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**United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General**

Office of Audits

**Independent Accountants'
Report on the Application of
Agreed-Upon Procedures on
Indirect Cost Rates Proposed by
the National Committee on
United States-China Relations, Inc.**

Report Number AUD/CG-09-23, August 2009

IMPORTANT NOTICE

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Independent Accountants' Report on the Application of Agreed-Up
Procedures on Indirect Cost Rates Proposed by the National Committee on
United States–China Relations, Inc.

Report Number: AUD/CG-09-23, August 2009

L.F. Harris & Associates, CPA, P.A., performed the agreed-upon procedures under Department of State, Office of Inspector General, Contract No. S-AQMPPD-04-D-0044, and by acceptance the report becomes a product of the Inspector General.



Harold W. Geisel
Acting Inspector General

AUG 6 2009

Date

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Summary

At the request of the U.S. Department of State, Office of Inspector General (OIG), L.F. Harris & Associates, CPA, P.A., performed certain agreed-upon procedures to determine whether the indirect cost rates proposed by the National Committee on United States-China Relations, Inc. (NCUSCR), complied with applicable regulations. The period covered was the fiscal years ended December 31, 2007; September 30, 2006; September 30, 2004; and September 30, 2003.

We found NCUSCR's accounting system to be adequate for accumulating and reporting indirect costs under the provisions of Office of Management and Budget (OMB) Circulars A-122, codified at 2 CFR Part 230, *Cost Principles for Non-Profit Organizations*, and A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*.

Our review disclosed that for the four fiscal years, the indirect costs reported by NCUSCR contained errors and inconsistencies in its claimed rate calculations. We made appropriate adjustments, as summarized in the Results section of this report. We recommend that the Department of State accept and finalize the indirect cost rates for FYs 2007, 2006, 2004, and 2003 as we computed and presented in Table 2 of this report.

Background

NCUSCR was established as a tax-exempt organization that encourages public interest in an understanding of China and United States-China relations. NCUSCR is exempt from tax under Section 501(c)(3) of the Internal Revenue Code. NCUSCR's purpose is carried out through a program of exchanges with China and "Greater China" and through educational activities. Exchanges focus primarily on governance, development, education and culture, and communication. Educational activities build upon exchanges through conferences and meetings on related subjects, advisory services for organizations and individuals interested in participating in the exchange process, and information services. Effective October 1, 2006, NCUSCR changed its fiscal year-end from September 30 to December 31.

As shown in Table 1, NCUSCR entered into grant agreements with the Department during the fiscal years ended December 31, 2007; September 30, 2006; September 30, 2004; and September 30, 2003,

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Table 1. Grants Awarded to NCUSCR – FYs 2007, 2006, 2004, and 2003

Grant Number	Period of Grant	Amount of Grant
Mutual Educational and Cultural Exchange Act:		
S-ECAPE-02-GR-065(MA)	01/31/2002 - 12/31/2002	\$220,856
S-ECAPE-02-GR-246(MA)	08/15/2002 - 06/30/2004	362,000
S-ECAPE-03-GR-098(MA)	04/24/2003 - 02/28/2006	96,632
S-ECAPE-03-GR-117(MA)	04/24/2003 - 02/28/2006	96,901
S-CH500-06-GR-115	08/01/2006 - 09/21/2006	10,000
S-ECAPE-04-GR-137(MA)	06/29/2004 - 12/31/2006	143,578
S-ECAPE-04-GR-134(MA)	06/29/2004 - 12/31/2006	132,000
S-ECAPE-05-GR-159(MA)	08/19/2005 - 08/31/2008	167,560
S-ECAPE-07-GR-185(MA)	09/01/2007 - 12/31/2008	186,359
S-ECAPE-06-GR-194(MA)	09/07/2006 - 12/31/2008	175,282
S-ECAPE-07-GR-207(MA)	09/01/2007 - 12/31/2009	207,670
	Total Awards	\$1,798,838

The Department gave NCUSCR permission to use provisional indirect rates. Provisional rates are temporary rates used for funding and billing indirect costs pending the establishment of a final rate for a specified time period. The grants specify that NCUSCR is subject to the requirements of OMB Circulars A-110; A-122; and A-133, *Audits of States, Local Governments, and Non-Profit Organizations (Compliance Supplement)*.

Purpose, Scope and Methodology

The primary purpose of this agreed-upon procedures engagement was to determine whether NCUSCR’s indirect cost structure for fiscal years 2007, 2006, 2004, and 2003 complied with applicable regulations. We conducted the testing and assessment from February 22 to June 29, 2009.

OMB Circular A-122 establishes principles and standards for determining costs for federal awards carried out through grants, cost-reimbursement contracts, and other agreements with nonprofit organizations. The principles are for the purpose of cost determination and are designed to ensure that federal awards bear their fair share of costs.

The principles and standards of OMB Circular A-122 apply to both direct and indirect costs. A direct cost is a cost that can be identified specifically with a particular cost objective. Examples of direct costs include employee compensation and benefits, supplies, and travel. An indirect cost is a cost that cannot be identified with a single, final cost objective but is identified with two or more final cost objectives, one or more of which benefit federal programs. Such costs should be combined into groups or pools and should be distributed to benefiting final cost objectives in a manner that will produce an equitable result based on relative benefits derived.

We designed our approach to determine compliance with OMB Circular A-122, which describes selected cost items, allowable costs, and standard methodologies for calculating indirect cost rates for nonprofit organizations. The purposes of OMB Circular A-122 are to

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- ensure that the Federal Government bears its fair share of costs,
- identify allowable costs for determining the actual cost of federal programs, and
- establish policies and procedures for indirect cost allocation plans.

Our procedures included the following:

1. determining that charges to cost pools used in calculating indirect cost rates were mathematically accurate and supported by the grantee's accounting records and audited financial statements,
2. assessing the allowability and allocability of indirect costs by testing selected transactions to supporting documentation and inquiring about the nature and functions of activities included in the indirect cost pool,
3. assessing the causal and beneficial relationship between indirect costs and cost activities,
4. analyzing the allowability and allocability of accounts comprising NCUSCR's fringe benefit pool and calculating a recommended fringe benefit rate,
5. reviewing the general ledger to determine whether the grantee had income and credits and if they were credited to the indirect cost or fringe benefit pools as appropriate, and
6. inquiring about applicable fiscal year operations and assessing the impact of changes on the indirect cost rate structure.

Our approach to addressing the procedures was as follows:

1. We obtained an understanding of internal control over the subject matter of this engagement through inquiry and observation, performed an assessment of risk, and tested internal controls.
2. For direct costs, we determined whether the organization complied with the provisions of OMB Circular A-122 by
 - a. testing direct charges to federal awards for allowability and
 - b. verifying that unallowable costs determined to be direct costs were included in the allocation base for the purpose of computing an indirect cost rate.
3. We tested indirect costs to determine whether
 - a. the base used to distribute the approved allowable indirect cost was appropriate and reasonable and in accordance with the requirements of OMB Circular A-122;
 - b. the calculated indirect cost rate was

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Recommendation 1: We recommend that the Bureau of Educational and Cultural Affairs accept and finalize, as we have computed, the indirect cost rates for the fiscal years ended December 31, 2007; September 30, 2006; September 30, 2004; and September 30, 2003.



L.F. Harris & Associates, CPA, P.A.
Certified Public Accountants

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

U.S. Department of State
Office of Inspector General
Office of Audits
1700 North Moore Street
Arlington, VA 22209

We have performed certain agreed-upon procedures (the Procedures), as summarized in the Purpose, Scope and Methodology section of this report. The Procedures, which were agreed to by the Office of Inspector General, U.S. State Department, were performed solely to assist the Office of Inspector General, U.S. State Department in determining whether the NCUSCR's indirect cost rate structure complied with Office of Management and Budget Circular A-122 for the fiscal years ended December 31, 2007, September 30, 2006, September 30, 2004, and September 30, 2003.

The NCUSCR's management is responsible for compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, Generally Accepted Governmental Accounting Standards and guidance from the Office of Management and Budget. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the Procedures as described in the Scope and Methodology section of this report either for the purpose for which this report has been requested or for any other purpose. Our Test Procedures revealed one finding which is presented in the "Results of Review" section of this report along with the associated recommendations.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the total costs claimed. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the United States Department of State, Office of Inspector General, and should not be used by those who have not agreed to the Procedures, and taken responsibility for the sufficiency of the Procedures for their purposes.

L.F. Harris & Associates

L.F. Harris & Associates, CPA, P.A.

June 29, 2009
3012 E. Robinson St. • Orlando, Florida 32803 • 407-228-0560 • Fax 407-228-0166 • www.lfharris.com

Attachment A – Supporting Schedules

**NATIONAL COMMITTEE ON UNITED STATES-CHINA RELATIONS, INC.
STATEMENT OF DIRECT LABOR,
FRINGE BENEFITS, AND GENERAL OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2007**

	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
	(b) (4)(b) (4)
<u>Description</u>	(b) (4)(b) (4)
Total Direct Salaries	(b) (4)(b) (4)
	(b) (4)(b) (4)
Fringe Benefits	(b) (4)(b) (4)
FICA	(b) (4)(b) (4)
Medical Plan	(b) (4)(b) (4)
Pension Plan Expense	(b) (4)(b) (4)
Disability Benefits	(b) (4)(b) (4)
Unemployment Insurance	(b) (4)(b) (4)
Workers' Compensation	(b) (4)(b) (4)
Other	(b) (4)(b) (4)
Leave Benefits	(b) (4)(b) (4)
Total Fringe Benefits	(b) (4)(b) (4)
	(b) (4)(b) (4)
General Overhead	(b) (4)(b) (4)
Salaries Indirect	(b) (4)(b) (4)
Indirect Labor Fringe Benefits	(b) (4)(b) (4)
Staff Travel Expenses	(b) (4)(b) (4)
Board of Directors' Travel Expenses	(b) (4)(b) (4)
Publications	(b) (4)(b) (4)
Professional Fees	(b) (4)(b) (4)
Meetings and Conferences	(b) (4)(b) (4)
Rent	(b) (4)(b) (4)
Communications	(b) (4)(b) (4)
Postage and Messengers	(b) (4)(b) (4)
Office Supplies and Expenses	(b) (4)(b) (4)
Office Equipment Rentals and Maintenance	(b) (4)(b) (4)
Insurance	(b) (4)(b) (4)
Miscellaneous	(b) (4)(b) (4)
Depreciation and Amortization	(b) (4)(b) (4)
Computer Maintenance	(b) (4)(b) (4)
Total General Overhead	(b) (4)(b) (4)

The following tabulation summarizes the allowable overhead rates incurred by NCUSCR for the year ended December 31, 2007: Distribution Base:

General Overhead – direct payroll and fringe benefits	(b) (4)(b) (4)
Fringe Benefits – total salaries net of fringe benefits	(b) (4)(b) (4)
<u>Description</u>	(b) (4)(b) (4)
Fringe benefit rate	(b) (4)(b) (4)(b) (4)
Overhead rate	(b) (4)(b) (4)(b) (4)
Combined rate	(b) (4)(b) (4)(b) (4)
	(b) (4)(b) (4)(b) (4)

(1) Fringe benefits and salaries were reported by NCUSCR as a single category.
(2) Accrued leave was understated by NCUSCR

Attachment A: (Continued)

NATIONAL COMMITTEE ON UNITED STATES-CHINA RELATIONS, INC.
 STATEMENT OF DIRECT LABOR,
 FRINGE BENEFITS, AND GENERAL OVERHEAD
 THE YEAR ENDED SEPTEMBER 30, 2006

	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
<u>Description</u>	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Total Direct Salaries	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Fringe Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
FICA	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Medical Plan	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Pension Plan Expense	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Disability Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Unemployment Insurance	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Workers' Compensation	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Other	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Leave Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Total Fringe Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
General Overhead	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Salaries Indirect	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Indirect Labor Fringe Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Staff Travel Expenses	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Board of Directors' Travel Expenses	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Publications	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Professional Fees	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Meetings and Conferences	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Rent	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Communications	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Postage and Messengers	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Office Supplies and Expenses	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Office Equipment Rentals and Maintenance	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Insurance	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Miscellaneous	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Depreciation and Amortization	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Computer Maintenance	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Total General Overhead	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)

The following tabulation summarizes the allowable overhead rates incurred by NCUSCR for the year ended September 30, 2006: Distribution Base:

General Overhead – direct payroll and fringe benefits	(b) (4)(b) (4)
Fringe Benefits – total salaries net of fringe benefits	(b) (4)(b) (4)
	(b) (4)(b) (4)
	(b) (4)(b) (4)

<u>Description</u>	
Fringe benefit rate	(b) (4)(b) (4)(b) (4)
Overhead rate	(b) (4)(b) (4)(b) (4)
Combined rate	(b) (4)(b) (4)(b) (4)
	(b) (4)(b) (4)(b) (4)

- (1) Fringe benefits and salaries were reported by NCUSCR as a single category.
- (2) Accrued leave was understated by NCUSCR

Attachment A: (Continued)

NATIONAL COMMITTEE ON UNITED STATES-CHINA RELATIONS, INC.
 STATEMENT OF DIRECT LABOR,
 FRINGE BENEFITS, AND GENERAL OVERHEAD
 FOR THE YEAR ENDED SEPTEMBER 30, 2004

	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
<u>Description</u>	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Total Direct Salaries	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Fringe Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
FICA	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Medical Plan	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Pension Plan Expense	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Disability Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Unemployment Insurance	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Workers' Compensation	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Other Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Leave Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Total Fringe Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
General Overhead	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Salaries Indirect	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Indirect Labor Fringe Benefits	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Staff Travel Expenses	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Board of Directors' Travel Expenses	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Publications	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Professional Fees	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Meetings and Conferences	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Rent	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Communications	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Postage and Messengers	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Office Supplies and Expenses	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Office Equipment Rentals and Maintenance	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Insurance	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Temporary Outside Services	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Miscellaneous	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Depreciation and Amortization	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Computer Maintenance	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)
Total General Overhead	(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)(b) (4)

The following tabulation summarizes the allowable overhead rates incurred by NCUSCR for the year ended September 30, 2004: Distribution Base:

General Overhead – direct payroll and fringe benefits	(b) (4)(b) (4)
Fringe Benefits – total salaries net of fringe benefits	(b) (4)(b) (4)
	(b) (4)(b) (4)
	(b) (4)(b) (4)

<u>Description</u>	(b) (4)(b) (4)
Fringe benefit rate	(b) (4)(b) (4)
Overhead rate	(b) (4)(b) (4)
Combined rate	(b) (4)(b) (4)
	(b) (4)(b) (4)

(1) Fringe benefits and salaries were reported by NCUSCR as a single category.

Attachment A: (Continued)

NATIONAL COMMITTEE ON UNITED STATES-CHINA RELATIONS, INC.
STATEMENT OF DIRECT LABOR,
FRINGE BENEFITS, AND GENERAL OVERHEAD
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Table with 12 columns of redacted data (b) (4)(b) and rows for Description, Total Direct Salaries, Fringe Benefits (FICA, Medical Plan, Pension Plan Expense, Disability Benefits, Unemployment Insurance, Workers' Compensation, Other Benefits, Leave Benefits), Total Fringe Benefits, General Overhead (Salaries Indirect, Indirect Labor and Fringe Benefits, Staff Travel Expenses, Board of Directors' Travel Expenses, Publications, Professional Fees, Meetings and Conferences, Rent, Communications, Postage and Messengers, Office Supplies and Expenses, Office Equipment Rentals and Maintenance, Insurance, Temporary Outside Services, Miscellaneous, Depreciation and Amortization, Computer Maintenance), Total General Overhead.

The following tabulation summarizes the allowable overhead rates incurred by NCUSCR for the year ended September 30, 2003: Distribution Base:

Table with 2 columns: Description and Rate. Rows: General Overhead - direct payroll and fringe benefits (b) (4)(b) (4), Fringe Benefits - total salaries net of fringe benefits (b) (4)(b) (4).

Table with 2 columns: Description and Rate. Rows: Fringe benefit rate (b) (4)(b) (4), Overhead rate (b) (4)(b) (4), Combined rate (b) (4)(b) (4).

(1) Fringe benefits and salaries were reported by NCUSCR as a single category.

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