|  |
| --- |
| ALLOCATION OF COSTS |
| 9213.1 Illustration |
| Common Cost Allocation Methods |
| Method A-To Allocate Indirect Costs Using Rate Determined By Personal Services and/or Total Costs (Program 10) |
| Total personal services costs per program (Program 10) | or | Total costs per program (Program 10) | = | Allocation Percentage | X | Indirect costs (includes administration costs) | = | Indirect costs charged to program (Program 10) |
| Total personal services costs for all programs (Programs 10, 20 & 30) | Total costs for all programs (Program 10, 20 & 30) |
| Method B-To Allocate Indirect Costs Using Rate Determined By Hours (Program 10) |
| Total hours for a program (Program 10) | = | Allocation Percentage | X | Total unit costs | = | Total costs charged to a program (Program 10) |
| Total hours for all programs (Programs 10, 20 & 30) |
| Method C-To Allocate Indirect Costs Using Other Methods (Such as Square Footage Used for Program 10) |
| Total square feet used by program (Program 10) | = | Allocation Percentage | X | Total rent (or other organization costs) | = | Total rent costs (or other organization costs) charged to a program (Program 10) |
| Total square feet used by all programs (Program 10, 20 & 30) |