**Bad Example #2**

If you look closely at the bottom, you will see the plan is based on square feet. While this isn’t necessarily a bad way to calculate indirect costs, it is different than how indirect costs were claimed on the grant and the company couldn’t show us how this plan tied to what was claimed. The other issue is in the middle of the list of expenses you will see “salaries.” It turns out these were the salaries of executives or upper management, which normally is the right way to do it. In this case, however, those same people had been claimed as direct labor on the grant.

Jan – Dec. 18

|  |  |
| --- | --- |
| Paypal Fees | $18.57 |
| RNGVA | $6892.49 |
| Sales/Marketing – Other | $29,548.12 |
| Advertising | $2,241.50 |
| Alarm Systems | $1,054.24 |
| Bank Fees | $1,054.24 |
| Dues & Subscriptions | $2,580.00 |
| Liability Insurance | $1,987.75 |
| Vehicle Liability & Property | $8,398.47 |
| Janitorial Service | $3,493.00 |
| Licenses & Permits | $3,672.83 |
| Management Fee | $138,000.00 |
| RNGVA | $282.68 |
| Computer Expense | $18,302.32 |
| Miscellaneous | $1,096.36 |
| Office Supplies | $5,793.04 |
| Software | $14,350.43 |
| Office & Computer Supplies – Other | $738.80 |
| Payroll Expenses | $2,922.98 |
| Postage | $622.90 |
| Postage & Express Courier – Other | $6.45 |
| Printing, Copying, Reproduction | $132.63 |
| Accounting | $12,625.00 |
| Consulting | $77,034.78 |
| Legal | $843.60 |
| Equipment & Tools | $895.16 |
| Vehicles | $388.55 |
| Warehouse Rent | $222,174.99 |
| Repairs & Maintenance | $600.00 |
| Salaries | $438,448.43 |
| Shop Supplies | $181,060.16 |
| City Business Tax/License Fee | $386.50 |
| Delaware State Taxes | $900.00 |
| RNGVA | $311.20 |
| Meals & Entertainment – Other | $7,063.02 |
| Travel Air, Cab, Hotel, Car Ren – Other | $46,631.93 |
| Uniforms | $943.91 |
| Electric Power Purchases | $7,751.25 |
| Internet | $182.79 |
| Natural Gas Purchase | $202.44 |
| Oil Disposal | $346.57 |
| Telephone | $669.58 |
| Trash Disposal | $1,247.87 |
| All Vehicle Fuel | $2,227.79 |
| Fork Lift Repair | $46.71 |
| Maintenance | $2,330.09 |
| Mileage Reimbursement | $167.40 |
| Registration/Taxes | $970.00 |
| Truck & Car Repair | $1,625.00 |
| Vehicle Fuel & Maintenance – Other | $875.00 |
| Interest Expense | $3,831.10 |
| California | $1,050.00 |
| Depreciation | $135,117.00 |
| **Annual Total** | **$1,291,948.52** |
| **Total per month** | **$107,662.38** |
| **Total facility Sq. Ft.** | **21,656.00** |
| **Overhead per Sq. Ft.** | **$4.97** |
| **Indirect facility Sq. Ft.** | **$4.97** |
| **Total** | **$39,771,842.00** |
| **Overhead burden** | **36.94%** |