

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
EMERGENCY SHELTER GRANTS PROGRAM (ESGP)**

SAMPLE COST ALLOCATION PLAN

A cost allocation will be used to document, identify, and allocate all allowable costs of ABC Services. The allocations will be charged to cost centers and/or programs. When an allocation can be assigned directly to a program or cost center, the allocation shall be made in that manner. It will recognize all costs that are charged to the agency and not just the cost charged to federal or state programs.

When expenses are general in nature (not specific to a program), the allocation will be made through the use of a basis which is equitable to all cost centers and programs.

Allowable costs – costs incurred by ABC Services that are allowable and chargeable to a federal or state award or program.

Direct Costs – costs that are identifiable specifically to a particular cost center or program.

Indirect Costs – costs that are incurred for common or joint programs and that cannot be readily identified with a particular cost center or program.

Unallowable Costs – costs that are incurred by ABC Services but for some reason are unallowable charges to a federal or state award or program.

Basis which will be used for the allocation of costs include:

1. Total direct cost (excluding capitol expenditures).
2. Direct salaries and wages.
3. Direct staff hours applied to the cost center or program.
4. Square footage used (allocation for office space).
5. Number of documents processed.
6. Population served.
7. Miles driven and/or days used.

Cost Center
Salaries

Allocation of Cost Method

Direct hours per employee actual cost.

1. All employees will keep time record sheets.
2. The time record sheet will reflect the actual hours worked by the program on a daily basis.
3. Employees who are not specific to a program, and represent all programs will be charged to administrative salaries except for fundraising costs or other non-allowable costs.
4. Administrative salaries, except for fundraising or other non-allowable costs, when not directly charged to program, the allocation will be based on a percentage of the programs direct salary cost.

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| <u>Fringe Benefits</u> | <u>Direct hours per employee actual cost. Fringe benefits will be allocated on the same basis as salaries.</u> |
| <u>Accounting/ Legal Fees</u> | <u>Directs cost divided by the number of cost centers/programs.</u> Legal expenses required in the administration of federal or state programs are allowable and will be charged to the program requiring the legal expense. All other legal expenses will be charged to undesignated general operating funds. |
| <u>Rent</u> | <u>Square Footage usage by cost center program.</u> 1. Rent will be allocated to programs based on square footage of space occupied by a specific program. 2. When paying for space not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Client Documents</u> | <u>Direct cost of number of documents processed/requested.</u> When paying for documents not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Recruitment/Screening</u> | <u>Direct cost by cost center/program.</u> When paying for recruitment/screening not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Office Supplies</u> | <u>Direct cost by cost center/program.</u> When paying for supplies not directly charged to a program, the allocation will be based on percentage of the programs dire cost. |
| <u>Postage</u> | <u>Direct cost by number of documents processed by cost center/program as recorded by assigned postage meter codes.</u> When paying for postage not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Copier</u> | <u>Direct cost by number of documents processed by cost center/program as recorded by assigned copy tracking codes.</u> When paying for copier not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |

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| <u>Computer</u> | <p><u>Direct cost and/or by program code on network.</u> When paying for computers not directly charged to a program, the allocation will be based on percentage of the programs use of the computer.</p> |
| <u>Printing</u> | <p><u>Direct cost by number of cost centers/programs.</u> When paying for printing not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost.</p> |
| <u>Dues</u> | <p><u>Direct cost to general administration, not allocated by program.</u> When paying dues not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost.</p> |
| <u>Advertising</u> | <p><u>Direct cost by number cost centers/programs.</u> When paying for advertising not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost.</p> |
| <u>Meals and Entertainment</u> | <p><u>Direct cost and/or divided by the number of cost centers/programs.</u> When paying for meals or entertainment not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost.</p> |
| <u>Utilities</u> | <p><u>Direct cost and/or divided by the number of cost center/programs.</u> When paying for utilities not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost.</p> |
| <u>Telephone</u> | <p><u>Direct cost and/or divided by the number of cost centers/programs.</u> When paying for telephone not directly charged to a program, the allocation will be based on the percentage of the programs direct salary cost.</p> |
| <u>Equipment</u> | <p><u>Direct cost by cost center or program.</u> When paying for equipment not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost.</p> |
| <u>Repair and Maintenance</u> | <p><u>Direct cost by cost center or program.</u> When paying for repairs or maintenance not directly charged to a program, the allocation will be based on percentage of the programs direct benefit.</p> |

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| <u>Seminars and Travel</u> | <u>Direct cost by cost center or program.</u> When paying for seminars/travel not directly charged to a program, the allocation will be based on percentage of the programs direct benefit. |
| <u>Lodging</u> | <u>Direct cost by cost center or program.</u> When paying for lodging not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Local Travel</u> | <u>Miles driven by cost center.</u> When Paying for the local travel not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Food</u> | <u>Direct cost and/or by number of cost centers/programs.</u> When paying for food not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Cleaning Supplies</u> | <u>Direct cost and/or by number of cost centers/programs.</u> When paying cleaning supplies not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Kitchen Supplies</u> | <u>Direct cost and/or by number of cost centers/programs.</u> When paying for kitchen supplies not directly charged to a program, the allocation will be based on percentage of the programs direct salary cost. |
| <u>Insurance</u> | <u>Direct cost and/or divided by the number of cost centers/programs.</u> When paying for insurance not directly charged to a program, the allocation will be based on percentage of the programs direct benefit. Re: auto coverage & general liability insurance. |

When ABC Services provides services and programs that are not funded by a specific grant, such costs incurred by these programs or services such as salaries, fringe benefits, accounting fees, legal fees, rent, client documents, recruitment/screening, office supplies, postage, copier, computer, printing, dues, advertising, meals and entertainment, utilities, telephone, and kitchen supplies are paid for from general funds. Any income from these programs is recorded in the general fund to pay for the mentioned cost.

Expenses incurred for fundraising purposes are paid directly from general funds.