

Office of the Comptroller

Findings on Compliance with Rules and Regulations

Finding Number 68: \$38,626 in Excess Fringe Benefit Costs has not been Credited Back to the Department of Energy

During fiscal year 1999, the federally-approved fringe benefit rate for retirement and group insurance decreased from 30% to 17%. The Office of the Comptroller (Office) has not credited the U.S. Department of Energy for the \$38,626 difference in the rates pertaining to the State Energy Program.

The Office negotiated a change in the fiscal year 1999 fringe benefit rate for retirement and group insurance, for federal programs from 30% to 17% during the year due to a projected decrease in benefit costs. Most of the programs affected were credited by the Office for the change in rates. One program, which is recorded in several expendable trust accounts, was not credited due to an oversight. The difference between the 30% rate and the 17% rate resulted in a \$38,626 overcharge for fringe benefits. (*Department of Energy - State Energy Program 81.041*)

Recommendation

The Office should credit the State Energy Program for the overcharge.

Department Corrective Action Plan

The credit of \$38,626 has been processed to all related accounts

Responsible Individual: Kathie Still

Implementation Date: December 1999

Findings on Compliance with Rules and Regulations

Finding Number 69: \$37,358 in Excess Indirect Costs Charged

The Office of the Comptroller (Office) has not adjusted \$37,358 in excess indirect costs charged to federal programs.

OMB Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments*, Attachment D indicates that indirect costs billed will be supported by the Federally approved indirect cost rate times the approved base. During the reconciliation of indirect costs charged to federal programs for fiscal year 1999, the Office noted that for two programs indirect costs charged were in excess of the amount allowable by \$37,358 (\$23,503 pertained to CFDA # 84.027 and \$13,855 was applicable to CFDA

#93.645.) Since the reconciliation was performed after the close of the fiscal year, the adjustments have not been made. (*Department of Education - Special Education Grants to States 84.027; Department of Health and Human Services - Child Welfare Services-State Grants 93.645*)

Recommendation

The Office of the Comptroller should post the adjustments to fiscal year 2000 in order to ensure that the credits are properly reflected in reports filed with grantor agencies.

Department Corrective Action Plan

This was a result of a selection error (applied to a few programs), detected in the program that assesses indirect cost. All accounts affected have been credited for the overcharge.

Responsible Individual: Kathie Still

Implementation Date: December 1999

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