

SouthEastern Arizona Community Action Program, Inc.
Cost Allocation Plan
SFY 2017

Bases of Allocation

Personnel -	
Salaries -	Direct labor hours.
Employee Related Expense -	Direct labor hours.
Professional & Outside Services -	
Legal Services -	Research and consultation hours.
Audit -	Direct Audit hours.
Bank Charges -	Quarterly Banking Fees
Travel -	
Employee Mileage -	Direct number of miles.
Employee Per Diem -	Dollar value of motel and meal expenses.
Maintenance and Fuel -	Direct labor hours and number of gallons of fuel.
Vehicle Insurance -	Dollar value of insurance premiums.
Space -	
Office Rent -	Square footage of occupied space.
Utilities -	Square footage of occupied space.
Equipment -	
Copies -	Dollar value of sales price.
Facsimile Machine -	Dollar value of sales price.
Computer Equipment -	Dollar value of sales price.
Maintenance Contracts -	Dollar value of sales price.
Data Processing -	Dollar value of software maintenance.
Materials and Supplies -	
Office Supplies -	Dollar value of sales price.
Postage -	Number of mailed items.
Operating Services -	
Telephone -	Number of instruments.
General Liability Insurance -	Dollar value of insurance premium.
Board of Directors Insurance -	Dollar value of insurance premium.
Property Insurance -	Dollar value of insurance premiums.
Vouchers -	Dollar value of contracted services.

Service Cost Allocation To Fund Source

Personnel

- Salaries - Daily service hours as recorded on agency time sheets to document a systematic method of time allocation. A two week sample of agency time sheets was used to estimate service percentages.
- Employee Related Expenses - Service percentages consistent with those developed for salaries are used for employee related expenses.

Professional and Outside Services

- Audit - Audit costs are based on accountants' bids. The accountant maintains billing records based on the percentage of service transactions tested. Service percentages are determined by dividing the number of audit hours per service by the total number of audit hours.

Travel

- Employees Mileage - Mileage expenses incurred for a single purpose are charged to the appropriate fund source. However, for those trips that serve two or more services, estimates of mileage attributable to those services are used to compute mileage costs. Mileage estimates are developed by the Fiscal Officer.
- Employee Per Diem - SEACAP per diem rates are based on \$5.00 – breakfast, \$6.00 – lunch and \$9.00 – dinner for a total of \$20.00 per day. Functional purposes based on meetings content are identified and per diem costs are assigned to the appropriate fund sources. The percentages of topics content generally is used as a basis for allocating service costs. The Fiscal Manager reviews meeting announcements to estimate the percentage of specific service topics to the entire meeting schedule. For example, a meeting agenda lists 10 items. Of those 10 items, 6 pertain to CSBG. Consequently, 60% of the travel costs would be assigned to CSBG.
- Maintenance and Fuel - All of SEACAP's vehicles are used for a specific purpose. Therefore, costs are charged 100% to the appropriate fund sources.
- Vehicle Insurance - Costs are easily identifiable and are charged 100% to the appropriate service.

Space

- Office Rent - Space costs are charged based on the percentages of space occupied by those services. The space percentages are based on prior periods utilization and are reviewed annually.
- Utilities - The consumption of utility services is closely related to the percentages computed for space costs. Therefore, utility costs will be computed by the same method as space costs.

Equipment

- Copiers - Daily program specific copies records are maintained to provide a basis for allocating percentage share of costs.
- Facsimile Machine - Direct service hours are recorded for all facsimile transmissions. The specific service hours are divided by the total hours to derive a source allocation. For example, if the monthly lease was \$150.00, then \$90.00, \$15.00 and \$45.00 would be allocated to CSBG, Utility Services and Weatherization, respectively.

	Direct Hours	Allocation Percentage
CSBG	66	60%
Utility Service	11	10%
Weatherization	33	30%
Total	110	100%

- Computer Equipment - Computers are used to perform a variety of tasks. The allocation of costs is closely related to the number of full time equivalencies providing particular services. The costs are based on the service percentage of FTEs.
- Maintenance Contracts - Equipment maintenance costs are easily identifiable to maintenance contracts. Costs are assigned in the same method as the related equipment leases and/or purchases.

Materials and Supplies

- Office Supplies - Office supplies requisitions are used to assign program costs. Special order supplies purchased for specific programs are charged 100% to those services. Other supplies are prorated to various services divided by the total number of FTEs.
- General Items - General items costs are distributed to fund sources using a sampling of the cash disbursement journal entries. Allocation percentages are developed by taking the number of services entries divided by the total number of entries.
- Postage - A two month sampling of postage usage was conducted to provide a basis of cost allocation. The actual usage figures are converted to services percentages that are multiplied by postage costs to provide an allocation basis.

Vouchers Vouchers are issued for specific services and are easily identifiable and chargeable to the respective services.

Operating Services

- Telephone - Monthly charges are allocated to services based on the computed percentage of usage. The distribution of costs is developed using a two month sampling of employees timesheets to ascertain percentages of personnel time devoted to services. Those percentages provide a viable basis for assigning program costs.
Long distance calls are recorded on telephone logs that identify the specific services for which the calls were placed. The logs provide a reliable basis of direct charges to the appropriate services.
- General Liability Insurance - Insurance costs are charged to various fund sources based on the relative claim probabilities at different service activities. Weighted liability factors based on previous claims experience are used to allocate costs.
- Board of Directors Insurance - Insurance costs are charged to various fund sources based on the relative claim probabilities of different service activities. Weighted liability factors based on previous claims experience are used to allocate costs.
- Property Insurance - Insurance costs are assigned to specific services based on the percentages derived for space utilization.