



# **Burlington Community Action Partnership Cost Allocation Plan**



# Burlington Community Action Partnership Cost Allocation Plan

## Purpose/General Statements

The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that this organization will use to allocate costs to various programs, grants, contracts and agreements.

This cost allocation plan has been developed by BCAP to fairly and equitably allocate shared costs to all of the programs benefitting from those costs.

As per Uniform Guidance 45 CFR Part 75, Burlington Community Action Partnership, Inc. (BCAP) is doing its allocation to assign a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. This process entails assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

BCAP complies with the cost principles when allocating costs. The Cost Principles detail the circumstances under which costs are allowable under a federal award. These cost principles are in accordance with the Uniform Guidance 45 CFR Part 75 Subpart E. Additional information related to cost allocation plans and indirect cost agreements as per Appendices III – VII to Part 75 are being followed and applied. BCAP's cost allocation plans are certified by the CEO or Chief Financial Officer (CFO).

Costs are segregated between "direct" and "indirect" costs of delivering the specific programs. Direct costs are those costs that can be identified specifically with a particular final cost benefit or objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. Indirect costs are those costs incurred for common or joint purpose benefitting more than one cost objective, and cannot readily be assigned or identified with a particular cost objective, specifically benefitting, without effort disproportionate to the results achieved.

Only costs that are allowable, in accordance with the cost principles, will be allocated to benefiting programs by Burlington Community Action Partnership.



## General Approach

The general approach of Burlington Community Action Partnership in allocating costs to particular grants and contracts is as follows:

- A. All allowable direct costs are charged directly to programs, grants, activity, etc.
- B. Allowable direct costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the particular cost being prorated.
- C. All other allowable general and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated to programs, grants, etc. using a base that results in an equitable distribution.

### **Determining Allowability:**

- 1) Allowability of costs is accorded consistent treatment throughout Burlington County Community Partnership, Inc. To be allowable under an award, costs should be reasonable, necessary and allocable. This must meet the following general criteria:
  - a) Be reasonable for the performance of the award and be allocable thereto under these principles.
  - b) Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
  - c) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of Burlington Community Action Partnership, Inc.
  - d) Be accorded consistent treatment.
  - e) Be determined in accordance with generally accepted accounting principles (GAAP) in the U.S.
  - f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
  - g) Be adequately documented.



## ALLOCATION OF COSTS

The following information summarizes the procedures that will be used by Burlington Community Action Partnership, Inc. (BCAP) beginning 3/1/2019. BCAP shall use the following methods to charge specific elements of costs to Federal or state awards as direct or indirect costs:

- A. Salaries and Wages – Salaries and wages shall be charged directly and indirectly based upon the functions performed by each employee, as documented on the respective employee’s timesheet as follows:
- Direct Costs – Non-Administrative staff shall charge their time directly since their work is specifically identifiable to specific grants or other (non-federal) programs or functions of the organization.
  - Indirect Costs – Administrative staff shall charge 100 percent of their salary costs indirectly.
- Compensated absences (vacation leave earned, sick leave used, and holiday pay) shall be included in salary costs. BCAP accounting system shall record salaries associated with compensated absences as a direct or indirect cost in the same manner that salary costs are recorded.
- B. Employee Benefits – shall include the following statutory and non-statutory fringe benefits:
- FICA
  - Unemployment Insurance
  - Worker’s Compensation
  - Health Insurance
  - Profit Sharing Plan Contributions (if applicable)
- C. Travel Costs - Allocated based on purpose of travel. All travel costs (local and out-of-town) are charged directly to the program for which the travel was incurred. Travel costs that benefit more than one program will be allocated to those programs based on the ratio of each program’s salaries to the total of such salaries. Travel costs that benefit all programs will be allocated based on the ratio of each program’s salaries to total salaries (time and effort).
- D. Professional Services Costs (such as consultants, accounting and auditing services) - Allocated to the program benefiting from the service. All 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 to those programs based on the ratio of each program’s salaries to the total salaries. Costs that benefit all programs will be allocated based on the ratio of each program’s salaries to total salaries (time and effort).
- E. Office Expense and Supplies (including office supplies and postage) - Allocated based on usage. Expenses used for a specific program will be charged directly to that program. Postage expenses are charged directly to programs to the extent possible. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program’s salaries to the total salaries.





- F. Depreciation – Burlington Community Action Partnership depreciates equipment when the initial acquisition cost exceeds \$5,000. Items below \$5,000 are reflected in the supplies category and expensed in the current year. Unless allowed by the awarding agency, equipment purchases are recovered through depreciation. Depreciation costs for allowable equipment used solely by one program are charged directly to the program using the equipment. If more than one program uses the equipment, then an allocation of the depreciation costs will be based on the ratio of each program's square footage to the total square footage.
- G. Information technology - All computer and network maintenance and special services are allocated to the program benefiting from the service. Costs that benefit more than one program will be allocated to those programs based on the actual square footage to total square footage.
- H. Printing cost (including supplies, maintenance and repair) - Printing costs shall include all paper and copy supplies, copier maintenance charges, and the actual lease cost or depreciation expense of the copier. Expenses are charged directly to programs that benefit from the service. Expenses that benefit more than one program are allocated based on the actual usage as distributed to each program and for the allocation made to admin, this is allocated based on the ratio of actual square footage divided by the total square footage.
- I. 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 ratio of each program's square footage to total square footage.
- J. 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 to those programs based on the number of telephones/communication used per program.
- K. Facilities Expenses - Allocated based upon usable square footage. The ratio of total square footage used by all personnel to total square footage is calculated. Facilities costs related to general and administrative activities are allocated to program based on the ratio of program square footage to total square footage (see example 5).
- L. Training/Conferences/Seminars – Allocated to the program benefiting from the training, conferences or seminars. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries. Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries.
- M. Other Costs (including dues, licenses, fees, etc.) - Other joint costs will be allocated on a basis determined to be appropriate to the particular costs, either square footage or time and effort.



- N. Unallowable Costs – Costs that are unallowable in accordance with OMB Circular A-122, including alcoholic beverages, bad debts, advertising (other than help-wanted ads), contributions, entertainment, fines and penalties. Lobbying and fundraising costs are unallowable, however, are treated as direct costs and allocated their share of general and administrative expenses.

