## **Corporation for Public Broadcasting**

# Indirect Administrative Support (IAS): Standard Method

Webinar February 17, 2021

cpb

# Who Should Take This Training?

Institutional Licensees
 Not for Community Licensees
 Not for FSR Filers

# Today's Agenda

Welcome and background
Walk through standard method
Schedule B walk through
Final thoughts and resources available

## **Audio Recommendations**

### Audio issues?

- Ensure your computer has not gone into "sleep" mode.
- If audio problem continues:
  - Join by phone 1-301-715-8592
  - Webinar ID: 912 1819 2931
  - ▶ Passcode: 42456057

# Submitting Questions

- Press Q&A button towards the bottom center of your screen
- ▶ Type question in field at bottom of screen.
- ▶ Hit send.

# Introductions

- Kate Arno, Vice President, CSG & Station Initiatives
- ▶ Tim Bawcombe, Director, Television CSG Policy & Review
- Biniam Debebe, Senior Financial Review Specialist
- ► Ken Goulet, Senior Financial Review Specialist
- Brittany Lee, Project Coordinator, CSG Administration

# Today's Agenda

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# **Today's Objectives**

- Understand the background for creating a new method
- Obtain working knowledge of the 5 steps for computing IAS using the Standard Method
- Be ready to start reporting IAS for FY 2020
- ► Know where to find help

# IAS Background

### 240 grantees report IAS

- ► Totaling \$111M in NFFS = \$12M+/-CSG
- Small portion of total NFFS but important to grantees that report it.

# IAS Background

- Principle: Acknowledge the value of indirect administrative support that institutional licensees provide to their stations
- Previous methods were complex and timeconsuming.
- ► A re-set was necessary.

# IAS Background

- ► 2019 Radio and TV CSG Review Panels
- Joint IAS subcommittee
- Recommendations approved by Board
- Training and practice session conducted

# **IAS Practice Session**

Of the 247 grantees that report IAS

- 211 completed IAS training
- ▶ 143 participated in practice session
- ► 76 practice sheets were examined:
- 43 had increases, 21 had decreases, 12 had practically no change

## **Standard Method**

▶ Reduces time and errors.

- Provides consistency in reporting.
- Allows for better review at the desk review level.

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## **Standard Method**

### General IAS Formula

► Rate X Base = IAS

# **Standard Method**



- 1. Compute the rate.
- 2. Identify the base.
- 3. Multiply the rate by the base.
- 4. Compute occupancy value, if applicable.
- 5. Deduct fees paid to licensee, if applicable

## Standard Method – Step 1

### Rate: licensee's indirect costs divided by its direct costs

### Step 1 - The Rate

#### Indirect Costs ÷ Direct Costs = Rate

Licensee's Indirect Costs* (Numerator)	Licensee's Direct Costs (Denominator)
Institutional support	
and/or Physical plant	
support	

### \* Include only the component(s) you benefit from.

### Step 1 - The Rate

#### Indirect Costs ÷ Direct Costs = Rate

Licensee's Indirect Costs* (Numerator)	Licensee's Direct Costs (Denominator)
Institutional support	Total operating expenses minus
and/or Physical plant	both institutional support and
support	physical plant support

\* Include only the component(s) you benefit from.

#### **Expenses by Function**

#### **Educational and General:**

Instruction Research and development Public service Academic support Student services Operation and maintenance of plant Institutional support Depreciation Student aid

#### Auxiliary Enterprises:

Residential life Other auxiliary expenses

Total operating expenses

#### Note 8—EXPENSES BY NATURAL CLASSIFICATIONS

The following table shows a classification of expense Revenues, Expenses, and Changes in Net Position at amounts shown in the Statement of Cash Flows.

	Salaries and Wages	Fringe Benefits	Services and Supplies	Fell
Instruction	\$ 25,317,930	\$ 7,954,333	\$ 6,814,453	\$
Research	1,569,121	327,077	5,000,954	
Public service	301,217	100,058	207,977	
Academic support	7,954,890	2,707,245	1,126,155	
Student services	2,750,025	1,052,037	704,760	
Institutional support	9,974,294	3,892,790	(722, 174)	
Operations and maintence-plant	3,777,000	1,651,062	1,433,195	
Depreciation expense			-	
Scholarship and fellowship	-		7	

#### Scho



**Functions/Programs Governmental Activities** Instruction Instruction related activities Supervision of instruction Instructional library and technology School site administration Pupil services Home-to-school transportation Food services All other pupil services General administration - Data processing All other general administration **Plant** services Ancillary services **Enterprise activities** 

\$

Instruction Support Services: Pupil services Improvement of instructional services Educational media Federal grant administration General administration School administration Business administration Maintenance and operation of facilities Student transportation

52.33 49.46 8.79 2.24 11.23 43.65 9.68 105.89 34.41 10 00

538.60

#### **Operating Expenses (Note J)**

Educational and general -	
Instruction	\$ 881,696
Research	297,448
Public service	37,524
Academic support	299,208
Student services	136,125
Institutional support	159,109
Operation and maintenance of plant	119,349
Scholarships and fellowships	211,811
Auxiliary enterprises	175,130
Depreciation	132,814
Total Operating Expenses	\$ 2,450,214

### Operating Expenses (Note J)

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Total Operating Expenses	\$ 2,450,214

Current Operating: Instructional Services Charter School Allocations Supporting Services: Pupil Support Services Operations and Maintenance Central Supporting Services Facility Acquisition and Construction

Total Expenditures

285,203,836 116,696,635

81,598,333 61,135,610 32,092,639 6,052,941

582,779,994

Current Operating: Instructional Services Charter School Allocations Supporting Services: Pupil Support Services Operations and Maintenance Central Supporting Services

Facility Acquisition and Construction

Total Expenditures

285,203,836 116,696,635

81,598,333 61,135,610 32,092,639 6,052,941

582,779,994

Instructional:	
Instruction	\$ 289,580,133
Support - Students	18,751,678
Support - Instruction	20,638,285
Support Services:	
Executive Admin Support	3,208,754
School Admin	32,803,287
General Admin	31,937,846
Operations & Maintenance	46,372,782
Transportation	24,618,987
Facility Acquisition and Construction*	 642,267
Total Expenditures	 468,554,019
Charter Schools	121,161,089
Interfund Transfers, net (for	
Instructional Programs)	4,542,600
Interfund Transfers, net (for	
Support Programs)	 4,028,780
Total Expenditures	\$ 598,286,488



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### Step 1 - The Rate (Additional Notes)

### College and University Licensees:

Must use the system's audited financial statement.

### Notes from IAS Practice Session:

- Licensee's AFS/total operating expenses did not contain a breakdown of expenses by functional category.
- Licensee's AFS reported institutional support, but the physical plant support was allocated across other functional expense categories.

### IAS Calculation Worksheet: Step 1 The Rate

Indirect Administrative Support (IAS) Calculation Standard Method		
Grantee's Call Letters:		
Grantee ID:		
Enter the fiscal year of this calculation:	2020	
Step 1 - Compute the Rate - Licensee Indirect Costs /Licensee Direct Costs		Must include licensee AFS page numbers or N/A below:
Institutional Support (Enter this amount here, only if station benefits from Institutional Support)	\$20,000,000	page(s): 12
Physical Plant Support (Enter this amount here, only if station benefits from Physical Plant Support)	\$10,000,000	page(s): 13
Total Licensee Indirect Costs	\$30,000,000	(formula-no need to enter amount here)
Licensee Direct Costs		
Total Operating expenses	\$230,000,000	page(s): 56
Less: Institutional Support (Please enter this amount whether or not the station benefits from Institutional Support)	\$20,000,000	page(s): 25
Less: Physical Plant Support (Please enter this amount whether or not the station benefits from Physical Plant Support)	\$10,000,000	page(s): 25
Licensee's Direct Costs = (Total operating expenses minus both institutional		(formula-no need to enter amount here)
support and physical plant support)	\$200,000,000	
Indirect Cost Rate = (Licensee's Indirect Costs/Licensee's Direct Costs)	15%	(formula-no need to enter amount here)

### Step 2 - The Base

### To identify station's net direct expenses:

Total operating expenses minus indirect expenses.

See 2020 AFR Schedule E Line 8, if completed, or station's audited financial statements.

### Step 2 - The Base

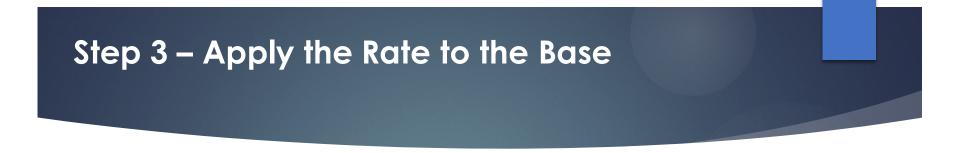
Total operating expenses per Schedule E Line 8 minus:

- 1. total depreciation and amortization,
- 2. in-kind contributions,
- 3. indirect administrative support,
- 4. expenses for non-broadcast activities and UBIT, and
- 5. expenses <u>not supported by</u>licensee example, some consolidated entities like Friend's Group, foundations, and component units.

Net direct expenses.

### IAS Calculation Worksheet: Step 2

Step 2 - Identify the Base (Station Net Direct Expenses)		Must include Station's AFS page numbers or N/A below:
Station's Total Operating Expenses	\$2,500,000	Per Station's AFR Schedule E, Line 8
Less: Total Depreciation and amortization-per AFS (if applicable)	\$100,000	page(s): 32
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)	\$150,000	page(s): 69
Indirect administrative support (if included in station's total expenses)- per AFS	\$280,000	page(s): 78
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)	\$50,000	page(s): 88
Expenses not supported by licensee-per AFS – example, expenses of consolidated entities like Friends' Group, foundations, and component units. (if applicable)	\$50,000	page(s): 22
Station Net Direct Expenses	\$1,870,000	(formula-no need to enter amount here)



Multiply rate by the station's net direct expenses.
15% X \$1,870,000 = \$280,500.

## IAS Calculation Worksheet: Steps 2 & 3

Step 2 - Identify the Base (Station Net Direct Expenses)		Must include Station's AFS page numbers or N/A below:
Station's Total Operating Expenses	\$2,500,000	Per Station's AFR Schedule E, Line 8
Less: Total Depreciation and amortization-per AFS (if applicable)	\$100,000	page(s): 32
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)	\$150,000	page(s): 69
Indirect administrative support (if included in station's total expenses)- per AFS	\$280,000	page(s): 78
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)	\$50,000	page(s): 88
Expenses not supported by licensee-per AFS – example, expenses of consolidated entities like Friends' Group, foundations, and component units. (if applicable)	\$50,000	page(s): 22
Station Net Direct Expenses	\$1,870,000	(formula-no need to enter amount here)
Step 3: Apply the Rate to the Base	\$ 280,500	(formula-no need to enter amount here)

## Step 4 - Occupancy Value

- The value of a station's pro-rata share of the annual depreciation of a licensee-owned building or land associated with tower facilities that is fully or partially occupied by the station.
- Not applicable to all grantees
- ▶ No revisions are being made to this calculation

## IAS Calculation Worksheet: Step 4

Step 3: Apply the Rate to the Base	\$ 280	),500	(formula-no need to enter amount here)
Step 4: Compute Occupancy Value (if applicable)	\$2	25,000	Enter total occupancy value, if applicable. Refer to CPB Financial Reporting Guidelines for Occupancy Support Instructions (page 50-52).
Step 5: Deductions- Fees Paid to the Licensee (if applicable)			
Calculated IAS*	\$ 305	5,500	(formula-no need to enter amount here)
Completed by: name & title			
*Recording IAS as NFFS in your AFR:			
As a reminder when completing future financial reporting, IAS must be included in the AFS to be eligible as			
NFFS. The final amount that you calculate using this method may be reported as NFFS to the extent that it does			
not exceed the IAS reported in your station's AFS. If it does, you will be required to make an adjustment in the			
AFR so that it does not exceed the amount audited in your financial statement.			

## Step 5 – Deduct Fees Paid to the Licensee

- Deduct any fees that you have paid directly to the licensee for such things as overhead recovery, assessment, use fees or management fees.
- May not be applicable to all grantees

## IAS Calculation Worksheet: Step 5

Step 3: Apply the Rate to the Base	\$ 280,500	(formula-no need to enter amount here)
Step 4: Compute Occupancy Value (if applicable)	\$25,000	
Step 5: Deductions- Fees Paid to the Licensee (if applicable)	\$32,500	Enter any fees that you have paid directly to the licensee for overhead recovery, assessment, use fees, or management fees.
Calculated IAS*	\$ 273,000	(formula-no need to enter amount here)
Completed by: name & title		
*Recording IAS as NFFS in your AFR:		
As a reminder when completing future financial reporting, IAS must be included in the AFS to be eligible as NFFS. The final amount that you calculate using this method may be reported as NFFS to the extent that it does not exceed the IAS reported in your station's AFS. If it does, you will be required to make an adjustment in the AFR so that it does not exceed the amount audited in your financial statement.		

## Recording IAS as NFFS in AFR (FY2020)

- As with all amounts reported as NFFS, IAS must be included in your station's AFS.
- The final amount that you calculate using this method may be reported as NFFS if it doesn't exceed the IAS reported in your station's AFS. If it does, you must make an adjustment before you report it as NFFS. The IAS you report as NFFS may not exceed the amount audited in your financial statement.

# Submitting Questions

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## Schedule B (2020)

## AFR Schedule B (2020) INDIRECT ADMINISTRATIVE SUPPORT

PRINT: Schedule B or Entire AFR



1 Determine Indirect Administrative Support 2 Determine Occupancy Values 3 Schedule B Summary

### SELECT ONE METHOD TO CALCULATE YOUR INDIRECT ADMINISTRATIVE SUPPORT.

Worksheet: Standard Method (requires completed Schedule E)

Worksheet: Grantee-Developed Method (requires pre-approval from CPB)

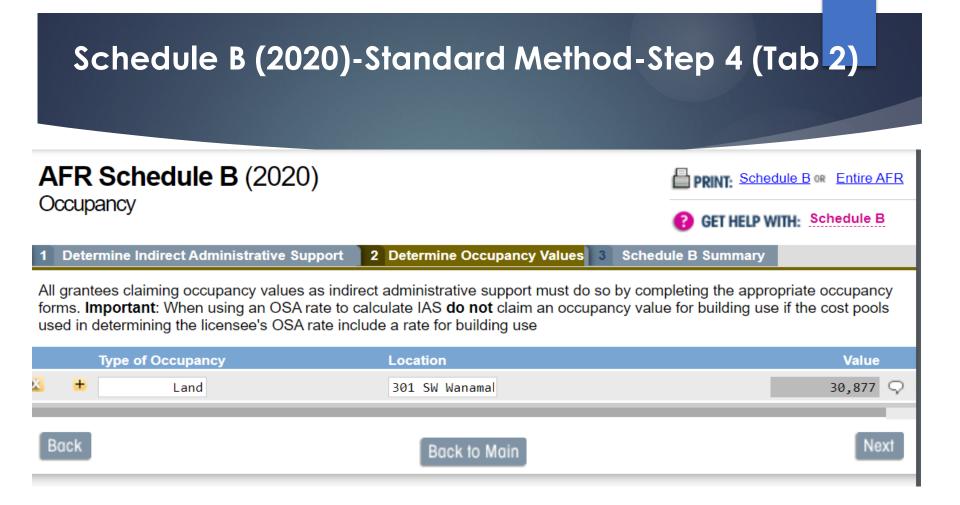
## Schedule B (2020)-Standard Method- Step 1 (Tab 1)

	2019	2020
Step 1 - Compute the Rate - Licensee Indirect Costs/Licensee Direct Costs		
Institutional Support (Enter this amount here only if station benefits from Institutional Support.)	\$	\$7,991,719 🖓
AFS page or "n/a"		23 🖓
Physical Plant Support (Enter this amount here only if station benefits from Physical Plant Support.)	\$	\$8,950,882 🖓
AFS page or "n/a"		23 🖓
Licensee Indirect Costs	\$	\$16,942,601 🖓
Licensee Direct Costs		
Total Operating expenses	\$	\$111,910,923 🖓
AFS page or "n/a"		23 🖓
Less: Institutional Support (Enter this amount whether or not the station benefits from Institutional Support.)	\$	\$7,991,719 🖓
AFS page or "n/a"		23 🖓
Less: Physical Plant Support (Enter this amount whether or not the station benefits from Physical Plant Support.)	\$	\$8,950,882 🖓
AFS page or "n/a"		23 🖓
Licensee's Direct Costs (= Total operating expenses minus both Institutional Support and Physical Plant Support)	\$	\$94,968,322 🖓
Indirect Cost Rate = (Licensee's Indirect Costs/Licensee's Direct Costs)	%	%17.840266 🖓

## Schedule B (2020)-Standard Method – Steps 2 & 3 (Tab 1)

Step 2 - Identify the Base (Station's Net Direct Expenses)		
Station's Total Operating Expenses (from Schedule E, Line 8)	\$	\$3,835,348 🖓
Less: Depreciation and Amortization - from station's AFS (if applicable)	\$	\$204,891 🖓
AFS page or "n/a"		13 🖓
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)	\$	\$0\$
AFS page or "n/a"		n/a 🖓
Indirect Administrative Support (if included in station's total expenses) -per AFS	\$	\$556,732 🖓
AFS page or "n/a"		13 🖓
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)	\$	\$126,149 🖓
AFS page or "n/a"		n/a 🖓
Expenses not supported by licensee - per AFS (Example: expenses of consolidated entities like Friends Groups, foundations, and component units (if applicable)"	\$	\$0 \$
AFS page or "n/a"		n/a 🖓
Station's Net Direct Expenses	\$	\$2,947,576 🖓
Step 3: Apply the Rate to the Base (= total support activity benefiting the station)	\$	\$525,855 🖓
Jpload the licensee's audited financial statement only. [NOTE: Only PDF files are allowed for upload.]	<u>View Document</u> 1	U_BWA_fy20.pdf 📿

a



#### Schedule B (2020)-Standard Method-Step 5 (Tab 3) AFR Schedule B (2020) PRINT: Schedule B on Entire AFR INDIRECT ADMINISTRATIVE SUPPORT GET HELP WITH: Schedule B Determine Indirect Administrative Support **Determine Occupancy Values** 3 Schedule B Summary 2 2019 data 2020 data 1. Total support activity benefiting station $\bigcirc$ \$525,855 \$497,571 2. Occupancy value 9 \$30,877 30,877 3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc. 9 \$0 \$0

4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.

Support) \$528,448 \$550,732 *	5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$528,448	\$556 <b>,</b> 732	9
--------------------------------	--	-----------	--------------------	---

 $\bigcirc$ 

\$0

OU

\$0

OU

6. Please enter an institutional type code for your licensee.

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## CSG Resources

# https://www.cpb.org/stations

- Instructions (PDF)
- Excel Worksheet
- Today's slides (PDF)
- Today's session recorded
- Help Desk
- Email: csg@cpb.org

# CSG Resources https://www.cpb.org/stations

#### Community Service Grants

CPB distributes community service grants (CSGs) to noncommercial public television and radio stations that provide significant public service programming to their communities. CSGs help stations expand the quality and scope of their work, whether in educational, news, public affairs or other programming—all of which represent an immeasurable value to the American people. Applicant and current recipient stations must each year meet a variety of legal, managerial, staffing and operational criteria for CSG funding.

- Television CSG General Provisions
- Radio CSG General Provisions

#### Compliance

- Harassment Prevention Training Program
- CSG Non-Compliance Policy
- Communications Act Compliance
- Compliance Hotline: (202) 879-9655
- Compliance Card 2019 803KB PDF
- Compliance Alerts:

→ 2018			
→ 2017			
→ 2016			
→ 2015			

#### **Reporting Requirements**

- Financial Reporting Guidelines for CSG (AFR and FSR)
- Discrete Accounting Requirements
- Principles of Accounting and Financial Reporting
- In-Kind Donations
- Station Activity Survey (SAS)
- Station Activities Benchmarking Survey (SABS)
- Local Content and Service Report
- NFFS Decision Charts PDF 110KB
- Source Criterion Ouick Reference Charts PDF 143KB

#### Additional Documents and Resources

- CPB's responses to IG Audits
- Estimating Your FY 2021 TV CSG PDF 86KB 1
- Estimating Your FY 2021 Radio CSG PDF 157KB
- FY 2021 Television Station Grant Calculations PDF 77KB

#### IAS Standard Method:

- IAS Standard Method Instructions PDF 160KB
  - IAS Standard Method Excel Spreadsheet PDF 14KB

#### Integrated Station Information Sustem

The CSG legal forms as well as reporting tools (AFR, FSR, SABS, and SAS) can be found on the integrated station information system.

#### Training

CPB provides pre-recorded and live training sessions on financial reporting, completing forms and CSG compliance. To view or sign up for training, visit our training site.

# CSG Resources https://www.cpb.org/stations

### CSG and ISIS Training Opportunities

We strongly encourage all station/licensee staff assigned to ISIS security groups to sign up for as many webinars and face-to-face workshops as needed to understand the use of ISIS, CSG compliance and certification, as well as how to complete CSG legal, financial, survey and other reporting forms. Inquiries related to SABS and SAS should be sent to SABS@cpb.org and SAS@cpb.org, respectively.

#### PDF Webinar Presentations

- 🔁 Slide Deck: Indirect Administrative Support (IAS): Standard Method, October 2020
- Slide Deck: CPB ISIS 101: Learning How to Use the Integrated Station Information System, September 2020
- 🔁 Slide Deck: Completing the FSR, September 2020
- 🔁 Slide Deck: CSG Requirements & Resources, September 2020
- 🔁 Slide Deck: Intro to Financial Reporting, January 2021
- 🔁 Slide Deck: What is NFFS?, February 2021

### Pre-Recorded Web-Based Training

- Pre-Recorded Indirect Administrative Support (IAS): Standard Method, October 2020
- Pre-Recorded CSG Requirements & Resources, September 2020
- Pre-Recorded Intro to Financial Reporting, January 2021
- Pre-Recorded 2019 Harassment Prevention Webinar
- Pre-Recorded Completing the FSR, September 2020
- Pre-Recorded SABS topics
- Pre-Recorded SAS topics
- Pre-Recorded New Radio CSG Policies topics
- · Pre-Recorded FY 2017 CSG Agreement and Certification of Eligibility Webinar
- Pre-Recorded What is NFFS? February 2021

#### Next Live Online Webinars

→ Completing the FSR: Feb. 10th, 2021 at 2:00 pm ET
 → Indirect Administrative Support: Standard Method:
 Feb. 17th, 2021 at 2:00 pm ET

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cpb