**COST ALLOCATION PLAN**

**Purpose**: The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures your agency uses to allocate costs to various programs, grants, contracts and agreements.

Salaries - Documented with timesheets showing time distribution for all employees and allocated based on time spent on each program or grant. Salaries are charged directly to the program for which work has been done.

Fringes (FICA, UC, and Worker’s Compensation) - Allocated in the same manner as salaries. Health insurance, dental insurance, life & disability and other fringe benefits are also allocated in the same manner as salaries. Vacation, holiday, and sick pay are allocated in the same manner as salaries.

Staff Development – Allocated to the program benefiting from the training. Costs that benefit more than one program will be allocated based on the FTE percentage charged to those programs.

Travel Costs - Allocated based on purpose of travel. All travel costs are charged directly to the program for which the travel was incurred. Costs that benefit more than one program will be allocated based on the FTE percentage charged to those programs.

Equipment Purchases/Tangible Property - Equipment used solely by one program is charged directly to the program using the equipment. Costs that benefit more than one program will be allocated based on the FTE percentage charged to those programs.

Transportation-Recipient/Vehicle Maintenance – Allocated based on the purpose of the transportation. Transportation costs used solely by one program is charged directly to the program benefiting from the transportation. Costs that benefit more than one program will be allocated based on the purpose of the transportation provided.

Cost of Space - The cost of renting space is allocated based upon the number of FTEs working on each project as follows:

**Allocation based on FTEs:**There are 5 FTEs employed on Project A and 8.5 FTEs employed on project B. The Center for Penguin Research is located in Alaska (off campus) and pays $5,500 in rent each month. These are the only two grants that are performed and managed at this site. Project A should be charged $2,037.04 (5/13.5 x $5,500) and Project B should be charged $3,462.96 (8.5/13.5 x $5,500).

**OR**

Cost of Space - The cost of renting space is allocated based upon total square footage as follows:

**Allocation based on square footage:***The salary of a student assistant cleaning glassware in two laboratories that are conducting similar research proportionately allocated based upon the square footage of the two laboratories.*

A student is paid a salary of $1,200 a month to clean glassware in two laboratories that are conducting similar research. *Note*: The only research performed in Lab A is on Grant A and the only research performed in Lab B is research on Grant B. In this example, the square footage of the laboratories could be used as a reasonable basis. Lab A is 1,400 square feet and Lab B is 1,000 square feet. Lab A should be charged $700 (1,400-sq. ft/2,400 sq. ft x $1,200) and Lab B should be charged $500 (1,000-sq. Ft/2,400 sq. ft x $1,200).

Service Payments (Assistance to Individuals) – Expenses are charged directly to the program serving that individual.

Program Supplies or Office Supplies - Allocated to the program benefiting from the service. Costs that benefit more than one program will be allocated based on the FTE percentage charged to those programs.

Telephone/Communications - Long distance and local calls are charged to programs if readily identifiable. Other telephone or communications expenses that benefit more than one program will be allocated based on the FTE percentage charged to those programs.

Postage - Allocated based on usage. Expenses used for a specific program will be charged directly to that program to the extent possible. Costs that benefit more than one program will be allocated based on the FTE percentage charged to those programs.

Insurance - Insurance needed for a particular program is charged directly to the program requiring the coverage. Other insurance coverage that benefits all programs is allocated based on the FTE percentage charged to those programs.

Professional Services Costs (such as interpreters, consultants and accounting services) - Professional service costs are charged directly to the program for which the service was incurred. Costs that benefit more than one program will be allocated based on the FTE percentage charged to those programs.

Audit Costs – Identifiable direct audit costs are charged directly to the program. Audit costs that benefits all programs are allocated based on the FTE percentage charged to those programs.

Copying/Printing Costs - Charged directly to the program for which the service was incurred. Costs that benefit more than one program will be allocated based on the FTE percentage charged to those programs.

Other Costs (subscriptions, background checks, driver’s education, food & provisions, parking, registration fees, etc.) - Expenses are charged directly to programs that benefit from the service. Costs that benefits all programs are allocated based on the FTE percentage charged to those programs.

**Certificate of Cost Allocation Plan**

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish cost allocations or billings for [identify period covered by plan] are allowable in accordance with the requirements of this Part and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the Federal awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

Organization: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of Official (printed): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Execution: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signed by the official having the authority to negotiate cost allocation plans for the organization, or by a higher level official.)