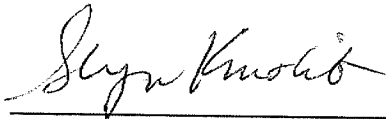


Certification of Indirect Costs

According to the rules issued by the State of Texas Governor's Office @TAC 5.86 (f) "A regional planning commission may not spend more than 15 percent of its total expenditures on indirect costs. For the purpose of this subsection, the regional planning commission's capital expenditures and any subcontracts, pass-throughs, or subgrants may not be considered in determining total expenditures. In this subsection, "pass-through funds" means funds, including subgrants or subcontracts, that are received by a regional planning commission from the federal or state government or other grantor for which the regional planning commission serves merely as a cash conduit and has no administrative or financial involvement in the program, such as contractor selection, contract provisions, contract methodology payment, or contractor oversight and monitoring."

This statement is to hereby certify the indirect costs for the East Texas Council of Governments for the budgeted period ending September 30, 2007 according to the aforementioned rule. **The East Texas Council of Governments indirect costs are budgeted at less than 3% of allowable expenditures for the period ending 9-30-07.**



**Signed: Glynn Knight, Executive Director
East Texas Council of Governments**



**Signed: Judy Durland, CGFM, CPA
Director of Finance
East Texas Council of Governments**