



COST & FINANCING REQUIREMENTS

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CONTRACT PRICE/COST ANALYST



Project Financing

- **At the time of Application submission, the Applicant must have financial commitments in place or a plan to obtain funding for Applicant share of the total project cost.**
 - Funding Plan
 - Business Plan
 - Financial Statements
 - Financial Commitment
 - Financial Management System



Project Financing

- **Funding Plan**
 - Commitment of Funds Availability
 - External Funding
 - Terms & Conditions
 - Commitment Letters & Certifications
 - Timing of Funding to Match Project Expenditures
 - Project Definition Phase
 - Financial Statements to Support Commitments



Project Financing

- **Business Plan**
 - Specific to Demonstration Project
 - Management Decision to Commit and/or Obtain Funds
 - Competition for Funds, Internal & External
 - Identification of Other Major Capital Expenditures
 - Likelihood of Obtaining External Funding
 - Convince DOE that Expenditure of Federal Funds on this Project is Wise Investment



Project Financing

- **Financial Management Systems**
 - Criteria Outlined in 10CFR600.121(b)
 - Accurate, Current, & Complete Disclosure of Financial Results
 - Adequate Records - Source & Application of Funds
 - Effective Control & Accountability
 - Written Procedures - Management of Funds
 - Accounting Records Supported by Source Documentation



Budget/Cost Information

- **Supporting Cost Detail:**
 - Numerical & Narrative Detail
 - Same Level of Detail for Team Members & Sole Source Subcontractors
 - Indirect Rate Detail
- **Sample Format for Cost Detail:**
 - NETL Homepage > Business > Financial Assistance, How to Submit Applications > Volume III, Cost Application > Supporting Cost Detail Requirements



Cost Sharing

- **Any situation where the Government does not fully reimburse the Applicant for all allowable costs necessary to accomplish the project or effort under the cooperative agreement.**
- **Allowable Costs -**
 - Government Cost Accounting Regulations do not Recognize all Legitimate Business Expenses
 - Federal Cost Principles in Federal Acquisition Regulation Part 31



Cost Sharing

- **Shall meet all of the following criteria:**
 - Verifiable from books and records
 - Not included as contributions for any other federally-assisted project
 - Necessary and reasonable for proper and efficient accomplishment of project objectives
 - Not paid by the Federal Govt. under another award
- **Section III-I, Cost Sharing**
 - Review of selected unallowable cost sharing items



Cost Sharing

- **Forms of Cost Sharing**
 - Cost Matching
 - DOE and Recipient share in incurred costs on an as-expended basis (% of each & every invoice)
 - Cost Limitation
 - Contribution of direct and/or indirect costs, provided such costs are otherwise allowable
 - In-kind Contribution
 - Represent noncash contributions



Cost Sharing

- **Past Problems with In-Kind Contributions:**
 - Over Valuation of Asset - Not verifiable from Accounting records
 - Asset not Necessary and Reasonable for Efficient Accomplishment of Project
 - Currently Depreciating Asset Already Included in Indirect Rates
 - Asset was Utilized for Cost Sharing Purposes on Previous Federal Award



Evaluation Criteria

- **Financing Information**

- Adjectively rated
- Adequacy & Completeness
- Financial Condition & Capability
- Commitment & Priority

- **Budget Information**

- No Score or Rating
- Adequacy & Completeness
- Reasonableness & Allowability
- Complement to SOW

