We have prepared the following schedules for the purpose of calculating the indirect cost rate.

- Developed a written policy that outlines the costs considered as direct, the costs considered to be indirect, and the rationale to support those costs;
- Prepared a list of all funded projects in details as to the donated amount, duration and fund source;
- Prepared a statement of total costs disbursed into direct and indirect cost as per OMB Circular No. A-122 for the ended year of 30 June, 2023; (Examine year: 1st July, 2022- 30th June, 2023)
- Prepared a statement of indirect cost rate calculation for the year of 30th June, 2023;(Examine year: 1st July, 2022- 30th June, 2023)
- Prepared certificate of indirect costs rate.

6.0 **Indirect Cost Rate Calculation Method**

After reviewing the operational activities and expenditure pattern of YPSA and having discussions with the management, we have applied the Direct Allocation Method as per OMB Circular No. A-122(ATTACHMENT A) for computation of the indirect cost rate. YPSA charged its expenses in two categories general administration and projects. The Cost charged to general expenses was considered as indirect cost and cost charged to the project was to be considered as direct cost.

7.0 **Cost Policy Statement**

**Young Power in Social Action (YPSA)**

House # 10 (F) P, Road # 13, Block-B, Chandgaon R/A, Chittagong - 4212, Bangladesh.

Tel: +88-031-672857, 2570255, Tel+Fax:+88-031-2570255

E-mail: info@ypsa.org, ypsa_arif@yahoo.com

I. **General Accounting Policies**

A. Basis of Accounting - Accrual Basis

B. Examined Period-July 1, 2022 through June 30, 2023

C. Applicable Period-July 1, 2023 through June 30, 2024

D. Allocation Basis for Individual Cost Elements - Direct Allocation Basis

E. Indirect Cost Rate Allocation Base - Direct Allocation Basis

F. YPSA maintains strong & effective internal control system to ensure that no costs have charged both directly and indirectly to grants. YPSA maintains it’s accounting system by using accounting software “Tally.ERP 9” which is designed by Tally Solutions. YPSA has skilled manpower for maintaining the software.
II. Description of Cost Allocation Methodology -

A. Administrative Costs:

As per YPSA Chart of Accounts, the Administrative Expenses are: office rent, utilities, printing & photocopy, stationary, bank charge, postage and courier, repair & maintenance, office supplies etc. Administrative costs which directly involved for implementing project are treats as Direct Cost and costs for management which not directly involve/identified for one specific project are treats as Indirect Cost.

B. Travel and Perdium:

As per YPSA Chart of Accounts Travel and perdium expenses are: Local Conveyance, Travel and accommodation- Domestic, Travel and accommodation- Oversees. The costs are charges as per YPSA Travel Policy. Travel costs which directly involved for implementing project are treats as Direct Cost and costs for management which not directly involve/identified for one specific project are treats as Indirect Cost.

C. Salary and benefits:

The majority of YPSA's employees' direct charge their salary costs since their work is specifically identifiable to specific grants, contracts. The staffs who work for YPSA head office not in any specific projects, their salary costs charge indirectly. The distinction between direct and indirect is primarily based on functions performed. For example, when the positions shown are performing functions that are necessary and beneficial to all programs, they are indirect. When functions are specific to one or more programs, they are direct because they do not benefit all programs.

D. Program cost

Program cost is which that is expensed for gain project's objectives. Every project has its own objectives & aims. For fulfill those objectives projects have to expense in doing many activities. Program cost is considered as direct cost of projects. YPSA has to support this type of cost for ensuring the gain of project objectives. This supporting cost is treated as indirect cost.

E. Human resource and development

For the skill development of all employees YPSA arranges adequate training for them. The decision of nomination for training will be based on training need assessment. Training, workshop, seminar, meeting, coordination meeting, resource & publication, exchange visit etc. are the expenses are considered as human resource development. Projects arrange their own meeting for skill development of their staff which costs are charged as direct cost. YPSA organizes coordination meeting & exchange visit for the staffs which are treated as indirect costs.

F. Depreciation

The cost of capital items purchased with donor/YPSA funds which are used in a manner which benefits projects is recovered through depreciation charged. YPSA recovers the cost of capital items using straight line depreciation methods in accordance with generally accepted accounting principles. Project's depreciation is charged directly and YPSA head office's depreciation is charged indirectly.
G. Other Expenses

Other expenses like; audit fee, interest on borrowings, VAT, TAX & Rates etc. are charged as their motive of expenses as direct, indirect & unallowable cost.

H. Unallowable Costs

YPSA recognizes that unallowable costs, as defined in OMB Circular A-122, cannot be charged to Federal awards and has internal controls in place to ensure that this is followed.

Examples of unallowable costs are:

- Capital expenditures,
- Interest on borrowings,
- Organizational Contribution to YPSA project
- Investment project expenses like; YPSA Micro Finance Project expenses- administrative expenses, travel & per diem, other program cost, salary & allowances, direct program cost, interest on borrowings, human resource/Organization development, loan loss Provision (LLP), interest paid to S & I society MF & ME members savings, disaster Management Fund (DMF), audit fee, depreciation.
## YPSA (Young Power in Social Action)
### Indirect Cost Pool Schedule

For the period from 01st July, 2022 to 30th June, 2023

(Examined Year - 2022-2023)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Total Costs</th>
<th>Less: Direct Exclusions and Indirect Unallowable Costs</th>
<th>Indirect/Head Office Costs Pool</th>
<th>Total Direct Costs</th>
<th>Donar Funded Direct Costs</th>
<th>Own Funded Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A=B+C+D</td>
<td>B</td>
<td>C</td>
<td>D=E+F</td>
<td>E</td>
<td>F</td>
</tr>
<tr>
<td>General Admin cost</td>
<td>115,813,803</td>
<td>63,030,735</td>
<td>17,053,291</td>
<td>35,729,777</td>
<td>30,987,997</td>
<td>4,741,780</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9,456,732</td>
<td>1,304,797</td>
<td>2,871,986</td>
<td>5,279,949</td>
<td>2,516,087</td>
<td>2,763,862</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>953,596</td>
<td>12,000</td>
<td>100,000</td>
<td>841,596</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank Charge</td>
<td>1,452,628</td>
<td>943,173</td>
<td>97,289</td>
<td>412,165</td>
<td>392,343</td>
<td>19,822</td>
</tr>
<tr>
<td>Tax (Bank Interest)</td>
<td>1,016,871</td>
<td>577,759</td>
<td>269,783</td>
<td>169,329</td>
<td>162,534</td>
<td>6,794</td>
</tr>
<tr>
<td>Travel &amp; Perdium</td>
<td>28,100,590</td>
<td>7,464,545</td>
<td>1,103,202</td>
<td>19,532,843</td>
<td>19,388,448</td>
<td>144,395</td>
</tr>
<tr>
<td>Salary &amp; Benefits</td>
<td>444,368,816</td>
<td>178,109,614</td>
<td>31,292,179</td>
<td>234,967,022</td>
<td>229,778,318</td>
<td>5,188,704</td>
</tr>
<tr>
<td>Human Resources And Organizational Development</td>
<td>10,565,532</td>
<td>-</td>
<td>978,099</td>
<td>9,587,433</td>
<td>9,587,433</td>
<td>-</td>
</tr>
<tr>
<td>Direct Program Cost</td>
<td>313,481,692</td>
<td>19,761,000</td>
<td>3,544,500</td>
<td>290,176,191</td>
<td>284,660,785</td>
<td>5,515,406</td>
</tr>
<tr>
<td>Other Program Cost (Loan Payable)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Service Charge Paid-PKSF &amp; Others</td>
<td>87,749,018</td>
<td>87,749,018</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Basic Bank, S&amp;I, Etc.)</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on disposal of Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loan loss provision (LLP)</td>
<td>35,021,800</td>
<td>35,021,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Audit fee for consolidated accounts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income Tax Provision</td>
<td>1,045,276</td>
<td>-</td>
<td>1,045,276</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grant Transfer To Donor</td>
<td>641,262</td>
<td>-</td>
<td>641,262</td>
<td>641,262</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,049,667,617</strong></td>
<td><strong>393,974,442</strong></td>
<td><strong>58,355,607</strong></td>
<td><strong>597,337,568</strong></td>
<td><strong>578,956,805</strong></td>
<td><strong>18,380,763</strong></td>
</tr>
</tbody>
</table>
YPSA (Young Power in Social Action)  
Indirect Cost Pool Schedule  
For the period from 01st July, 2022 to 30th June, 2023  
(Examined Year - 2022-2023)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor Funded Direct Cost</td>
<td>578,956,805</td>
</tr>
<tr>
<td>Own Funded Direct Cost</td>
<td>18,380,763</td>
</tr>
<tr>
<td><strong>Total Direct Cost</strong></td>
<td><strong>597,337,568</strong></td>
</tr>
</tbody>
</table>

Ratio of:

\[
\frac{\text{Donor Funded Cost} \times 100}{\text{Total Direct Cost}} = \frac{578,956,804.66 \times 100}{597,337,568} = 96.9228850768323\%
\]
Indirect/Head Office Cost

Donor Funded Project Indirect Cost

Overhead Cost Rate for Donor Funded Project

(96,228,850/97% of Head Office Cost) = (58,355,607 x 96,228,850/97% of Head Office Cost) =

Donor Funded Project Indirect Cost x 100

Donor Funded Direct Cost

56,559,937

Donor Funded Direct Cost x 100

570,956,805

Location: Chatogram

Dated: 13th January, 2024

Ahmed Zaker & Co.
Chartered Accountants

58,355,607

9.77%
9.0 Notes to the Statement of Total Costs disbursed into Direct and Indirect Costs

1. Unallowable Costs:

There were some costs which wasn't allowable as per OMB Circular-122, those costs were treated as Unallowable Costs. In the statement of total costs disbursed into direct and indirect cost, there are Direct Exclusions and Indirect Unallowable Costs column which represent unallowable costs.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As per</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative/Indirect Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel &amp; Permium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary &amp; Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources And Organizational Development</td>
<td>OMB Circular A-122, Attachment B, paragraph 17</td>
<td>The cost was occurred by YPSA Micro Finance, which is an investment project of YPSA. As per OMB Circular A-122, Attachment B, paragraph 17 that type of expenses are unallowable.</td>
</tr>
<tr>
<td>Direct Program Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Program Cost (Loan Payable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan loss provision (LLP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Charge on Loan</td>
<td>OMB Circular A-122, Attachment B, paragraph 23</td>
<td>The interest was paid on borrowings which occurred for insufficient fund. As per OMB Circular A-122, Attachment B, paragraph 23 this type of expenses is unallowable.</td>
</tr>
<tr>
<td>Other Expenses (Adjustment due to project closed)</td>
<td>OMB Circular A-122, Attachment B, paragraph 12</td>
<td>This type of cost was not regular cost, organization contributed to projects for fulfill their objectives. As per OMB Circular A-122, Attachment B, paragraph 52(B) this type of expenses are unallowable.</td>
</tr>
</tbody>
</table>

2. Indirect/Head Office Costs:

In this column, we described the indirect cost of YPSA which costs had been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. As per OMB Circular A-122, Attachment A, paragraph C, we have treated those expenses as indirect/head office costs.

3. Direct Costs:

We have indicated those costs as Direct Costs which costs were identified specifically with a particular final cost objective. We have shown up those expenses as per OMB Circular A-122, Attachment A, paragraph B.